

# Operational Plan 2011-2015

## DFID CLIMATE AND ENVIRONMENT DEPARTMENT

Updated May 2012

|                  |                                   |              |
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# Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

# 1) Context

## Policy Division Context

The context for the Department for International Development (DFID)'s Policy Division (PD), and the context for aid, is changing. Externally, the face of poverty is changing as three quarters of the world's poor are now thought to live in middle income countries. Many of them have poor governance; global challenges such as climate change, fragility and resource scarcity are impacting on the poorest; and emerging global powers such as India and China are changing the way development happens and are proving critical to solving global problems. At the same time the 2015 Millennium Development Goal (MDG) deadline is now squarely in our sights. Many challenges remain however, with increasing pressure to focus on those issues that are proving increasingly intractable e.g. maternal mortality; access to water and sanitation; ensuring that the world's most marginalised girls complete good quality primary and lower secondary education. Global leadership is needed to push forward on these areas but the context is changing from one of advocacy to one that is based on leading by example, i.e. demonstrating good results in bilateral programming.

Internally, the context for PD is changing too. As DFID shifts to a 0.7% (aid to Gross National Income (GNI)) organisation and increases its aid 'footprint', there is an increasing imperative for DFID to make the very best investments with its increased resources. Evaluation, value for money assessments and transparency of aid are critical to achieving this. The UK needs a policy function that is looking ahead to the policy challenges for today and tomorrow; and is at the forefront of ensuring the UK's aid money is spent with a strong focus on value for money.

## Climate and Environment Department: Why is our work necessary?

- **Preventing global warming rising above a global average of two degrees matters for poor people, for poor countries – and for the UK.** Global emissions and global temperatures are rising. This could mean more floods, more droughts and more famines – damaging critical infrastructure and prospects for growth. The world's poorest people will be hit first and hit hardest – without action on climate the progress made in recent years to reduce world poverty could be reversed. We need a global deal that limits emissions and supports poor countries to adapt.

- **Acting now on climate change makes economic sense.** It is cheaper to act now on climate change than to have to bear the extreme costs of unmanageable climate change. If we do not act on climate change now, then growth and prosperity will be undermined. The longer that action is delayed on climate change, the greater the cost to the world.

- **The UK Government can sustain momentum towards a global deal** by supporting innovation and demonstrating countries can transform their economies and help their people respond to a changing climate. As part of this, private investment is essential. Public finance can help to support innovation and attract the private investment needed.

## What is the UK Government context on climate and environment?

- Within the UK Government, **DFID leads** on helping developing countries to tackle climate change and improve their management of natural resources, and on promoting the interests of poor people in international climate and environment negotiations.

- Climate change and environment are a **top priority** for the Coalition Government. The Coalition committed to being 'the greenest government ever'.

- The spending review allocated **£2.9 billion** to international climate change (the International Climate Fund (ICF)) to be managed jointly by DFID, the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (Defra), with DFID as chair and secretariat of the ICF Board. This represents a significant uplift in climate spend across the SR period.

## What is the international context for Climate and Environment Department's work?

- **UN agreements** including at COP17 in Durban set the international context, including: the goal to limit global warming to a maximum of two degrees, pledges to reduce emissions and the commitment of developed countries to support developing countries to adapt to the impact climate change, protect their forests and grow in a low carbon way (including through establishing a Green Climate Fund). UN agreements at COP10 in Nagoya have set international commitment to "significantly reduce the loss of ecosystems and biodiversity by 2020".

- Developed countries have committed to provide **\$100 billion for climate change** in developing countries by 2020 from a public and private sources. The UK is the only major donor to have publicly committed finance beyond 2012.

## 2) Vision

### Policy Division Overview

What Policy Division (PD) will do over the planning period will change. Recognising the increasing aid budget, PD's focus will shift much more to increasing the value for money of UK aid and away from influencing the international system and other donors' aid. PD will shape, drive and deliver policy to transform poor people's lives. It will be the 'go-to' place for cutting-edge knowledge, innovation and expertise on what works and doesn't work and how to measure impact. It will make sure knowledge, learning and innovation is shared across the organisation to best benefit DFID staff.

