



Department
for International
Development

Operational plan 2011-2016

Multilateral Effectiveness Department (MED)

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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

Over 40% of DFID's programmes are delivered through core funding to multilaterals; including additional funding to multilaterals for delivery of particular programmes, this rises to around two thirds of DFID's programme being delivered through multilaterals. Ensuring Value for Money (VfM) from this aid is therefore critically important for DFID.

The Multilateral Effectiveness Department's (MED) purpose is to support effective delivery of UK and international objectives through strategic oversight and co-ordination of DFID's work with multilaterals. MED is the policy hub within DFID for departments which have oversight of DFID's relationship with multilateral organisations (collectively known as the Multilateral Departments, and located within the Policy and Global Programmes Group, the Economic Development Directorate and CHASE). MED is part of the new Economic Development Directorate, and works closely with departments from that directorate and the other multilateral departments. MED adds value by performing policy roles which are most effectively and efficiently performed centrally, and by facilitating join-up within the multilateral departments and the rest of DFID.

MED is a new department. It was formed in April 2014 from the policy team of the International Directors' Office (IDO), with the IDO cabinet and corporate functions being used to create a separate cabinet for the new Economic Development Directorate. This operational plan updates the previous IDO operational plan, focusing on the functions which have continued from IDO into the new MED¹; and removing the references to the cabinet functions which no longer form part of the Department's work.

There has been good progress in assessing the value for money of multilateral agencies. MED led the development and delivery of Multilateral Aid Review (MAR) in early 2011 and the MAR Update in 2013. The MAR in 2011 assessed the Value for Money (VfM) for UK aid of funding through multilateral organisations; and the MAR Update assessed the progress which had been made on the reform priorities set following the MAR. These processes have been heavily scrutinised and welcomed by a wide range of commentators. The National Audit Office (NAO) carried out a Value for Money study of the MAR in 2012. The Public Accounts Committee (PAC) issued a consequent report in early 2013, and later that year awarded DFID their Civil Service Award for the most improved Department, citing the MAR. The International Development Committee also held an inquiry into the MAR in 2013, again a broadly positive report with thoughtful recommendations for strengthening the process. MED has responded to the findings, both through the MAR Update and more broadly. Preparation is now underway on the methodology for the next MAR, due to start in 2015.

The success of the MAR has led to an increase in the number and profile of bilateral assessments of multilateral effectiveness, raising concerns over duplication and potential inefficiency. MED represents the UK on the Multilateral Organisation Performance Assessment Network (MOPAN). MOPAN is now hosted by the Organisation for Economic Cooperation and Development (OECD) and MED is working to ensure the successful transition to an enhanced and extended MOPAN assessment process (known as MOPAN 3.0).

MED has also taken a more significant role in the co-ordination of multilateral policy and business, and providing accountability to Parliament and others on DFID spending. MED provides the Secretariat to the Multilateral Policy Group, chaired by the Director General for Policy and Global Programmes; and to a discussion group for the Heads of Multilateral Departments. MED, working with the Finance and Corporate Performance Department (FCPD), provides the multilateral statistics and supporting information for the Annual Report, and the official Statistics for International Development publication. MED is also considering strategic issues affecting multilateral organisations, with work underway on understanding the international architecture better, and clarifying the ways in which DFID makes funding decisions about multilaterals (and comparing these to bilateral alternatives).

MED also provides direct support to the multilateral departments on evaluation and fiduciary risks within multilateral organisations, through the provision of expert support; manages a programme of strategic secondments to multilaterals; and works with the Foreign and Commonwealth Office and other government departments on the UK's approach to supporting good UK candidates to apply to multilateral organisations and other international appointments.

¹ All references to work carried up to April 2014, also attribute this to MED rather than IDO, for ease of reading.

