

Operational Plan 2011-2015

DFID [United Nations and Commonwealth Department (UNCD)]

April 2011

This plan will be refreshed annually

Contents:

	Introduction	1
Section 1:	Context	2
Section 2:	Vision	3
Section 3:	Results	4-7
Section 4:	Delivery and Resources	8-11
Section 5:	Delivering Value for Money	12
Section 6:	Monitoring and Evaluation	13-14
Section 7:	Transparency	15-16

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 (MAR) 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 United Nations 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 on the ground. The UN and the Commonwealth both have a high degree of legitimacy and credibility which other parts of the multilateral system cannot match. However, it is recognised that they are not as effective as they could be. This was a key finding of the Multilateral Aid Review (MAR).

Reform of these institutions is, however, highly contested, and therefore generally slow paced and incremental. In order to secure reform we must work with a broad coalition of partners with a consistent and long term engagement. We also need to be opportunistic and flexible.

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. UNCD also leads on strengthening the effectiveness and impact of the Commonwealth's work on development. We manage annual funding of £244 million to 13 UN organisations and £29 million to six 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 to deliver results on the ground.

UNCD includes the UK Representation to the Food and Agriculture Organisation (FAO), World Food Programme (WFP) and International Fund for Agricultural Development (IFAD) based in Rome, and the UK Delegation to the United Nations Educational, Scientific and Cultural Organisation(UNESCO) in Paris. We work across Whitehall and particularly closely with the UK Missions (UKMis) to the UN in New York, Geneva and Vienna. Our work involves engagement with many parts of HMG 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 aim is to improve the performance and effectiveness of the agencies we support, so that they can provide an effective international platform for DFID country programmes and the global funds to deliver results on the ground. The MAR has underlined certain key areas for improvement: we will especially focus on strengthening UN agency results management, their transparency and their overall value for money, whilst looking to incorporate climate change, conflict/fragility and gender issues in all their work.

We will focus on a smaller number of priority issues, with a shift of emphasis from policy engagement on the system towards prioritising a closer engagement with the most important agencies. We will use influencing opportunities with both the agencies and membership to:

- Deliver key MAR reforms recognising in particular the importance of United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), FAO and the Commonwealth, with a closer focus on stronger results.
- Build closer UNCD ties with key agencies, including more active use of Executive Boards to lever reforms.
- Combine institutional reform (UNCD) and policy objectives (DFID's 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.
- Focus on a small number of fragile states in which DFID would look to influence UN performance and leadership.
- 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 the Foreign and Commonwealth Office (FCO) on our Commonwealth work.

What we (UNCD) will stop doing

- Stop engaging with UN agencies that offer poor value for money: United Nations Industrial Development Organisation (UNIDO), International Labour Organisation (ILO) and United Nations Human Settlements Programme (UN-HABITAT).
- Replace performance frameworks with four year funding frameworks designed to deliver key MAR reforms.
- Focus on a narrower range of "UN One" interventions aimed at stronger UN delivery on the ground, particularly in fragile states.
- Agree with FCO and UKM is a streamlined UNCD role in United Nations General Assembly (UNGA) and other UN Inter-Governmental work.

3) Results

Headline results

The small selection of indicators included here are selected for their links to the DFID Business Plan but they by no means capture the range and complexity of development and humanitarian issues tackled by UN and Commonwealth organisations.

Pillar/ Strategic Priority	DFID Business Plan Indicators	Baseline (including year)	Expected Results (including year)
Health	Number of Insecticide Treated Nets distributed (UNICEF)	42 million by 'UNICEF and partners' (2009) [DFID core share approx 300,000] *may include nets funded by other partners; DFID's central reporting on this indicator will address any double counting.	N/A
Programme Effectiveness	Percentage of projects rated 4 or better at completion for effectiveness (IFAD)	75% (2007, Annual Report on Results & Impact); 86% (2008-09 Project Completion Report)	90% (2012)

3) Results (continued)

UNCD’s aim is to improve the performance and effectiveness of the agencies we work with. Our focus will therefore be in addressing key reform priorities identified by the Multilateral Aid Review. Performance will be assessed based on the level of agency progress in the following four areas