We will use the best ideas, evidence, and analysis to:

- Support the delivery of the bilateral programme through lesson learning across the portfolio; expertise on value for money, indicators and unit costs of investments; knowledge sharing and facilitation; capturing experience from innovation; delivering reviews of the portfolio etc.
- Provide analysis and advice in support of Ministerial policy requests and business plan/ Structural Reform Plan priorities
- Continue (but devote less staff time to) to promote change internationally and in international organisations by helping develop HMG policy positions for the G20, G8, international summits, and climate negotiations; and coordinating actions and policy positions with other donors, philanthropic organisations and international bodies
- Engage in Whitehall policy discussions around aid and non aid (e.g. migration)
- Build public and parliamentary support for the UK's development effort (PD answers half of all of DFID's Parliamentary Questions)
- Deliver selected aid results that are better funded centrally, e.g. eliminating polio and neglected tropical diseases; the international growth centre; and climate knowledge network.

### Climate and Environment Department (CED) Overview

This Operational Plan will help establish **DFID as a world leader** in demonstrating results, impact and value for money from supporting developing countries to tackle climate change. **CED's goal** is to demonstrate that low-carbon, climate resilient and sustainable development is necessary and achievable:

- **Champion** new and innovative approaches in bilateral and multilateral climate finance, with a focus on leveraging private finance
- Build **knowledge and evidence** of what works to support developing country capacity in reducing emissions and adapting to climate change whilst growing their economies, conserving the natural environment and forests and tackling poverty
- Challenge the **international climate finance architecture** to be effective, innovative and results driven, with a focus on the Green Climate Fund
- Draw on the above to build developing country support for a future **Global Climate Deal**, promoting its consistency with the Millennium Development Goals and post-2015 architecture
- Get our **own house** in order by driving personal and organisational change in DFID to become climate and environment smart

### Alignment to DFID and wider UK Government priorities:

**Structural Reform Programme (SRP):** CED is responsible for reporting on the actions under the SRP priority on climate change, although implementation of the "climate smart" commitment rests with Regional Directors and Director General for Corporate Performance. CED leads on monitoring and reporting on the delivery of the DFID's international climate change and environment commitments, but is not responsible for ensuring that DFID's overall spending targets are met.

**What we will stop doing:** We will look continuously to streamline our efforts, work more efficiently and identify things we can stop doing.

### 3) Results: Headline Results (1)

| Pillar/<br>Strategic<br>Priority | Indicator  | Baseline (including year) | Expected Results (including year)  |
|----------------------------------|--|---------------------------|--|
| <b>Adaptation</b>                | Numbers of people supported by DFID programmes to cope with the effects of climate change.     | 0<br><br>(January 2012)   | <b>Results targets expected by end 2012.</b><br><br>Results based on currently approved Business Cases under CED management (currently three multilateral programmes). No expected results as yet as multilateral programmes still to establish baselines and targets at fund level.   |
| <b>Adaptation</b>                | Number of capacity building programmes approved through Multilateral Funds                     | 7<br><br>(March 2011)     | <b>57 programmes approved by 2014/15.</b><br><br>This is an interim indicator, with target results based on the number of capacity building programmes approved under the Pilot Programme for Climate Resilience (PPCR). This will be kept under review in terms of the criteria for defining a project or programme as capacity building. The target currently includes all PPCR investment plans and projects underneath them. |
| <b>Forestry</b>                  | Number of hectares where deforestation and degradation have been avoided through DFID funding. | 0<br><br>(January 2012)   | <b>Results target to be set by end 2012</b><br><br>To be based on CED managed multilateral programmes currently under development.   |

### 3) Results: Headline Results (2)

| Pillar/<br>Strategic<br>Priority | Indicator   | Baseline (including<br>year) | Expected Results (including year)  |
|----------------------------------|---|------------------------------|--|
| <b>Low carbon development</b>    | Level of installed capacity of clean energy   | 0 gigawatts<br><br>(2010)    | <b>3 gigawatts of new clean energy capacity indirectly supported (enough to supply over 2.5 million households) by 2015.</b><br><br>To be based on CED managed programmes, including support to the Clean Technology Fund, the Scaling-Up Renewable Energy Programme (SREP), and the proposed Green Africa Power (GAP) programme.                |
| <b>Low carbon development</b>    | Volume of private finance mobilised for climate change purposes as a result of DFID ICF funding                           | \$0<br><br>(2011)            | <b>\$610 million mobilised by 2015</b><br><br>To be based on CED managed programmes including Climate Public-Private Partnership (CP3) and Results Based Finance (RBF) programmes. The target will need to be revised by end 2012, when the GET FIT and GAP programmes are expected to be approved which will contribute to this results target. |
| <b>Environment</b>               | Number of developing country plans and budgets that include the value of natural resources as a result of DFID programmes | 0<br><br>(2011)              | <b>At least five developing countries include the value of natural resources in national plans and budgets by 2015.</b>  |

