



Department
for International
Development

Operational Plan 2011-2016

Europe Department

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Introduction

In 2013 the UK became the first G7 country to meet the United Nations target of spending 0.7% of gross national income on international development. The Department for International Development (DFID) uses that investment to help countries to lift themselves out of poverty and leave poverty behind. Operational plans set out to the public how we plan to deliver results across policy areas and for every country we work in. These plans clearly explain why, and how, DFID is targeting its resources and what we expect to achieve; covering the period up until March 2016.

DFID is focused on spending in the right ways, on the right things, in the right places. The portfolio of our projects is already shifting to deliver a more coherent, focused and ambitious approach to economic development. We are helping to build strong and investable business environments in developing countries and improving access to finance for entrepreneurs.

Improving the prospects for girls and women in developing countries is a priority. Investing in girls and women is the smart thing to do, as well as the right thing to do. By unleashing their potential, we see returns for girls and women themselves, their families and communities, and for their economies and countries. No country can successfully develop if it leaves half its population behind.

Life-saving humanitarian assistance remains one of DFID's most fundamental responsibilities. When disaster strikes or conflict erupts we are first on the ground to support the most vulnerable people. We are also increasing our efforts to help those countries that are at higher risk of natural disasters to become more resilient in the first place.

DFID continues to drive value for money in everything we do on behalf of the British taxpayer. We have improved our procurement and programme management, increased our internal audit oversight and we are ensuring that staff have the skills to deliver the Department's priorities.

On the international stage we are working hard to agree a new set of global development goals to replace the Millennium Development Goals when they expire next year. We are determined to secure a clear and inspiring set of goals for the post 2015 development framework that leave no one behind.

Increasingly we will take new and innovative approaches and we will work with new partners. This will include businesses who are increasingly major development players. During the Secretary of State's time as co-chair of the Global Partnership for Effective Development Cooperation, DFID played a key role in encouraging different development actors to work together and use internationally agreed principles for aid and development effectiveness.

As our operational plans set out, our approach to international development is ambitious and innovative. We are determined to ensure that every pound DFID spends has the biggest possible impact on the ground. Ultimately by investing in developing countries, we can end aid dependency for good and build a better, more prosperous world for us all.

Context

The **Policy and Global Programmes Directorate;**

- delivers development results at scale,
- influences change in the international system,
- manages international partnerships,
- develops new solutions, policy products, knowledge and instruments in support of Ministerial priorities and development outcomes.

It is made up of the **Policy, International Relations** and **Research and Evidence** divisions and the **Global Funds Department**.

The **Policy Division** delivers development results at scale through multi-country projects to tackle specific development problems where this approach offers better value for money than working through individual country offices. The division influences change on matters such as anti-corruption work, international tax reform, supporting girls and women and climate change. It does this across the UK government, internationally, with civil society and academia. The division supports new policy development and provides technical knowledge to overseas programmes. The division manages major partnerships and funding to a wide variety of civil society organisations, and ensures DFID learns from their insights.

International Relations Division delivers development results at scale by providing funding through the European Union, The United Nations and Commonwealth. It influences change by leading UK work on the post-2015 development agenda, financing for development and working closely with other governments, the G7, the G20, philanthropic foundations and others to help improve the effectiveness and efficiency of our collective development efforts. The division manages partnerships with the United Nations, European Union (EU) and Commonwealth development institutions, working with them to improve the development effectiveness of our contributions.

Research and Evidence Division concentrates on longer term research to produce new knowledge, both to support UK action and inform development work more generally. The Research and Evidence Division also helps to ensure quality evaluations of DFID projects and that the technical knowledge of DFID staff stays current.

The **Global Funds Department** delivers results at scale as the department responsible for managing the UK's contribution to international funds on health and education. It manages our partnerships with the funds and uses our involvement to influence the work of the funds.

Europe Department is part of International Relations Division. It influences and lobbies the EU to ensure that EU aid provides good value for money and focuses more on UK development priorities including improving the lives of girls and women, economic development and support to humanitarian crises. It does this through active participation in EU working groups and committees, engaging with EU Member States and building alliances, and through a programme of Seconded National Experts with staff in key positions across EU institutions. It works closely with other Whitehall Departments to agree joint positions and a single, coherent UK voice in Europe. It also supports DFID colleagues across policy divisions and in country offices to pursue their priorities with the EU.

