

## DFID Multilateral Aid Review 2013 Update – UNICEF Response and follow up

UNICEF welcomes the findings of the 2013 update of the UK’s Multilateral Aid Review (MAR) and would like to thank DFID for the highly consultative process in which it has implemented this review. We are pleased with the overall positive assessment of UNICEF’s performance on the identified reform priorities, particularly in the areas of humanitarian leadership, contribution to results, cost and value consciousness, and partnership behavior. We also welcome the progress noted in strengthening transparency and accountability.

This progress update clearly demonstrates further advancement along the value for money continuum, as well as highlighting UNICEF’s critical role in development and humanitarian action. We would like to convey our gratitude to the people of the United Kingdom and to DFID for the excellent partnership and for the confidence in our ability to deliver results for children.

We recognize that there are areas where UNICEF can further strengthen our performance, and we are continuously striving to improve our operations. The below matrix highlights the key actions UNICEF is planning or implementing to maximize value for money in our work to protect the rights and improve the lives of millions of the world’s poorest and most vulnerable children.

DFID reform priorities for UNICEF	The key priorities for UNICEF going forward should be to:	Actions planned
Contribution to results	<ol style="list-style-type: none"> <li>1) Mainstream emergency analysis, planning and response into longer term country operations;</li> <li>2) Enable the delivery of an effective response to humanitarian disasters for all areas of its mandate including through timely fund disbursement to partners;</li> <li>3) Translate investments made to date in HR processes and clusters into tangible improvements on the ground and promote Fund-wide accountability for leadership and coordination in emergencies;</li> </ol>	<ol style="list-style-type: none"> <li>1. Mainstreaming humanitarian action into regular programming is an integral part of the new Strategic Plan: 2014-2017. UNICEF will integrate emergency analysis, planning and response into regular country programme plans and analysis. This will be done by working to strengthen UNICEF’s emergency preparedness, build resilience and reduce risks in all phases of a country programme and by advocating for more flexible funding for both humanitarian and development contexts.</li> </ol> <p>UNICEF has initiated a process to Strengthen Humanitarian Action (SHA) across UNICEF. Started in 2013, the process will achieve a shared understanding of UNICEF’s approach to humanitarian action and how it can be adapted and be fit for purpose in different programme environments, strengthening preparedness and integrating humanitarian and development work to promote resilience. The process will also define a re-focused partnership</p>

4) Demonstrate the outcomes of investments in humanitarian emergencies.

strategy, placing more emphasis on emerging partners, capacity building, systems and structures to help reduce vulnerability; and come to overall agreement on how humanitarian action is positioned in UNICEF and take decisions on appropriate levels of investments.

2. In 2013, a process to measure the efficiency and effectiveness of UNICEF's work was initiated. Among other key areas, high priority transaction and business processes have been identified for simplification and an implementation plan developed. In addition, strategies to improve surge in times of crisis is in development. In humanitarian action, UNICEF will also invest in mechanisms to make itself more accountable to affected populations.

Business transactions and emergency response will continue to be simplified through the implementation of Level 2 and 3 emergency operating procedures. These enable fast track procedures for emergency situations. Expedited procedures in country offices for emergency situations will continue to be promoted and tracked.

3. Investments will continue to be made to strengthen HR processes, cluster leadership and domestication of the inter-agency Transformative Agenda, to promote efficiency and more coherent approach to surge capacity and leadership are under development.

As part of the organisational initiative to improve efficiency and effectiveness, a plan is being developed to strengthen and rationalise surge support, develop fair staff-rotation policies for people in hardship duty-stations and improve the wellbeing and security of staff in emergencies.

In 2013, UNICEF undertook an evaluation of its leadership of Global Clusters, and a management response and implementation plan is in development. UNICEF is also supporting the implementation of the inter-agency cluster performance monitoring system, which is able

		<p>to show relative levels of effectiveness among clusters and UNICEF's leadership.</p> <p>4. Improvements to UNICEF's humanitarian action will be measured through continuous performance monitoring, Real Time Evaluations and tracking humanitarian indicators in the Strategic Plan. Assessments of UNICEF's action in the crises in the Sahel and Horn of Africa (2011/12), Syria and the Philippines (2013/14) will show what investments have proved worthwhile and what improvements still need to be undertaken. A review of its procedures for response in Level 3 emergencies and its humanitarian learning strategy will be undertaken to build on lessons from recent experiences in humanitarian preparedness and responses.</p>
<p>Strategic performance Management</p>	<p>5. Further strengthen its new Results Framework, establish baselines and targets and measure outputs attributable to UNICEF;</p> <p>6. Strengthen its theory of change for the Strategic Plan, i.e. explain the causal relationships between different levels of result and be clear about the underlying assumptions;</p> <p>7. Strengthen its results reporting by reporting annually against the indicators and targets in the Results Framework and identifying lessons learned with clear steps for how to use these to manage for better effectiveness and efficiency.</p>	<p>5. UNICEF has introduced a new results framework as a part of its Strategic Plan 2014-2017. That framework is currently being further strengthened through consultations at country level with programme partners, which in turn will lead to further consultations with stakeholders globally prior to finalization by June 2014. Result statements and indicators are being refined, baselines are being measured, and targets are being agreed. UNICEF's corporate reporting including the annual report on the strategic plan will focus on the new results framework from 2015 onwards (reporting on calendar year 2014).</p> <p>6. The Theory of Change for the Strategic Plan is being reviewed and refined as part of the process described in 4 above. The final version will include a clear narrative on the relationship between outputs, outcomes and impact level results as well as the UNICEF Implementation strategies contribution to UNICEF outputs and national results.</p> <p>7. Results reporting on 2014 will still be on the basis of the MTSP (which ends 31 December 2013). Major efforts have been</p>

