

Operational Plan 2011-2015

DFID International Directors' Office

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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

- The International Directors' Office (IDO) sits within our International Finance Division and supports the corporate and policy work of the International Finance and International Relations Directors and their six Departments.
- The Multilateral Aid Review (MAR) sets out seven key reform priorities for improving multilateral effectiveness, including results management, evaluation and reporting, cost control and efficiency, human resource management, and increased attention to gender and performance in fragile states. It provides a foundation for taking strong evidence-based funding decisions. IDO will play a key role working closely with the Departments* to take forward the recommendations of the MAR and assist them with the continual monitoring of funding and reform efforts of multilaterals. In addition we will:
 - Support the new Private Sector Department on wealth creation policy work.
 - Continue to participate in the Multilateral Organisations Performance Assessment Network (MOPAN) that surveys multilateral effectiveness.
 - Strengthen collaboration with DFID Country Offices to ensure that country level programmes with multilaterals contribute to reform priorities.
 - Continue to facilitate a programme of strategic secondments to multilaterals, to help pursue DFID's reform objectives with those partners.
 - Continue to work with the Foreign and Commonwealth Office (FCO) and other Government Departments on coordinating the UK's approach to senior international appointments to multilateral organisations.
- IDO will oversee and report on compliance in financial, people and programme management on behalf of Departments. We will:
 - Oversee financial management to ensure budgets are managed efficiently.
 - Shape DFID's overall performance monitoring systems to be relevant to DFID's multilateral work.
 - Oversee high quality performance reporting and ensure corporate compliance.
 - Coordinate contributions to corporate risk management.
 - Support implementation of DFID's Transparency agenda.

*International Financial Institutions Department, Global Funds Department, Private Sector Department, United Nations and Commonwealth Department, Development Relations Department, and Europe Department.

2) Vision

Overview

- IDO's vision for 2014/15 is of a multilateral system which functions more effectively, using DFID and other donor funds efficiently to deliver aid and achieve the Millennium Development Goals (MDGs).
- To this end, IDO aims to promote delivery of a strategic and joined up approach to work with multilateral organisations, acting as a source of advice and good practice on multilateral effectiveness, and supporting Directors and departments to build the evidence to take robust funding decisions based on performance.
- IDO also aims to enable Departments in the International Divisions to demonstrate excellent performance in financial, people and programme management, as well as meet transparency targets; and will help support the new Private Sector Department to promote high impact wealth creation work and maintain influential partnerships with the private sector in tackling poverty and achieving the MDGs.

Alignment to DFID and wider UK Government priorities

- DFID's Business Plan and Structural Reform Plan: see next slide.
- IDO's work falls within the Global Partnerships pillar of the Spending Review 2010.
- IDO supports HMG's coordinated UK approach to senior international appointments.

What we will stop doing

- The MAR has identified priority reform issues to pursue with multilateral partners, and will enable a sharper focus for IDO's policy work.
- Start up work on the secondments project will reduce, as the programme shifts to routine implementation.
- New corporate processes such as the Business Case are now in place. Shaping work will give way to implementation led by Departments.
- IDO will reduce ad-hoc reporting to Heads of Department on individual corporate issues and replace this with a streamlined monthly corporate report.

3) Results

Headline results.

Pillar/ Strategic Priority	Outcome	Baseline (2010)	Expected Results (March 2015)
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	More MOs have: <ul style="list-style-type: none"> •strong results-based management systems •output and outcome targets •methods to aggregate results from country to global level
Global Partnerships	MOs clearly demonstrate cost control and cost efficiency	Average MAR score for cost consciousness: 2.5 adequate	More MOs: <ul style="list-style-type: none"> •deliver quantified efficiency savings •place a greater emphasis on securing value for money in their programming choices
Global Partnerships	MOs improve performance in significant lower performing areas such as gender, approach to conflict-sensitive programming, human resource management and evidence of delivery	Average MAR score for gender: 2.4 adequate, and contribution to results: 2.5 adequate	More MOs: <ul style="list-style-type: none"> •demonstrate they are incorporating gender issues into their programming •adapt their approach in conflict states •can give evidence of delivery •have HR systems in place to address recruitment to fragile states
Global Partnerships	Multilateral Organisations Performance Assessment Network (MOPAN) delivers multilateral effectiveness reports which are used to improve multilateral performance	Four assessments delivered	Four assessments delivered a year. Evidence shows that donors and multilateral organisations are using MOPAN reports to drive improvements
Global Partnerships	Secondments project delivers high performing strategic UK secondments to multilaterals	Secondments not consistently aligned with DFID objectives	All UK secondments deliver strategic objectives and able to demonstrate delivery against them
Global Partnerships	Improved accuracy of International Divisions' monthly financial forecasting	Quarterly Management Reports 2010/11 Q3 records low IFD scores on monthly forecasting	International Divisions improve average monthly forecasting to within 10% and demonstrate excellent corporate compliance and transparency

