



# Operational Plan 2011-2015

## DFID United Nations and Commonwealth Department (UNCD)

Updated June 2013

**Contents:**

	<b>Introduction</b>	<b>2</b>
Section 1:	<b>Context</b>	<b>3</b>
Section 2:	<b>Vision</b>	<b>4</b>
Section 3:	<b>Results</b>	<b>5-6</b>
Section 5:	<b>Delivery and Resources</b>	<b>7-10</b>
Section 6:	<b>Delivering Value for Money</b>	<b>11</b>
Section 7:	<b>Monitoring and Evaluation</b>	<b>12</b>
Section 8:	<b>Transparency</b>	<b>13</b>
	Annexes	14-15



# Introduction

The UK Government is determined to help end extreme poverty around the world. We believe that international development is not just the right thing to do, but the smart thing to do. Britain has never stood on the sidelines, and it is in all our interests for countries around the world to be stable and secure, to have educated and healthy populations and to have growing economies. DFID aims to end aid dependency through jobs – building the economies of developing countries so that they can stand on their own feet.

No country can develop with only half of the population involved, that is why DFID is scaling up its support for women and girls across all of our country programmes, including an increased emphasis on girls education and preventing violence against women and girls.

We are also focussing on what works, investing in research and taking advantage of new technology to ensure that UK development support has the greatest impact.

DFID is committed to being a global leader on transparency, and in 2012 was ranked the top aid organisation in the world for transparency. Transparency is fundamental to improving accountability both to UK citizens and to citizens in the countries where we work. Transparency also helps us achieve greater value for money and improves the effectiveness of aid. As part of our commitment to transparency we publish Operational Plans for each area of our work setting out what we will achieve and how we will achieve it. In June 2013 DFID launched a new online tool, Development Tracker, to provide an easy way to access information and data about DFID programmes.

With less than 1000 days to go, we will continue to focus our efforts on delivering 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 which 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. So we need to continue to monitor progress and use all opportunities to build coalitions with others to ensure the reforms are moved forward and 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 and the broader UN Development System that supports them. We manage annual funding of £252 million to 10 UN organisations and UN cross cutting initiatives and £55 million to seven Commonwealth programmes. This constitutes roughly one third of DFID's total UN funding. 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 and Commonwealth to deliver results on the ground.

UNCD includes the UK Representation to Food and Agriculture Organization of the UN (FAO), World Food Programme (WFP) and 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, where we have a number of DFID funded local staff. Our work involves engagement with many parts of 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 aims are to improve the performance and effectiveness of the agencies we support and the UN system as a whole; and to ensure value for money from our core funding and help the rest of DFID ensure value for money from its UN and Commonwealth funding. The MAR has underlined certain key areas for improvement: we will especially focus on strengthening agencies' 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 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 Conflict Humanitarian and Security Department) for coherent messaging.
- Bring country level lessons (DFID Country Offices and advisory networks) into agency and membership influencing.
- Influence improved 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 UK Government 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 wider policy objectives. We will work closely with the Foreign and Commonwealth Office (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 Organization, International Labour Organization and 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 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 do not represent the full 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 IFAD	59.1 million (2011)	43.1 million (2010)
Health	Number of children benefitting from two doses of vitamin A supplement UN Children's Fund - UNICEF)	350 million (2011)	293 million (2010)
Health	Number of female condoms procured (UN Population Fund - UNFPA)	6.2 million (2011)	8.3 million (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 and Performance Management)	No. of agencies assessed as unsatisfactory = 1; weak = 10; satisfactory = 1	No agencies 'unsatisfactory' and increase in number 'satisfactory'. UNICEF & UN Development Programme (UNDP) improve to 'satisfactory' and 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 and emergency situations. FAO builds on good humanitarian performance and improves patchy performance elsewhere.
UN agencies are increasingly transparent and accountable, making publicly available info on programmes, audits and evaluations (MAR Transparency and Accountability)	No. of agencies assessed as unsatisfactory = 1; weak = 8; satisfactory = 3	No agencies 'unsatisfactory' and increase in number 'satisfactory'. All UN agencies meet International Aid Transparency Initiative (IATI) standards.



## 4) 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 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 and 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 buy in for UK reform priorities which will lead to improved performance by the Multilateral Organisations (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 MOs 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 (VfM) rationale

The MAR assessed the value for money 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.



## 5) Delivery and Resources

### Summary:

In late 2012, we agreed an organisational restructure of UNCD to locate more staff in UN headquarter cities. This was in response to the greater influencing role of UNCD following the MAR. The National Audit Office (NAO) report into the MAR, and the Public Accounts Committee (PAC) hearing on it, underlined the need for DFID to improve our engagement with the agencies in order to follow up effectively on the MAR.