Outcome	Baseline (2010)	Target (March 2015)
Effective and transparent UN and Commonwealth results management, monitoring, evaluation and reporting systems	No of agencies assessed as unsatisfactory = 1; weak = 10; satisfactory = 1 (MAR Strategic/Performance Management)	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. UNICEF & UNDP improve to ‘satisfactory’ & demonstrate strengthened results frameworks in next Strategic Plans (for 2014 onwards).
UN and Commonwealth agencies clearly demonstrate improved efficiency and cost control	No of agencies assessed as unsatisfactory = 1; weak = 10; satisfactory = 1 (MAR Cost & Value Consciousness)	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. Clear reporting on efficiencies in agency Annual Reports. UNDP improves to ‘satisfactory’.
More effective UN and Commonwealth delivery (incl. coordination and leadership), particularly at country level, in humanitarian emergencies, conflict and fragile states (UN) and networking, advocacy and support for small states (C’wealth)	No of agencies assessed as unsatisfactory = 2; weak = 8; satisfactory = 2 (MAR Contribution to Results)	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. UNDP improves to ‘satisfactory’, UNICEF delivery improves in humanitarian & emergency situations. FAO builds on good humanitarian performance & improves patchy performance elsewhere.
UN agencies are increasingly transparent and accountable, making publicly available info on programmes, audits and evaluations	No of agencies assessed as unsatisfactory = 1; weak = 8; satisfactory = 3 (MAR Transparency & Accountability)	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. All UN agencies meet IATI standards.

3) Results (continued)

Evidence supporting results

No single country can address the global challenges of poverty, climate change, insecurity and economic instability on their own. 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. The UN, for example, is the custodian of the Millennium Development Goals 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.

The theory of change underpinning these results recognises that the UK is just one member of UN & Commonwealth Boards. Any change therefore requires substantial engagement with, and influencing of, other 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) in our four key areas. We will also continue to support system-wide coherence and leadership within the UN as this is essential for strengthened delivery. Improved MO results systems, cost control, transparency and delivery (including in conflict and fragile states) should, in turn, lead to better development results.

In our headline indicators we therefore include both measures of reform progress and examples of indicators from agencies' own results frameworks which are related to DFID's business plan. However, the selected agency 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 MAR assessed the quality of MO's results systems and generally found these to be weak, making 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. These issues are reflected in the limited availability of development related headline indicators for tracking progress.

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 their progress will influence our future funding decisions.

3) Results (continued)

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.

4) Delivery and Resources

Projected Changes – Organisational Design and Structure

In 2010, in response to new priorities, we took steps to merge the UNCD Policy Team into our UN Programme Team. Following the MAR, UNCD's future business will focus on leveraging reform in the agencies we fund in order to improve their capacity to deliver results and value for money. We will direct more senior level leadership and capacity towards meeting this challenge. This approach is consistent with feedback received through the 2010 staff survey.

In year 1 of this plan we will deliver a restructuring of the UNCD Programme Team by dividing it in to two teams. In broad terms; one team will focus on the New York-based agencies, the second team on the Geneva-based and other agencies. Our cross-cutting advisory and policy resources will be embedded within teams. The new teams, alongside our missions in Paris and Rome and our Commonwealth Team will combine to form UNCD's operational backbone. Team leaders will operate with increased responsibility, autonomy and flexibility - with only one layer of formal quality assurance above them.

We will retain a dedicated capacity to deal with specific cross-UN system issues with a focus on those that impact on country-level delivery - such as our approach to Delivering as One, UN Leadership. We will also resource wider UN processes such as Economic and Social Council (ECOSOC), and the Triennial Comprehensive Policy Review (TCPR) as well as the steady stream of briefing and parliamentary work we handle which sits above the agency level.

We will deliver a more intensive influencing engagement with agencies and donor partners requiring targeted business travel and an increased engagement with and through colleagues in UK missions.

We have already substantially scaled-back on our system-wide policy capability and will re-direct those resources towards our agency work. We will exit from three UN agencies (two in 2011 and one in 2012) and thereafter terminate our institutional relationship with them. We will replace all agency performance frameworks with light touch and higher level performance monitoring mechanisms. We will complete multi-annual Business Cases to avoid the high transaction costs of annual agency replenishments.