Vision

Overview

Our vision is of an EU that reduces poverty through its policies and development programmes and that is a world leader in aid quantity and quality.

Alignment to DFID and wider UK government priorities

- To ensure that EU aid is fully transparent and results-driven
- To work with the EU as a major contributor to the UK government's Official Development Assistance (ODA) commitment
- To make the EU an effective vehicle that contributes to delivering DFID's Structural Reform Plan

We will influence and lobby the EU to ensure that:

- EU aid provides good value for money and is delivered in line with best practice including through the development of a results framework
- EU leads and drives EU Member States to fulfil their commitment to provide 0.7% of Gross National Income (GNI) as ODA, supports actions to achieve the Millennium Development Goals and secure an ambitious post 2015 development framework.
- EU policy is joined up across areas that affect developing countries: e.g. agriculture, trade, security
- EU programmes focus more on UK development priorities of increasing economic development, improving the lives of girls and women and support in humanitarian crises.

What we will stop doing

- Reduce financial support for external contractors conducting EU research and lobbying activities
- Following cessation of HM Treasury (HMT) attribution to DFID of the UK share of EU funding for the Instrument for Pre-Accession and the European Neighbourhood Instrument, DFID will no longer represent UK in the relevant EU committees; this representational role has transferred to FCO.

Results 2011/12-2015/16

Headline results (those with a * directly attributable to DFID, in all other cases, DFID is contributing to the results)

Pillar/Strategic	Indicator	Baseline	Progress towards results (including year)	Expected results (end year included)
International commitments (Effective European Development Fund (EDF))	EDF11 retains a clear focus on the poorest countries and develops a results-based approach to programming.	2011- some 95% of EDF is ODA in the current Multi-annual Financial Framework (MFF). No results framework in place.	Maintained 95% of EDF11 as ODA. Work on a Results Framework underway (final staff working document expected early 2015).	Maintain 95% of EDF11 as ODA. A Results Framework will be in place, with first data being reported in Summer 2015.
International commitments (Effective EU Budget Instruments)	Increased ODA share within a constrained EU budget in the 2014-2020 MFF underpinned by more effective, flexible external financial instruments, including a greater focus on results. EU approach to blending of grants and loans delivers more effective aid.	Heading 4 represents 5% of the overall EU Budget and 90% of Heading 4 is ODA in the 2007-2013 MFF. No results framework.	Heading 4 represents 6% of the overall EU Budget in the EU Budget for 2014-2020, with Heading 4 maintained at 90% ODA. Work on a results framework underway (final staff working document expected early 2015).	Heading 4 maintained at 90% ODA and underpinned by more effective, flexible external financial instruments. Results framework in place. EU approach to blending of grants and loans delivers more effective aid.

Pillar/Strategic	Indicator	Baseline	Progress towards results (including year)	Expected results (end year included)
<p>International commitments (Future EU Development Policy)</p>	<p>EU development programmes support UK priorities on gender and economic development with overarching objectives of improving the focus on results and evaluation, transparency and Value for Money (VfM) of EU aid.</p> <p>EU negotiating position on Post-2015 is in line with UK priorities.</p> <p>EU reaffirms commitment to 0.7% ODA.</p>	<p>European Consensus on Development (2005)</p> <p>Increasing the Impact of EU Development Policy, The Agenda for Change (2011)</p> <p>MDGs, High Level Panel Report, Open Working Group Report.</p>	<p>EU committed to including UK priorities in EDF and Development Cooperation Instrument (DCI) programming. EDF and DCI Implementing Regulations include more effective monitoring of results and which will support improvements to financial management and forecasting of budgets impact (including implementing a comprehensive results framework and enhanced monitoring and evaluation of from 2014 onwards). China and India graduated out of DCI support.</p> <p>Draft results framework includes specific gender indicators.</p> <p>Council conclusions on Post-2015 May 2013 reflect key UK priorities.</p> <p>EU and member states (MSs) reaffirmed commitment to 0.7% ODA in 2012, 2013 and 2014.</p>	<p>All EU DCI and EDF programmes demonstrate consideration of gender equality, contain key performance indicators and baselines, reflect proper regard for programme risk and mitigation actions and supported by appropriate funding.</p> <p>Council conclusions agreed on Post-2015 in line with UK priorities.</p> <p>EU reaffirms 0.7% ODA in Council conclusions in 2015.</p>