3) Results (continued)

Evidence supporting results

- **Results:** Strong results-based management is important for multilateral organisations (MO) 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.
- **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 dollar go further rather than an organisation-wide culture of delivering Value for Money. The MAR showed that there is some room for increased efficiency and for VFM to take a more prominent role in the MOs' internal decision-making structures.
- **Some MOs could improve how they incorporate gender in their programming and how they ensure their approaches are sensitive to fragile and conflict affected states.** Finally the MOs need to combine a stronger in-country presence and decentralisation of decision-making with greater flexibility and an ability to use the 'right' instruments in the right contexts.
- **Secondments:** Some secondments not sufficiently aligned with overall DFID priorities.
- **MOPAN:** Making publicly available information on MOs' organisational effectiveness provides an evidence base from which bilateral organisations can draw prior to replenishment and future funding negotiations. Strengthening the survey's power by ensuring the relevance of the questions to bilateral organisations' needs and better incorporating findings on development effectiveness will help to strengthen the evidence base surrounding MO performance.
- **Corporate compliance:** recent Quarterly Management Reports show that International Divisions perform well on some corporate indicators, but less well on others. The accuracy of monthly forecasting is an area for improvement. There is also work for IDO to do with the Corporate Divisions to ensure that the Quarterly Management Report indicators better reflect the actual performance in the International Divisions.

Value for Money (VfM) rationale

- The MAR assessed the VfM of the MOs by looking at their organisational strengths and from their contribution to UK development objectives. This comprehensive review identified key systemic weaknesses in the areas of results management, cost control and cross cutting issues. Improving MOs' performance in these areas will have a significant VfM impact.
- **Corporate compliance:** improving monthly forecasting will allow Directors to ensure that their budgets are managed efficiently, making best use of the resources available.

4) Delivery and Resources

- IDO is a split site team with staff in both of DFID's headquarters in London and East Kilbride. This facilitates close working with the London-based International Directors and most of International Divisions' Departments; as well as with Scotland-based United Nations and Commonwealth Department, and the central corporate Divisions who are also key partners for IDO.
- IDO's Head of Department oversees IDO's policy and corporate roles and liaises closely with the International Finance and International Relations Directors on all aspects of the Divisions' work
- IDO's Corporate Team provides support on corporate compliance, finance, human resource, administration support and policy issues, specifically the Multilateral Organisations Performance Assessment Network (MOPAN).
- While the parts of IDO have operated quite independently in the past, our intention is to integrate the various work streams more closely in the future.
- IDO's Cabinet role involves being an interface between the International Division Departments and DFID's central corporate Divisions. We provide support to Departments in achieving corporate compliance and ensuring that International Divisions contribute to DFID corporate priorities. IDO also oversees financial management in the International Divisions, providing support and training and a challenge function to Departmental Finance Officers.
- On the Policy side, IDO is a source of advice and good practice on multilateral effectiveness, and aims to ensure a strong evidence base on which DFID can make decisions on multilateral funding and promote reforms.
- IDO holds a small programme budget for the Strategic Secondments project and MOPAN. IDO will also manage a performance funding budget line, available from 2013/14, for Departments to allocate according to the performance of multilateral partners.

4) Delivery and Resources (continued)

Programme Spend

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation											0	0
Climate Change											0	0
Governance and Security											0	0
Education											0	0
Reproductive, Maternal and Newborn Health											0	0
Malaria											0	0
HIV and AIDS											0	0
Other Health											0	0
Water and Sanitation											0	0
Poverty, Hunger and Vulnerability											0	0
Humanitarian											0	0
Other MDG's											0	0
Global Partnerships	190		2,090		2,540		92,540		92,540		189,710	0
TOTAL	190	0	2,090	0	2,540	0	92,540	0	92,540	0	189,710	0

4) Delivery and Resources (continued)

	2010/11	2011/12	2012/13	2013/4	2014/15	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay		83	83	83	83	332
Frontline staff costs - Non Pay		10	10	10	10	40
Administrative Costs - Pay	1,216	1,063	976	976	976	3,991
Administrative Costs - Non Pay	272	165	140	140	140	585
Total	1,488	1,321	1,209	1,209	1,209	4,948

4) Delivery and Resources (continued)