### 3) Results: Headline Results (3)

| Pillar/<br>Strategic<br>Priority | Indicator   | Baseline (including year)                   | Expected Results (including year)   |
|----------------------------------|---|---|---|
| <b>Cross-cutting</b>             | Green Climate Fund (GCF) meets DFID Multilateral Aid Review tests of relevance and effectiveness                        | GCF established by the UNFCCC<br><br>(2010) | <b>Green Climate Fund, expected to be operational by 2015, is designed in such a way to:</b> <ul style="list-style-type: none"> <li>• satisfactorily meet DFID tests of relevance and effectiveness;</li> <li>• deliver the necessary volumes of finance at the right scale and responsiveness, with the right geographical coverage, on the right terms and with sufficient leverage.</li> </ul> |
| <b>Cross-cutting</b>             | Number of DFID country offices and business units who have completed climate change strategic programme reviews (SPRs). | six SPRs underway<br><br>(Feb 2011)         | <b>All SPRs completed by 2013, with:</b> <ul style="list-style-type: none"> <li>• SPRs in all country offices in Africa and Asia underway by June 2012;</li> <li>• SPRs in all business units underway by Oct 2012.</li> </ul>  |

## 4) Evidence supporting results

### How feasible are the proposed results? How strong is our evidence base?

- **Climate change** is a relatively new area of development and spend. The evidence base to inform investments is weak, in part due to the infancy of climate spend and climate change programmes; attribution of results is difficult, data with which to measure results is lacking in particular in developing countries; and technical capacity across DFID to design and deliver robust climate monitoring and evaluation strategies is relatively weak compared with other sectors.
- **Low carbon development:** The recent emergence of low carbon development as a focus for international development means that the evidence base is limited, particularly for low income countries, with reasonable data on energy but data still weak on technology and innovation. The results we hope to achieve are ambitious and rely on the following key assumptions: long-term finance available and accessible to developing countries; political will amongst all countries to implement long-term low carbon legislative frameworks and policies; developing countries recognising the opportunities associated with low carbon trajectories and adopt and implement low carbon development strategies (especially energy efficiency measures). The long term global prospects for low carbon development will be heavily dependent on a carbon price.
- **Adaptation:** There is strong evidence that climate change makes the poorest people more vulnerable. Equally there is strong evidence of the need to build the capacity of people and institutions to cope with climate change through better planning mechanisms, stronger institutions and better knowledge. However, the evidence on how to build resilience at the local and national level needs to be strengthened and uncertainty on climate change impacts makes it more difficult to make decisions in the long term. We need to know more about what works, how to engage the private sector, understand which decision making tools take into account uncertainty, and improve monitoring and evaluation frameworks around adaptation. We will continue to work with knowledge, private sector and developing country partners to build this evidence.
- **Forestry:** The availability of good evidence underpinning results in this area is limited but improving. There is now reasonable evidence on the costs of Reducing Emissions from Deforestation and forest Degradation (REDD+) interventions, and of costs and benefits of interventions to reduce illegal logging and to improve how forests are governed and managed. This issue benefits from having clear and measurable metrics such as hectares protected and national deforestation rates - but measuring impacts on forest-dependent people, including indigenous people, and on biodiversity remain challenging. The evidence base is improving through increased finance for research on REDD+ and real-time evidence generated as countries start to implement national REDD+ strategies and put in place systems to monitor and verify emission reductions.
- **Environment:** The availability of good evidence in this area is medium, with data published by the World Bank on countries' natural capital on a five-yearly basis. We will continue to work with partners to improve the evidence base and help developing countries apply the best evidence in the development and implementation of policy.