Pillar/Strategic	Indicator	Baseline	Progress towards results (including year)	Expected results (end year included)
Gender equality and women's empowerment	<p>Objectives of the EU Plan of Action on Gender Equality and Women's Empowerment in Development 2010-2015 (GAP) are successfully achieved within the time frames specified.</p> <p>EU position on the Post 2015 development framework includes a standalone goal on gender equality</p>	EU Plan of Action agreed by Council of Ministers in June 2010.	<p>Progress on the EU Plan of Action, whilst ongoing, has been "extremely slow and may need to be accelerated." (2013 implementation report)</p> <p>Post 2015 goal on gender has been widely agreed amongst EU MS and the EU is arguing in negotiations to mainstream gender throughout the framework.</p>	<p>GAP Task Force established and EU commits to ensuring a robust and ambitious successor to take forward any lessons from the current GAP.</p> <p>The new Development and Humanitarian Commissioners set out an ambitious strategy to drive increased ambition on girls and women, stepping up its political leadership</p> <p>EU Council Conclusions on Post-2015 (Dec 2014) endorse an ambitious standalone goal on gender equality.</p>
Transparency (Improved EU transparency and accountability)	Improved EU aid transparency and accountability, including efficient UK Parliamentary scrutiny of EU development policy.	<p>9 IATI signatories in 2010:</p> <p>Council Conclusions on 2010 Annual Report (AR)</p>	<p>10 EU member states and European Investment Bank now submitting data to IATI</p> <p>Parliamentary scrutiny continues to be rigorous; in 2013, 39 Explanatory memoranda were prepared.</p>	<p>Most EU member states submitting data to IATI</p> <p>Parliamentary scrutiny continues to be rigorous.</p>

Pillar/Strategic	Indicator	Baseline	Progress towards results (including year)	Expected results (end year included)
<p>Value for Money (EU aid effectiveness)</p>	<p>By 2016 EU aid is more effective as demonstrated by more flexible, transparent and effective programming rules and systems in the new MFF, further decentralisation of decision making and a clear EU agenda on aid effectiveness.</p> <p>EU maintains its effectiveness rating in MAR 2015 and demonstrates progress on recommended actions.</p> <p>EU Court of Auditors reports show progress on recommendations and no significant slip in performance.</p>	<p>2011 MAR assessment of “well performing”.</p> <p>EU Court of Auditors report – likely error rate 5.1%.</p> <p>2007 – 2013 Rules and Regulations for EU programmes.</p> <p>No results framework in place.</p>	<p>Revised implementation framework for new programming period agreed which includes more effective monitoring of results and impact to improve the quality of programmes and enable better financial management and forecasting. India and China graduated out of the DCI programme. Commitment from EU to roll out pilot results framework.</p> <p>EU programming based on Agenda for Change principles including use of focal sectors to increase efficiency and effectiveness.</p> <p>EU guidance issues on joint programming.</p>	<p>Early indications in annual actions plans that new instruments are being used, results and evaluation recommendations are taken up in programme planning and EU continues to push aid effectiveness across its and the collective EU programmes.</p>

Evidence supporting results

The Multilateral Aid Reviews (MAR) and update on the European Development Fund (EDF) and the budget instruments provide the main evidence base for the results. While judging the EDF to be a top performer, these reviews identified some key reform areas for the EU (see *Delivering Value for Money* for further detail). The next MAR assessment will enable DFID to assess progress in reform areas highlighted in previous MARs and further emerging strengths and challenges. DFID will also draw on the EU Court of Auditors reports and EU evaluation reports.

The lack of an overarching results framework makes it difficult to monitor EC outputs and outcomes at an aggregated, institution-wide level. Encouraging the EC to implement a results-based approach to aid and particularly a results framework is therefore our top priority. Following extensive engagement by DFID, the EC have committed to having a results framework in place by 2014. We will monitor its implementation closely. The EC is expected to produce an update to its 2013 Millennium Development Goal (MDG) report, setting out the results it has achieved.