Efficiency savings

Delivering Programme Efficiencies		
Category	Details	Residual cost in the Spending Review period £'000
Strategic Reprioritisation		
Further examples of Programme efficiency		

	2011/12		2012/13		2013/14		2014/15	
Administrative Cost Savings Initiative	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000
Reduction in Consultancy Payments				10				
Reduction in Travel		10		7				
Reduction in Training		16		8				
Reduction in Estates & Property Costs								
Reduction in costs as a result of Office Restructuring		234	60					
Other Reductions								
Total	0	260	60	25	0	0	0	0

5) Delivering Value for Money (VfM)

Areas of focus:

- Multilateral organisations (MOs) operate robust and transparent results management, evaluation and reporting systems
- MOs clearly demonstrate cost control and cost efficiency
- MOs improve performance in significant lower performing areas such as gender, approach to conflict-sensitive programming, human resource management and evidence of delivery.

Challenge to embedding VfM	Actions to meet the challenge	Team/Person responsible	Date
<ul style="list-style-type: none"> • Ensuring Departments have access to cutting edge evidence on results management, key issues relating to cost control and how to engage on gender, conflict sensitive programming and human resource management issues • Ensuring Departments have the evidence to engage with the MOs on these issues • MOs acting to take these processes forward 	<ul style="list-style-type: none"> •IDO will provide high quality advice and analysis of evidence to support Departments in their engagement with MOs •IDO stands ready to provide additional capacity or help access expertise •Improve access to central expertise – be that within IDO or more broadly across DFID 	Policy Team	2014/15
		Policy Team	2014/15
		Policy Team	2014/15

VfM Strategy

- Ensure that the findings of the MAR drive the priorities of International Divisions – and that multilateral organisations' VfM is measured over the spending period
- Ensure business cases for core funding to multilateral organisations are linked back to the MAR and VfM analysis
- IDO staff have the skills needed to provide high quality analysis in these key areas.

6) Monitoring and Evaluation

Monitoring

- IDO's Results Framework will be a living document and a resource for ongoing work planning. The detailed outputs and activities in the Results Framework will be revised as MAR follow up work is more clearly defined.
- The whole team will review the plan every six months with a view to assessing progress and updating the results the team is focusing on. The plan will be refreshed annually which will be an opportunity to reconsider priorities in light of circumstances or emerging issues.

Evaluation

- IDO will support International Directors to: a) respond to the scrutiny work of the Independent Commission for Aid Impact (ICAI) and b) support work of the Departments in monitoring multilateral effectiveness.
- Demonstrating that the multilateral system is having an impact on the lives of poor people will require multilateral organisations (MOs) to have ever stronger evaluation systems. To this end, IDO will support Departments by:

Informing: synthesising relevant analysis and best practice on results based management and evaluation from across the multilateral system

Facilitating: sharing lessons learned across teams and providing the link with Evaluation Department, including support to embed evaluation and skills

Handling: managing any central reporting on evaluation through Directors to Independent Commission for Aid Impact (ICAI) and the Management Board

- IDO will be the interface between Departments, Evaluation Department and the ICAI. IDO will capitalise on existing relationships, for example within MOPAN, to strengthen DFID's evidence base on evaluation, as well as looking to develop new ones with evaluation professionals in existing networks such as the Development Assistance Committee (DAC) Evaluation Network and within MOs themselves.
- Covering IDO's own programme work, the Secondments project will be evaluated in 2012. The impact of MOPAN survey work on the behaviour of MOs is tracked on an ongoing basis through the network activities.

Building capacity of partners

- IDO will seek to enhance capacity, including through additional staff resource, to take forward monitoring and evaluation activities. This will include working closely with Departments that are looking at ways to support the MOs they work with to further strengthen their evaluation systems.

7) Transparency

Transparency is one of the top priorities for the UK Government. We will meet our commitments under the UK Aid Transparency Guarantee: we will publish detailed information about DFID projects, including programme documents and all spend above £500. Information will be accessible, comparable, accurate, timely and in a common standard with other donors. We will also provide opportunities for those directly affected by our projects to provide feedback.

- IDO will support Departments to improve the quality of information on internal systems (ARIES) to ensure that published data is accurate.
- IDO will ensure all Departments are aware of what information is going into the public domain, where it will be published, when, and what the process is for publishing.
- In terms of IDO's own programme spend, annual reviews and project summaries will be published as required for the Strategic Secondments and MOPAN projects, as well as information on all transactions over £500.
- To increase internal transparency, IDO will aim to make its own budget more visible to all team members from 2011/12, to help ensure efficient use of resources and accurate monthly forecasting.