4) Delivery and Resources (continued)

2011/12		2012/13		2013/14		2014/15		TOTAL	
Resource £'000	Capital £'000								
7,000		8,000						15,000	0
								0	0
2,500		2,500		2,500		2,500		10,000	0
								0	0
45,000		45,000		55,000		60,000		205,000	0
								0	0
10,000		10,000		10,000		10,000		40,000	0
56,500		61,500		75,500		75,500		269,000	0
								0	0
20,000	13,700	44,000	24,200	45,000	17,000	46,000	19,000	155,000	73,900
								0	0
								0	0
119,400		122,800		136,300		141,900		520,400	0
260,400	13,700	293,800	24,200	324,300	17,000	335,900	19,000	1,214,400	73,900

4) Delivery and Resources (continued)

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay		65	67			132
Frontline staff costs - Non Pay		28	27			54
Administrative Costs - Pay	2,074	1,406	1,386	1,348	1,272	7,486
Administrative Costs - Non Pay	934	695	663	649	636	3,576
Total	3,008	2,193	2,142	1,997	1,908	11,248

4) Delivery and Resources (continued)

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	29,000
Further examples of Programme efficiency		

	2011/12		2012/13		2013/14					
	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000				
Administrative Cost Savings Initiative										
Reduction in Consultancy Payments		136		12		6		5		
Reduction in Travel		43		10		4		4		
Reduction in Training				10		4		4		
Reduction in Estates & Property Costs		40								
Reduction in costs as a result of Office Restructuring	227				38		76			
Other Reductions		55								
Total	227	274	0	32	38	14	76	13		

5) Delivering Value for Money

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 the Spending Review period we will invest £1.3 billion mainly through core resources.

By 2015 UNCD will work to achieve substantive progress across the four strands of MAR follow-up.

There are 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 addresses 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 strong alliances with other countries.
- Develop a lighter touch performance monitoring process to allow us to invest more staff time in influencing rather than programme management.
- Develop new business cases to further drive our vfm 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. ongoing dialogue, our participation in governing bodies, political capital) to leverage change.
- 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.

6) Monitoring and Evaluation

Monitoring

The Operational Plan (OP) and results framework will have a light touch review at six months, a review annually and a review against the MAR priorities in 2 years' time. The reviews of the OP will be led by the Deputy Head of Department with team leaders coordinating input from their teams. 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 OP. Data sources to monitor the business cases and the OP include annual reporting by agencies to their governing bodies, mid-term reviews of strategic plans and Multilateral Organisation Performance Assessment Network (MOPAN) reviews. Monitoring of reform priorities identified for agencies and funds that were part of the MAR will be done through the business cases developed for those agencies/funds.

Evaluation

To take forward DFID's new corporate priority on embedding evaluation, UNCD will draft a short Evaluation Strategy in the first six months of the OP. This will be developed in consultation with DFID's Evidence Department (EvD), International Directors' Office (IDO) and other International Division departments.

The strategy is likely to include the following:

- Following up weaknesses in agencies' evaluation processes identified in the MAR.
- Focus will be on the quality of the organisation's own evaluation systems: ensuring the organisation commissions a sufficient number of evaluations, that these are conducted to sufficient international standards of independence with formal quality assurance and governance and that evaluations produce evidence of impact.
- UNCD will actively and rigorously use the findings from UN evaluations in our engagement with agencies, in reviewing agency business cases and ultimately deciding whether to increase or decrease core funding to agencies.
- We will ensure strong engagement with evaluations presented at Multilateral Organisation Governing Body meetings using these as a platform for leveraging improvements in both their evaluation function and their development effectiveness more broadly.
- UNCD will increase its skills and capacity in evaluation. We will initially undertake a training needs assessment for evaluation and follow this up with department wide and individual support, where necessary supporting staff to gain a level of evaluation accreditation. Succession planning is important and will be factored in.
- The strategy will emphasise how UNCD will work with central evaluation expertise in IDO and EvD. However, to engage effectively with this central resource and take forward evaluation work in UNCD will require at least 20% of an A band staff member's time.

6) Monitoring and Evaluation (continued)

Building capacity of partners

The MAR has highlighted a number of agencies with evaluation weaknesses. In response, the Strategy will indicate where improvements in some UN and Commonwealth organisations is needed. We will also work with agencies to improve their ability to measure and monitor results, and collect relevant data. We will seek to support 1 or 2 agencies by providing seconded results advisers. In other cases our results/evaluation advisers will work with organisations to share good practice and improve results reporting and evaluation capability.

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.

Our aim in UNCD 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

WHAT

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) in the run-up to the Korea High Level Forum in Seoul in November/December 2011 and 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.

HOW

We will **share 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.

7) Transparency (continued)

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.