Europe Department (ED) carefully monitors the work of the EC, through our participation on the committees of the member states which manage the geographical instruments. As part of this work we will examine carefully the EU's own reporting on the contributions that they are making, through the EDF and the main EU budget aid instruments, to achieve the MDGs in those Low Income Countries where the EU is a significant donor. The majority of the beneficiary countries for these programmes also have the furthest to go to achieve the MDGs and many are without any DFID presence. However, we can clearly not hold the EU fully accountable for their achievement as MDG outcomes are influenced by a very diverse range of factors.

Delivery and resources

Europe Department (ED) structure

Europe Department is organised in 4 teams; 3 in London and a dedicated development team within the UK Representation to the EU (UKRep) in Brussels. We also support the deployment of 27 Seconded National Experts to EU development institutions.

Our resources

Around 15% of DFID's budget is channelled via EU institutions as core funding. Two thirds is non-discretionary. We are projected to spend some £2.8 billion on EU attribution and £1.7 billion on European Development Fund (EDF) over the 4 years. ED's main purpose is to guide and influence this expenditure and related EU policy, and to use the EU as a platform to help achieve DFID Structural Reform Plan (SRP) priorities.

Our partnerships and main delivery mechanisms

ED takes forward the UK's interest through:

- Agreeing policy, common positions and spend through EU Working Groups/Councils, European Investment Bank and Investment Facility Boards, and Management Committees.
- Engaging with EU Member States and building alliances where needed with members of the European Parliament, non-governmental organisations (NGOs) and think tanks active in EU development policy and research
- Our Seconded National Experts programme, enabling the placement of over 25 staff in key positions across EU institutions. Over the operational plan period this programme will look to grow and place staff in strategic posts to promote our priorities.
- Working closely with other Whitehall Departments to agree joint positions and a single, coherent UK voice in Europe
- Supporting DFID colleagues across policy divisions and in country offices to pursue their priorities with the EU.

Planned programme spend

Pillar/Strategic	2011/12		2012/13		2013/14		2014/15		2015/16 (provisional*)
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Total resource and capital £'000
Climate change	212								
Global partnerships	1,354,872		1,008,136		1,081,668		1,313,000		
Governance and security	100		7		0		700		
Wealth creation	148						1,300		
TOTAL	1,355,332		1,008,143		1,081,668		1,315,000		1,381,525

*Expenditure figures for 2015/16 are indicative. DFID works in a variety of challenging environments, including fragile and conflict affected areas. Humanitarian work is often reactive and can be scaled up or down. An element of flexibility within funding allocations is necessary to ensure that we can balance the need for long term planning alongside the ability to respond where necessary to changing requirements. .

Planned operating costs

	2011/12	2012/13	2013/14	2014/15	2015/16 (provisional*)
	£'000	£'000	£'000	£'000	£'000
Frontline delivery costs – pay	343	146			
Frontline delivery costs – non pay	133	334			
Administrative costs – pay	1,240	1,004	1,003	1,040	
Administrative costs – non pay	106	129	185	201	
TOTAL	1,822	1,613	1,188	1,241	1,241

* Expenditure figures for 2015/16 are indicative. DFID works in a variety of challenging environments, including fragile and conflict affected areas. Humanitarian work is often reactive and can be scaled up or down. An element of flexibility within funding allocations is necessary to ensure that we can balance the need for long term planning alongside the ability to respond where necessary to changing requirements.

Delivering Value for Money (VfM)

Maximising the impact of every pound that the EU spend on development poor people's lives

Value for Money (VfM) strategy

The MAR 2011 assessment established the key reform priorities to improve the VfM of EC aid:

- More flexible procedures, which enable rapid response, innovation and re-direction of non-performing funds
- Funding instruments with clear focus and scope; resource allocation according to needs and performance
- More decentralised financial decision-making
- Procurement rules that offer VfM
- Improved ability to recruit and maintain development expertise
- Improved commitment to gender mainstreaming in practice and to measuring the impact of gender work.

The MAR update exercise in 2013 judged the EDF to be a top performer providing very good value for money but noted the lack of a comprehensive development framework.

The next MAR assessment will establish progress against these reform priorities and, if found, suggest other areas where EU can improve its value for money.

Our main VfM objective is for the EU to develop a results-based approach to aid:

- Based on a comprehensive Results Framework, which pulls together key components that are crucial for VfM considerations, and works alongside an effective EU evaluation function.