Vision

MED's policy vision is of a multilateral system that functions more effectively and uses DFID and other donor funds efficiently to deliver aid and achieve the Millennium Development Goals (MDGs) and is prepared to deliver the Sustainable Development Goals (SDGs) post 2015. This will be delivered through the multilateral organisations (MOs) that make up the system playing to their strengths of legitimacy, scope and geographical reach, combined with technical expertise, to have a transformative impact on poverty worldwide.

MED will contribute to this vision directly through: ensuring that the MAR, starting in 2015, continues to be relevant and useful for decision making, including financing, and for prioritising engagement on multilateral reform; working with other donors to develop shared approaches to assessing and improving multilateral effectiveness, including through reform of MOPAN; deepening international understanding of key MAR reform priorities such as evaluation, cost effectiveness and anti-corruption; and deploying UK skills and expertise more effectively to meet priority needs in multilateral organisations.

MED will also contribute to it indirectly, by supporting and challenging departments to deliver against their multilateral agendas through: undertaking high quality strategic policy work to support good decision making in DFID, promoting a coherent and consistent approach on multilateral business, providing good public information to Parliament and others; and supporting Departments to strengthen their evaluation systems and fiduciary risk assessment.

Alignment to DFID and wider UK government priorities

DFID has concluded, through work on the business model and resource allocation process, that multilaterals play a vital role in meeting DFID's objectives on poverty reduction – e.g. through development of global public goods and providing a platform for development. MED's work is directed towards ensuring that we can account well for that investment, and support future decisions which are in line with DFID priorities.

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

Pillar / Strategic priority	Indicator	Baseline	Progress towards results (including year)	Expected results (end year included)
Global partnerships	Multilateral Organisations (MOs) operate robust and transparent results management, evaluation and reporting systems.	Average MAR rating for strategic and performance management: 2.3 adequate.	Following the MAR, 29 MOs were asked to improve on their strategic and performance management: the MAR Update found that 16 had made “some” progress and 13 “reasonable”.	More MOs have strong results based management systems and strong evaluation functions.
Global partnerships	MOs clearly demonstrate improved cost control and cost effectiveness and have strong financial management systems.	Average MAR score for cost and value consciousness: 2.5 adequate. Average MAR score for financial resource management: 2.6 adequate	Following the MAR, 17 MOs were asked to improve their financial resource management. The MAR Update found 1 made significant progress, 10 reasonable, and 6 some progress. There is more to do on cost and value consciousness: 22 MOs were asked to make improvements: 1 made significant progress, 6 reasonable, 13 some and 2 little or no progress.	More MOs deliver quantified efficiency savings and place a greater emphasis on securing value for money in their programming choices, including procurement reform. Governing body members offer more scrutiny and challenge on salaries. MOs identify and address any weaknesses in tackling fraud and corruption.
Global partnerships	Bilateral donors have a strong, shared evidence-based understanding of multilateral effectiveness and work closely together to drive reform.	MOPAN delivered 4 assessments. International debate on multilateral reform is institution-specific.	MOPAN reform has been agreed. 2 new members have joined MOPAN in the past year, increasing its influence.	MOPAN provides more assessments and increased country level information; with this analysis being made available through a data repository.
Global partnerships	UK skills and expertise are deployed effectively to address priority needs in multilateral organisations	International secondments not consistently aligned with DFID objectives. Skills and expertise of UK nationals not being fully harnessed in support of multilateral effectiveness.	The project is on target on numbers of secondments (40 over 2009/10 to 2013/14) and scored an A in its Annual Review. It provides a more strategic and managed approach to secondments.	All UK secondments have strategic objectives in line with DFID priorities and able to demonstrate delivery against them.