## 5) Delivery and Resources: Overview

**Policy division: Delivery and resources overview:** While Policy Division (PD) will continue to set the agenda, including for the international community, on some of the key policy themes that can have significant impact on development (climate, wealth creation, health, education, anti-corruption, fragility etc.) our delivery focus will change to be even more country-facing – with DFID country office demands increasingly shaping Policy Division’s priorities and work-programmes, and Policy Division increasingly helping to improve the value for money of bilateral programming. A broad menu will include:

- facilitating the flow of knowledge and information across DFID in thematic areas which require rapid scale-up, new niche areas for DFID or with specific poor/vulnerable groups (e.g. people with disabilities)
- increasing value for money of DFID programme delivery bringing in learning from elsewhere, advice on unit costs, benchmarking, metrics and indicators, implementing specific findings from portfolio reviews
- capturing experience from innovation to contribute to programme design and business cases
- shaping and strengthening UK/DFID policy which can provide a framework for action at country level e.g. elections guidance briefing and assessments of cash transfers
- looking across the sectoral portfolio to assess the overall coherence
- provide practical guidance to country offices to operationalise policy themes.

In exceptional circumstances, filling staffing gaps on a short term basis in high priority countries where the lack of technical capacity is threatening the ability of the country office to achieve results. These would be agreed with the PD Director.

**Climate and Environment Department will also have the following roles in the new Spending Review period:**

- Provide **support to country offices** to deliver on adaptation, Low Carbon Development (LCD), forestry and environment
- **Deliver** a significant portion of DFID’s climate change and environment **spend** demonstrating results, impact and value for money
- **Contribute to the UK Government’s wider international climate objectives**, including by monitoring progress on ICF delivery, including DFID’s £1.8 billion, and supporting the ICF Board to manage this spend – working closely with other **Whitehall** departments
- Help the rest of DFID become **Climate Smart**
- **Build knowledge**, evidence and tools, including Value for Money (VfM) metrics and evaluation, acting as a **reservoir and facilitator of knowledge** for the rest of DFID
- **Influence** the international negotiations and architecture including to improve the results of Multilateral Development Banks and set up an effective Green Climate Fund
- Scale-up our work with the **private sector** to leverage green investment
- **Provide support to Ministers** and senior management on climate change and environment.

CED will therefore continue its policy, knowledge and influencing work and scale up its work on: designing and managing effective programmes, and supporting the rest of DFID and UK Government to ensure the ICF delivers excellent results, impact and VfM, and that all UK aid is climate smart. We will continue to support work in **fragile states** such as protecting forests in Democratic Republic of Congo (DRC) and Nepal, and ensure that improving the lives of **girls and women** is considered in our programming.

## 5) Delivery and Resources: Planned Programme Spend

### Programme spend allocation

| Pillar/Strategic priority                    | 2010/11 (outturn) |                  | 2011/12           |                  | 2012/13           |                  | 2013/14           |                  | 2014/15           |                  | TOTAL (2011-15)   |                  |
|--|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
|  | Resource<br>£'000 | Capital<br>£'000 |
| Wealth Creation                              |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Climate Change                               | 106,748           | 250,000          | 76,000            | 0                | 215,378           | 69,200           | 80,000            | 0                | 79,000            | 0                | 450,378           | 69,200           |
| Governance and Security                      |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Education                                    |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Reproductive, Maternal<br>and Newborn Health |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Malaria                                      |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| HIV/Aids                                     |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Other Health                                 |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Water and Sanitation                         |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Poverty, Hunger and<br>Vulnerability         |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Humanitarian                                 |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Other MDG's                                  |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| Global Partnerships                          |                   |                  |                   |                  |                   |                  |                   |                  |                   |                  | 0                 | 0                |
| <b>TOTAL</b>                                 | <b>106,748</b>    | <b>250,000</b>   | <b>76,000</b>     | <b>0</b>         | <b>215,378</b>    | <b>69,200</b>    | <b>80,000</b>     | <b>0</b>         | <b>79,000</b>     | <b>0</b>         | <b>450,378</b>    | <b>69,200</b>    |

The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 14/15 are planned budgets within the spending review period. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years.