The key activities for ED on VfM are:

- Supporting piloting and implementation of a Results Framework through our Seconded National Experts programme and direct engagement with EU
- To ensure that any changes to EU Procurement policy promote VfM
- To assess our current Seconded National Experts (SNE) programme and ensure we are maximising potential for achieving our VfM agenda.
- To do more with less. A reduction in posts has meant that staff need to prioritise more and increase their effectiveness through appropriate training and skills development and will mean a greater emphasis on cross-team working and more flexible roles.

Monitoring and evaluation

Context

ED does not carry out its own formal evaluation of EU aid, other than through the MAR - this would duplicate the organisation's own procedures. However, the UK has conducted several recent reviews of the EC development programme: the Independent Commission for Aid Impact (ICAI), National Audit Office (NAO) and the International Development Committee (IDC) have all recently assessed the Commission in regards to efficiency, effectiveness and value for money as well as the comparative advantages of EU aid. The current Development Co-operation Directorate (DAC) Peer Review also reported in 2012 and is an important source of independent evidence on direction of travel in EC's performance. In addition, a Balance of EU Competences report on Development Cooperation and Humanitarian Aid was published in 2013 as part of a Whitehall-wide exercise on all areas of EU activity.

Within the EC, monitoring is overseen by the EC Quality and Impact Department and undertaken by main geographical/ thematic departments and EC Delegations annually and at the end of the project cycle. The Results Oriented Monitoring (ROM) system is a systematic, independent monitoring tool, but it is not fully embedded and the results are not open to public scrutiny. Evaluation is well established for EU aid but more attention to rigour and quality is needed. Under the Agenda for Change, EC is moving to strengthen its Monitoring and Evaluation (M&E) systems, including introducing a new integrated Project Cycle Management information system.

ED focus

ED is pressing for robust evaluation practice across EU external programmes, managed by a staff complement of sufficient number and with appropriate skills. A results framework could play a key role in helping the EC to monitor and evaluate its programmes and we will continue to lobby the EC to ensure one is put in place and used effectively. ED engages in cross-departmental lesson learning on evaluation practice and analysis.

Other ED action points over this operational plan period will include:

- keeping track of and influencing EU thinking on good M&E practice;
- assessing whether current EU guidance and procedures remain relevant and effective;
- ensuring that sufficient attention is given to transparency and accountability within EU systems.

Building capacity of partners

DFID is currently funding SNEs in both EC's Evaluation and Results units.

Transparency

Transparency is one of the top priorities for the UK government. It helps people see where money is going and for what purpose. It helps improve value for money and makes governments everywhere more accountable to their citizens. DFID is a world leader in aid transparency and has an ambitious vision for both DFID and its partners. We will ensure that we play our part in continuing to work towards that vision – set out in a suite of commitments the Aid Transparency Guarantee (ATG), Aid Transparency Challenge (ATC) and DFID's Open Data Strategy.

Actions to ensure DFID meets its commitments in the UK Aid Transparency Guarantee.

All staff are fully aware of the Aid Transparency Guarantee and follow the guidance on plain language and business cases. We will publish comprehensive details of all new projects, this operational plan and the results of the MAR assessment related to the European Development Fund and EU budget instruments.

With the European Union, we will work towards greater EU aid transparency:

As EU aid represents 56% of global ODA, the benefits of EU action on transparency would be huge for poorer countries as well as for our domestic constituencies. The European Commission is a signatory to the International Aid Transparency Initiative (IATI) and began publishing data in October 2011 and 184 datasets are currently available. We will, together with the Aid Effectiveness Team (Aid Impact Team), continue to press the EU to provide timely, accurate, comparable and detailed data on aid flows based on IATI. We will also push the European Commission in turn to promote transparency with partner governments in developing countries and EU funding beneficiaries, making it easier for people to see how aid comes from donors, and how this is being spent.

Publication of information

We will support DFID's transparency commitments by

- ensuring that all project documentation is published on the Development Tracker
- ensuring that all information in the public domain is comprehensive, accessible, accurate, timely and written in plain English

Supporting transparency in our work

- We will continue to provide quality documents to support UK Parliamentary scrutiny of EU business.
- We will seek similar levels of transparency from our partners (CSOs, contractors, other donors)
- We will help government and citizens use availability of rich data.

Annex A: Changes to operational plan

Page number	Change made to operational plan	Reason for change
7,11	Indicator for international commitments changed to reflect current ED priorities.	To make the most of the new EU development programming cycle to push on UK priorities

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