Evidence supporting results

Strong results based management is important for multilateral organisations (MOs) so they can demonstrate what they achieve with their money and use past results to improve future decision making. It is also an important tool by which the MO can hold staff in the organisation to account and through which shareholders can hold the MO to account. The MAR found that although some MOs have strong results based management systems, there are many that cannot tell us the outputs or outcomes of their work or that cannot aggregate their results across the organisation. Evaluation functions also vary in quality and impact across the multilateral system, so that some organisations are better than others at learning from experience and acting on those lessons. Specialist support on evaluation is available to multilateral departments to support MOs in improving evaluation and learning. The MAR Update demonstrated that MOs are making progress in these areas. MED's ability to have an impact on this result is limited to some direct support to multilateral departments (which work with the multilaterals), and to the good assessment of the current situation through the MAR processes.

Cost control and cost efficiency: The MAR identified some good examples of cutting costs and increasing efficiency. However, these tend to be one-off examples of good practice because of a strong in-country team determined to make each aid pound go further rather than an organisation-wide culture of delivering VfM. The MAR showed that there is room for increased efficiency and for VfM to take a more prominent role in the MOs' internal decision making structures. The MAR also found that the quality of financial management is variable. Reports by the Independent Commission on Aid Impact (ICAI) suggest that anti-corruption measures may need strengthening in some cases.

Financial resources management: There was a good level of performance on this component in the MAR in 2011, with 23 of the 43 multilateral organisations being rated as 'satisfactory' or 'strong'. This pattern has continued, with strong progress being made under this component in the MAR Update. 17 organisations were assessed under this component: of these 13 had a MAR score of 'weak' or 'unsatisfactory', but almost two-thirds of organisations assessed made "significant" or "reasonable" progress. MED has limited ability to have an impact on these issues, through providing Multilateral Departments with some access to additional technical support to engage with MOs on these issues.

Working together with other donors on multilateral reform: DFID has always worked closely with other donors on reform of individual institutions, but did not have a strong cross-cutting reform agenda until the MAR. Since the MAR was carried out, several other donors have carried out similar exercises, and there has been real impetus to reform MOPAN, increasing the number and quality of the assessments it is carrying out. This may also lead to more common positions on reform, thereby increasing the pressure on multilateral organisations to deliver.

UK skills and expertise: At the beginning of the operational plan period there was limited coordination and inconsistent management of secondments to MOs across different DFID departments; some secondments were not sufficiently aligned with overall DFID priorities. MOs were not receiving the full benefit of UK skills and expertise. Good progress has been made with in this area and this is evidenced by the development of a new policy framework and the decision to extend the project for a further 3 years.

Delivering Value for Money for UK aid. The MAR has provided a good evidence-based discipline on multilateral financing decisions. This, and a stronger evaluation culture in DFID, will be important going forward to ensure that Multilateral Organisations deliver high Value for Money for UK aid. Work is also underway in DFID to map the international architecture, in thematic areas such as economic development, humanitarian, peace and security and health. MED is particularly focussing on ensuring consistency in the multilateral aspects of this exercise, and drawing out the implications for the multilateral system. Improved statistical information on multilateral spend is also improving the information base.

Delivery and resources

MED is now a standalone policy department with a staff of 12, which includes a range of skills and disciplines including evaluation, statistical, economics and risk management expertise. MED has benefited from the introduction of graduate placements within DFID and currently has 1 graduate officer (our 4th placement in total). There is staff turnover for DFID career development, in particular following the end of major projects. This has given positive opportunities to refresh the team's roles and skills.

The change in the team's role has given us an opportunity to consider our work and how we deliver it in more detail. This has meant:

- Prioritising our work, so that we are able to give more priority to longer-term strategic issues (such as how we can compare multilateral with bilateral spend). We have achieved this through managing ongoing work (such as the secondments programme, and our involvement with the senior international appointments work) with fewer resources. We are also working to increase the amount of information we make routinely available to Parliament and the public through the Statistics on International Development and our Annual Report.
- Planning for 2015. We are preparing for a MAR in 2015, in line with the Government commitment. This means ensuring we have the staff in place to deliver this, with both a core team on the MAR, and with flexibility from other team members to support the work during the peak. This will be enabled through the measures described above; reducing the time it takes to do some of our core work.
- Workforce planning. We actively seek to understand the career plans and needs of staff members, so that turnover can be managed well, and that the team can be reshaped as people move on, to meet new priorities. As examples of this, two roles have been restructured to move from programme management to give greater policy input.
- Maximising the impact of our people. We have a strong focus on developing the personal capabilities and skills of staff members. We are now putting significant emphasis on developing the core knowledge of our team on multilateral issues, including improving our induction material, and having guest speakers on multilateral issues at our team meeting. This is particularly important given there are a number of new staff in the team, including team members who are new to DFID.
- Meeting corporate requirements for strong programme management. MED has appointed a Senior Responsible Owner for each programme, and is working with other multilateral departments on the way the SRO role and SMART rules are applied to multilaterals. By January 2015 each programme will have a delivery plan including routine monitoring of results, VfM and risks.

Instruments of delivery

MED holds a small programme budget for the strategic secondments project and MOPAN. Both programmes have Senior Responsible Owners.

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 sapital £'000
Wealth sreation									
Climate change									
Governance and security									
Education									
Reproductive, maternal and newborn health									
Malaria									
HIV/Aids									
Other health									
Water and sanitation									
Poverty, hunger and vulnerability									
Humanitarian									
Other MDGs									
Global partnerships	914		1,397		1,215		1,600		1,600
Total	914		1,397		1,215		1,600		1,600

*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	14	134	152	140	
Frontline delivery costs – non pay	2	9	9	9	
Administrative costs - pay	1,064	1,082	1,156	505	
Administrative costs – non pay	127	102	128	32	
Total	1,207	1,327	1,445	686	686

*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)

MED contributes to value for money of Multilateral Organisations through the following areas of focus:

- Developing and managing sound processes, within DFID (the MAR) and with other donors (MOPAN) which assess the VfM for the UK taxpayer of multilateral organisations and identify key areas where improvements need to be made. The MAR Update in 2013 assessed whether multilateral organisations had progressed against reform priorities and overall showed that all had made at least some progress.
- Addressing strategic issues, for example on the way in which DFID makes decisions about multilateral funding, to ensure that the best decisions are taken.
- Ensuring that DFID colleagues have access to expert advice on key areas for improving multilateral organisations' value for money, including fiduciary risk.

Challenge to embedding VfM	Actions to meet the challenge	Date
•Ensuring departments have access to cutting edge evidence on results management and evaluation, and cost control and financial management including anti-corruption.	•MED is providing high quality advice on results based management and evaluation and fiduciary risk to multilateral departments.	2014/15 - ongoing
•Maintaining and strengthening the evidence-based discipline of the MAR, including through stronger links to country offices.	•MED will use DFID's convening power to bring together networks of other donors to agree on reform issues, including working with others to reform MOPAN, and will help Departments to link into this.	2014/15 – Underway; MOPAN reform agreed and being implemented.
•Maintaining and strengthening the evidence-based discipline of the MAR, including through stronger links to country offices.	MED managed the MAR update process which included more evidence from country offices; and aims to develop this further for MAR 2015.	MAR Update complete; MAR due in late 2015
Ensuring multilateral funding decisions fully consider alternatives, where possible and appropriate	MED and FPID are working together on a framework for making such comparisons; and are liaising with the Regional Directorate on the choice of partner in country offices.	2015

Monitoring and evaluation

Monitoring

MED's own work programme is reviewed by the whole team quarterly and connects to individual staff objectives.

Evaluation

MED provides multilateral departments with direct expert support on evaluation practice; this includes monitoring and evaluating multilateral effectiveness by synthesising relevant analysis and best practice on results based management and evaluation from across the multilateral system, and by sharing lessons learned across teams. MED will capitalise on existing relationships, for example within MOPAN, to strengthen DFID's evidence base on evaluation, and build new relationships with evaluation professionals in networks such as the DAC Evaluation Network and within multilaterals themselves.