## 5) Delivery and Resources: Planned Operating Costs

|  | 2010/11 (outturn) | 2011/12      | 2012/13      | 2013/14  | 2014/15  | Total (2011-15) |
|--|-------------------|--------------|--------------|----------|----------|-----------------|
|  | £'000             | £'000        | £'000        | £'000    | £'000    | £'000           |
| Frontline staff costs UK - Pay                     |                   | 805          | 1,552        |          |          | 2,357           |
| Frontline staff costs UK - Non                     |                   | 87           | 65           |          |          | 152             |
| Administrative Costs - Pay                         | 2,545             | 1,862        | 1,705        |          |          | 3,567           |
| Administrative Costs - Non Pay                     | 409               | 175          | 126          |          |          | 301             |
| Frontline staff costs Overseas - Current contracts | 761               | 605          | 0            | 0        | 0        | 605             |
| <b>Total</b>                                       | <b>3,715</b>      | <b>3,534</b> | <b>3,448</b> | <b>0</b> | <b>0</b> | <b>6,982</b>    |

The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 14/15 are planned budgets within the spending review period. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years.

## 5) Delivery and Resources: Planned Efficiency Savings

| Delivering Programme Efficiencies        |         |                      |
|--|---------|----------------------|
| Category                                 | Details | Residual Value<br>£m |
| Strategic Reprioritisation               |         |                      |
| Further examples of Programme efficiency |         |                      |

|  | 2011/12      |                  | 2012/13      |                  | 2013/14      |                  | 2014/15      |                  |
|--|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|
| Administrative Cost Savings Initiative                 | PAY<br>£'000 | Non Pay<br>£'000 |
| Reduction in Consultancy Payments                      |              | 130              |              |                  |              |                  |              |                  |
| Reduction in Travel                                    |              | 109              |              |                  |              |                  |              |                  |
| Reduction in Training                                  |              |                  |              |                  |              |                  |              |                  |
| Reduction in Estates and Property Costs                |              |                  |              |                  |              |                  |              |                  |
| Reduction in costs as a result of Office Restructuring |              |                  |              |                  |              |                  |              |                  |
| Other Reductions (Inc. Reclassified posts if coun      | 453          |                  |              |                  |              |                  |              |                  |
| <b>Total</b>   | <b>453</b>   | <b>239</b>       | <b>0</b>     | <b>0</b>         | <b>0</b>     | <b>0</b>         | <b>0</b>     | <b>0</b>         |

Efficiency savings in Admin staff costs do not tie back due to staff numbers running above anticipated headcount during 2010/11 and therefore leading to a bid for increased capacity going forward in new spending period (background at Quest Doc: 2946121). It is anticipated that these will be picked up in overall PRD efficiency savings.

## 6) Delivering Value for Money (VfM)

**Climate change** is a relatively new area of development. As such, the evidence base to inform investments is patchy, attribution of results is difficult and capacity across DFID is relatively weak.

Improving value for money analysis is an important focus of all of our work. We are working to **improve value for money across:**

- DFID and UK Government:** Through our drive to make all DFID programmes Climate Smart and our closer working with country offices, we will be helping the rest of DFID to improve the measurement of value for money in climate and environment-related programmes. CED is leading on developing measures of impact and value for money to track progress across the organisation. As part of the UK Government's strategy for implementing the UK Government International Climate Fund, we are running a pilot bidding process for the ICF in July 2012 which will enable DFID and the UK Government to make strategic choices between climate programmes and projects on the basis of VfM measurements and strategic fit with ICF objectives. We are also developing a monitoring and evaluation framework that will support the tracking of value for money of ICF investments.

- CED's programme spend:** We are working to ensure that robust value for money measurements are incorporated in all new and existing CED programmes and that programme decisions are taken on the basis of results, impact and value for money. DFID's Business Case model will be used for all new programmes and will help in making value for money assessments, in terms of both programme and administration resources.

- The international system:** We are working to influence where possible improvements in results measurement of our multilateral partners. For example on the Climate Investment Funds (currently our largest programme spend) we have been working to ensure a robust performance measurement system is developed and built into programme and project design more systematically. Helping developing countries to measure the results and effectiveness of national and sector plans related to climate and environment will also be part of our support through programmes such as the Pilot Programme for Climate Resilience (PPCR).

- In the efficiency and targeting of our administration resources:** We are making significant savings in our administration spend including consultancies, DFID staff travel and training. We are also revising our balance of Front Line Delivery posts in country and in the UK to ensure best value for money in staffing costs. Through developing annual CED workplans and using the new Business Case model for programme spend, we will be taking a more strategic approach to allocating staff time on the basis of where most value can be achieved.