		<p>undertaken to further refine and revise (where appropriate) results at country level with sharper definition of indicators to monitor progress and report both at country level and allow global aggregation of results.</p>
<p>Cost and value consciousness</p>	<p>8. Continue to demonstrate evidence of commitment to value for money and cost control, including at country level;</p> <p>9. Challenge and support UNICEF development partners on value for money.</p>	<p>8. UNICEF will continue to emphasize its commitment to value for money and cost control at HQ, regional and country levels. The integrated budget will ensure a more informed and rigorous assessment of value for money. UNICEF requires country office annual reports to report on progress around value for money, cost efficiencies and savings. This feature will continue. Lastly, through the Organizational Efficiency &amp; Effectiveness initiative, additional avenues for cost control and efficiency are being sought.</p> <p>In addition, a fundamental principle of the Integrated Budget is that resource requirements are classified and attributed to the programme and management results to which they contribute UNICEF. In the interest of continuing transparency, UNICEF discloses operational costs in its Financial Statements to provide readers with a complete understanding of the total operational costs incurred by the organization in the delivery of both its programme and management results.</p> <p>9. New guidelines have just been issued for “Partnership Cooperation Agreements” (PCA) which explicitly draw attention to the overall importance of value for money in deciding on whether or not to enter into a partnership, as well as to cost effectiveness considerations of individual proposed investments within a partnership.</p>
<p>Partnership Behavior</p>	<p>10. Continue to act on its commitment to UN Coherence with a focus on achieving results on the ground;</p>	<p>10. UNICEF takes note of the future priorities related to UN coherence identified in the 2013 MAR update. UNICEF will continue to deliver on these recommendations, along with other UN partners, as these are important areas for all agencies committed to UN coherence in</p>

	<p>11. Dedicate efforts to UN Coherence at the country level, including support to DaO, and using lessons to set targets for how to further improve.</p>	<p>an evolving context of resource constraints and increasing demands for demonstrating agency attributable results.</p> <p>11. UNICEF's increasing efforts on UN coherence is demonstrated at global and country levels -- from its high-profile role in the UNDG and QCPR follow-up, to its contribution in-cash and in-kind to the Resident Coordinator System and compliance with the management and accountability system at the country level. UNICEF would like to see other agencies also deliver on these commitments. UNICEF will further improve its efforts on capturing the results of UN coherence on ground. Given that common QCPR indicators are integrated in the new Strategic Plans of the Funds and Programmes, including UNICEF, the performance against these indicators will be a good measure of our efforts on UN coherence at all levels, particularly at the country level in terms of maximizing results for children.</p> <p>UNICEF wishes to clarify that joint programme is not a comprehensive measure of UN coherence efforts. UNICEF, along with many other UN agencies, is increasingly focusing on joint programming, through coordinated workplans, budgets and monitoring. Such joint programming efforts are anchored in the UNDAF or UNDAF Action Plan or One Programme as applicable in a country context.</p>
<p>Transparency and accountability</p>	<p>12. To continue to implement the schedule for full IATI implementation by April 2014;</p> <p>13. To publish information on project performance;</p> <p>14. To demonstrate how it is encouraging transparency and accountability in its delivery partners.</p>	<p>12. UNICEF will implement fully IATI standards by April, 2014 as planned. On the Aid Transparency Index launched last month, UNICEF ranks 21st, compared to 63rd last year, and has now achieved a 94% of the IATI standard (rated ambitious).</p> <p>13. UNICEF shares its results information on country level results through the publication of country office annual reports publicly and financial information related to results will be on the public domain through its IATI-related reports. Project performance is included in country office annual reports and will be further</p>

strengthened through additional corporate reporting to the Executive Board and through thematic reports.

14. On encouraging transparency and accountability by partners, this will be taken up through UNICEF's work on accountability to children and stakeholders and some initial innovative work in some countries such as Uganda, Zambia, Malawi and Ghana has important lessons for review and adoption on a wider scale. (UReport, M-Trac etc.)