DFID adopted a new evaluation strategy in June 2014. For the first time this is explicit about the responsibilities of multilateral spending departments in terms of evaluation. MED provides direct support to assist multilateral spending departments in IFID and IRD to ensure that funds spent through multilateral organisations meet comparable standards for evaluation quality as those within DFID through:

- Maintaining awareness of the quality of evaluation functions in the multilaterals,
- Driving improvements in evaluation quality and use through the Multilateral Aid Review process
- Actively engaging with boards and other governance fora on evaluation issues
- Championing the use of evaluation evidence produced by multilaterals within DFID and helping country and policy teams to engage with multilaterals on evaluation
- Discussing priorities for evaluation of multilateral spending departments own activities to support continuous improvement in their multilateral engagement practices.

MED also works with the Evaluation Department to strengthen donor coordination in terms of relationships between capital evaluation advisors and evaluation functions in multilateral agencies.

Building capacity of partners

MED will support the Multilateral Departments by taking the lead on relevant inquiries into multilaterals, such as those led by Parliamentary Accounts Committee (PAC), the Parliamentary Select Committee on International Development (IDC), the National Audit Office (NAO) and the Independent Commission on Aid Impact (ICAI), and DFID's Internal Audit Department (IAD).

MED has responsibility for two small projects. Evaluation and monitoring is taken seriously as part of these:

- International secondments project: An Annual Report has been introduced, drawing on a new survey of secondees. As each secondment draws to an end it is evaluated against its objectives, considering the views of the host organisation, sponsoring department, secondee, and the relevant UK mission. Evaluation of the overall secondments programme will be based on these regular reports.
- MOPAN: There was a major independent evaluation of MOPAN in 2013. This stimulated major reform, which is now being implemented.

Transparency

Transparency is one of the top priorities for the UK government. We will ensure that we play our part in continuing to work towards this – and meet commitments set out in the Aid Transparency Guarantee (ATG), Aid Transparency Challenge (ATC) and DFID's Open Data Strategy.

Publication of information

MED will support DFID's transparency commitments by ensuring

- that results from the Multilateral Aid Review and the MAR Update are publicly available
- improving and increasing the amount of information published on DFID funding to multilateral organisations, through the DFID official statistics publication (Statistics for International Development) and the Annual Report.
- that all project documentation for MED projects is published on the Development Tracker, as well as information about all transactions over £500.
- that all information in the public domain is comprehensive, accessible, accurate, timely and written in plain English

Annex A: Changes to operational plan

We have made changes to this operational plan on the basis of 'No change made unless deemed necessary'. For the MED Operational Plan this means that there have been changes related to the establishment of MED as a policy Department and the removal of the cabinet function; to recognise new areas of work around strategic multilateral issues and more focus on our accountability role; and to provide factual updates on progress related to the MAR Update and MOPAN reform.

Page Number	Change made to operational Plan	Reason for change
0	References to IDO deleted throughout the document. Results and references to cabinet responsibilities removed.	MED is a new department, with changed staffing and amended responsibilities.
5 and 6	Additional text to reflect extended policy role for MED	MED now works on multilateral policy and strategy issues, as well as the MAR, and has a stronger focus on co-ordination of multilateral business. The changes reflect this.
7 and 10	References to corporate results removed. Progress on results updated.	Corporate results related to the former cabinet function. The expected outcome on the result related to MOPAN has been changed to reflect more positive progress than was expected. The results update section provides our account of current progress. The narrative section on results has been slightly redrafted to add text to clarify the role of MED in achieving these results.
12	Staff numbers updated	This has been redrafted to accurately reflect the changes in staffing which occurred within MED over the past year
13 and 14	Figures updated	Reflects the organisational changes following the separation of Cabinet functions.
15	Value for Money: narrative updated	To reflect change of MED role, add an action and remove the action related to previous corporate functions.
17 and 18	Evaluation and Transparency sections have been redrafted to reflect the particular role which is being undertaken	Evaluation role has changed since the original draft.

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