## 7) Monitoring and Evaluation

### Monitoring of CED's Operational Plan (OP):

- CED will conduct a **full annual review** of OP results framework
- Six-monthly traffic light review** of results framework
- Three-monthly updates** on overall progress by Team Leaders
- Process:** Climate and Environment Strategy Unit will coordinate monitoring of progress. Team Leaders and Department Head will agree any follow up action. This will be monitored concurrently with OP review processes and will need to link into the ICF and DFID's wider Corporate Results Framework to minimise transaction costs in collecting data.

### Monitoring and Evaluation (M&E):

- CED is working in partnership with Evaluation Department (EvD) to build the technical capacity across DFID to **monitor and evaluate climate change investments**. This is part of the wider ICF M&E agenda that CED is leading for UK Government.
- We will develop and test a set of indicators to measure core results delivered through ICF spend to ensure consistency of reporting across CED, DFID and ICF spend by DECC and Defra.
- We will develop a **climate change evaluation strategy** for CED, based on the ICF evaluation workplan EvD and CED are developing on behalf of the ICF. This will include identification of strategic evaluation efforts and capacity requirements to deliver.
- We will complete a review of **existing and planned monitoring and evaluation frameworks** of other donors and International Financial Institutions relevant to climate change to help inform a DFID draft framework.
- We will develop and deliver a central budget programme to strengthen capacity, methodologies, data and knowledge gaps to support the development of the ICF M&E framework in the short term as well as the longer term international climate finance architecture.
- We will actively engage with other donors, IFIs and developing country partners to identify and develop common areas for sharing lessons and experiences and potential collaboration, with the aim of strengthening the ICF M&E Framework as well as to help inform and shape the future design of the Green Climate Fund.
- We will recruit a statistics adviser to lead and support CED's work on the results agenda.
- We will review the **Strategic Programme Review Pilots** to capture learning and build this into wider work.

## 7) Monitoring and Evaluation

### Building capacity of partners in monitoring and evaluation:

- The technical capacity of partners in results and evidence is generally very limited, as is the case in many developed countries. Data availability, including established baselines and inventories, are also lacking making reporting against indicators and undertaking evaluation efforts in developing countries a more challenging exercise.
- We will work closely with DFID's statistics and evaluation cadres to identify how best to support the capacity needs (including around data) of developing country partners, including through the use of DFID's ICF budget.
- We will be working to influence where possible improvements in results measurement. For example:
- On the Climate Investment Funds** (currently our largest programme spend) we have been working to ensure a robust performance measurement system is developed and built into programme and project design more systematically.
- Through SPRs**, we are supporting country offices to improve their planning, results and evaluation on climate and development .

## 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, including programme documents and all spend above £500. We will continue to ensure that information is accessible, comparable, accurate, timely and in a common standard with other donors and that we provide opportunities for those directly affected by our projects to provide feedback.

All **Policy Division** Departments will publish detailed information of all new programmes on the DFID website, and all procurement over the £25,000 threshold. Annual project performance reporting and end of project evaluation from April 2011 will also be published. We will ensure that wherever possible, all information in the public domain is comprehensive, accessible, comparable, accurate and timely. We will also seek opportunities for feedback by those benefiting from PD programmes. We will meet the standards set out in the International Aid Transparency Initiative (IATI) and will encourage our partners to do the same.

**Impact and VfM:** Key for 2011-15 will be transparency on results, impact and VfM. We are working these into our programming and strategies in order to communicate these transparently.

**Finance:** In the new spending period, Finance and Corporate Performance Division, with support from CED, will be tracking DFID spend on climate change (ICF) for the first time and will report this publicly as an indicator in DFID's Business Plan. We will continue to improve the accuracy and comprehensiveness of financial data on climate change and environment Official Development Assistance reported to the OECD Development Assistance Committee. We will continue to press other donors to report their climate support transparently and help to improve the system for international measurement of climate support.

**Communications:** We will ensure that our external communications are accessible and engaging, including supporting DFID Communications Division's drive to present data in a more innovative way. We will also work with partners to make more information available publicly about DFID-funded programmes.

**Partners:** We are working with partners to improve transparency and improve access to information and feedback from beneficiaries. For example the DFID-funded Climate and Development Knowledge Network <http://www.cdkn.org/> which links climate change knowledge with people around the world, and [www.faststartfinance.org](http://www.faststartfinance.org) – a site where developed countries share information on the delivery of their Fast Start commitments.