### Detail:

Four locally-engaged staff have been appointed as Agency Leads in New York and Geneva to lead our engagement with some of our agencies (further details provided in the following workforce requirements section) and help us make better use of more senior UK mission staff in New York and Geneva. These new appointments will be complemented by existing Agency Leads in Abercrombie House and all will be supported by a strong core of cross-cutting advisors in some of the key policy areas (Results, Accountability, Governance) to support our aim of each agency having made substantive progress with their MAR reform areas and providing better value for money and results from our core contributions. We will also strengthen our capacity in fraud and anti-corruption by appointing a cross-cutting adviser to lead this key area of work. This agency by agency work will continue to be complemented by strengthened cross-systems policy work taking forward actions from the Quadrennial Comprehensive Policy Review. We established our first Front Line Delivery (FLD) funded Country Engagement Manager in 2012 to focus on working with DFID Country Offices to leverage increased impact and value for money from DFID's bilateral programme spend. Following a review on the value of this post, we have recently appointed a second FLD Country Engagement Manager to respond to the growing number of requests for support in this area. All of these posts will be part of one team led by the UNCD Head and Deputy Head of Department, with the New York and Geneva team leader posts being removed.



## 5) Delivery and resources (continued)

### Planned Programme Spend

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation	2,120									
Climate Change										
Governance and Security	1,010,143		287,970		1,299,956		900,000			
Education	17,277,522		16,776,060		18,573,731		23,430,000		24,130,000	
Reproductive, Maternal and Newborn Health	24,997,380		65,000,000		62,100,000		5,000,000		5,000,000	
Malaria										
HIV/Aids										
Other Health							40,000,000		-31,000,000	
Water and Sanitation										
Poverty, Hunger and Vulnerability							5,000,000		5,000,000	
Humanitarian										
Other MDG's							5,000,000		5,000,000	
Global Partnerships	137,700,715	8,317,500	225,160,829	-86,398	210,501,592	33,852,000	226,692,000	17,000,000	213,192,000	17,000,000
<b>TOTAL</b>	<b>180,987,880</b>	<b>8,317,500</b>	<b>307,224,858</b>	<b>-86,398</b>	<b>292,475,279</b>	<b>33,852,000</b>	<b>306,022,000</b>	<b>17,000,000</b>	<b>221,322,000</b>	<b>17,000,000</b>



## 5) Delivery and resources (continued)

### Planned Operating Costs

	2010/11	2011/12	2012/13	2013/14	Total
	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay		11,494	£70,248	£126,000	£139,000
Frontline staff costs - Non Pay		1,557	£5,196	£13,000	£19,000
Administrative Costs - Pay	£1,954,388	£1,449,475	£1,501,474	1,528,000	£1,590,000
Administrative Costs - Non Pay	£502,892	£2,637,552	£2,353,384	2,337,000	£2,326,000
<b>Total</b>	<b>£2,457,280</b>	<b>£4,100,078</b>	<b>£3,930,302</b>	<b>£4,004,000</b>	<b>£4,074,000</b>



## 5) Delivery and resources (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	£26 million
Further examples of Programme efficiency		

Administrative Cost Savings Initiative	2011/12		2012/13		2013/14		2014/15	
	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000
Reduction in Consultancy Payments		136,000		40,000				
Reduction in Travel		42,792		23,000		9,000		
Reduction in Training		0		16,000				
Reduction in Estates and Property Costs		40,000						
Reduction in costs as a result of Office Restructuring	227,288							
Other Reductions		55,000	50,000	11,000				
<b>Total</b>	<b>227,288</b>	<b>273,792</b>	<b>50,000</b>	<b>90,000</b>	<b>0</b>	<b>9,000</b>	<b>0</b>	<b>0</b>



## 6) Delivering Value for Money (VfM)

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 SR10 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. on-going dialogue, our participation in governing bodies, political capital) to leverage change.



## 7) 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 interval. The reviews of the Operational Plan will be led by the Deputy Head of Department. 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 Multilateral Organisation Performance Assessment Network (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

An evaluation strategy for DFID'S International Divisions is under development and will inform UNCD's approach to evaluation. At present, the focus of UNCD's evaluation strategy is to work with key 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 International Directors Office's (IDO) Senior Evaluation Adviser and evaluation expertise in Evaluation Department, we will:

- Provide focused evaluation engagement and advice to key UN agencies to strengthen their evaluation functions – firstly, UNFPA which is updating its evaluation policy; and secondly, 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 reported 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 and engagement with one or more UN agencies.
- Make effective use of the results of evaluations commissioned by multilateral 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 on our evaluation strategy sets out how we will engage with key agencies to strengthen their evaluation. 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 Adviser's work with organisations to share good practices and improve results reporting and evaluation capacity.



## 8) 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. 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: a disclosure policy with a presumption of openness; 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 support **independent evaluation** with all UN agencies, seeking opportunities to update policies and ensuring appropriate budget allocation 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.***



# Annex A: Revisions to Operational Plan 2012/13

- Context – updated information to reflect budget changes over the past year.
- Vision – updated to reflect stronger focus on our ‘shareholder’ responsibilities to ensure that DFID gets value for money from the United Nations agencies and Commonwealth institutions we fund.
- Delivery and Resources – updated to reflect changes, both planned and implemented, in resources and budget over the past year.
- Delivering Value for Money – updated information to reflect budget changes over the past year.
- Monitoring and Evaluation – changed to reflect current work plans and to reflect the new International Divisions’ Evaluation Strategy.

