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Additional written evidence

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The International Development Committee

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The current staff of the Committee are David Harrison (Clerk), Marek Kubala (Second Clerk), Louise Whitley (Inquiry Manager), Rob Page (Committee Specialist), Anita Fuki (Senior Committee Assistant), Annabel Goddard (Committee Assistant), Paul Hampson (Committee Support Assistant) and Nicholas Davies (Media Officer).

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List of additional written evidence

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Written evidence

Written evidence submitted by Burma Campaign UK

1. EXECUTIVE SUMMARY

DFID has identified Burma as a priority country and significantly increased aid to the country. DFID has also identified conflict-affected countries and those affected by conflict, and the empowerment of women and girls as priorities, two issues which are particularly relevant in Burma. However, Burma Campaign UK is concerned that DFID has not changed the way it works in Burma in order to respond to these priorities. There still appears to be unwilling and even resistance to finding creative alternative methods to supporting conflict-affected communities and in particular assisting women in conflict areas of Burma where organisations with memorandums of understanding with the government are blocked or severely restricted in their operations.

2. BURMA CAMPAIGN UK

Burma Campaign UK was established in 1991 and has a mandate to promote human rights, democracy and development in Burma. It has supporters in more than 60 countries, and is a respected source of information and analysis on Burma. In 2007 Burma Campaign UK gave evidence to the International Development Committee as part of its inquiry into aid to Burma.

3. DFID IN BURMA

Economic mismanagement, corruption, and misallocation of revenues have led to the impoverishment of Burma. Burma’s government spends almost 25% of its budget on the military (plus other undisclosed funds) and just 1.3% on health. Conflict-affected ethnic states in Burma have some of the highest levels of poverty, disease and human rights abuses. The government severely restricts delivery of assistance to communities in these areas.

4. With the government of Burma breaking long-term ceasefire agreements with armed ethnic political parties, and the Burmese Army deliberately targeting civilians in the increasing conflict, the need for urgent assistance to affected communities is increasing, but there does not appear to be a cohesive policy by DFID to address this growing problem.

5. Burma Campaign UK has warmly welcomed the significant increase in DFID support to the people of Burma. However, we remain concerned that DFID is still not doing enough to ensure that complementary alternative mechanisms are used to ensure target vulnerable populations receive essential assistance which is frequently blocked by the government of Burma via official channels.

6. Key recommendations made by the International Development Committee in its report: DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai-Burma Border, published 25 July 2007, have still not been implemented or have only been partially implemented.

7. These recommendations relate to structural reform priorities identified by DFID in its Business Plan 2011–15, namely conflict and women.

8. International political and humanitarian attention has often focussed on central Burma. In recent years there has been a welcome increase in humanitarian assistance provided in some of Burma’s ethnic states, but even in the areas of these states where agencies can operate, they face restrictions, and some of the poorest areas, and most of the areas affected by conflict, cannot be reached at all.

9. DFID and the rest of the international community do not do enough to challenge the restrictions on humanitarian assistance imposed by the government of Burma. Restrictions are routinely raised in meetings, but tend to be one of many talking points. There is no coordinated international pressure on this issue. Repeated resolutions at the Human Rights Council and General Assembly calling for an end to such restrictions and respect for international humanitarian law have been ignored by the government of Burma, but no further action has been taken to tackle this problem.

10. Until such a time as these restrictions are lifted, significant populations in Burma can only be reached by local communities crossing into neighbouring countries to collect aid and return with it, known as cross-border aid. In response to recommendations made by the IDC in its 2007 report, DFID does now fund some cross-border aid, but it does so on a very small scale compared to the need, and the institutional resistance to funding such aid which was highlighted by members of the IDC in a follow up hearing on Burma in 2008, still appears to remain.

11. This institutional resistance means that DFID is not working in an effective way to meet its own structural priorities, or achieve the Millennium Development Goals (MDG) in conflict-affected ethnic states of Burma, especially MDG 3 on gender equality, MDG 4 on child mortality and maternal health, and MDG 6 on HIV/AIDS, malaria and other diseases.

12. Many of the 2007 IDC Burma report recommendations relate to the above areas. Those which have not been implemented, or only partially implemented, include Recommendation 3: “… appropriate funding of exile
groups who carry out crucial work both inside and outside Burma to support IDPs and other vulnerable groups ... women’s groups are particularly worthy of support.”

13. Recommendation 20 related to funding of women’s groups working on and across the border who document rape and other human rights abuses, and provide health and education services. The Shan Women’s Action Network (SWAN) is the only such women’s organisation to have received any such support, and their grant is not the “appropriate” level of funding envisaged by the IDC. In 2010 DFID provided SWAN with a grant of just £76,413.

14. IDC Burma report recommendation 14 suggested a complementary mechanism to the Three Diseases Fund to provide healthcare in border areas, because of the inability of official funds to reach all border and conflict areas. This is critical in relation to MDGs 3, 4 and 6. No such funding has been allocated, and it was only in the summer of 2011, three years after the IDC recommendation for increased funding for cross-border healthcare, that the Backpack Health Worker Team finally had a grant application approved.

15. Recommendation 18 related to the Thailand Burma Border Consortium being allowed by DFID to start spending funds on cross-border aid, yet DFID had not committed extra funds for this purpose. This remains the case.

16. There an almost total lack of specialised support and even basic humanitarian support for former child soldiers and victims of rape who flee to Thailand, or who hide in camps for internally displaced people close to the Thailand Burma border. DFID has not allocated any significant specific funding for this kind of support.

**RECOMMENDATIONS FOR ACTION**

17. DFID will not be able to meet its own goals and priorities outlined in the DFID Annual Report and Resource Accounts 2010–11 and Business Plan 2011–15 without a significant increase of alternative mechanisms of aid delivery in Burma such as cross-border aid and unofficial underground networks, as previously recommended by the IDC in 2007.

18. DFID should do more to challenge restrictions on aid in Burma, and with the assistance of the Foreign and Commonwealth Office coordinate high-level international pressure on the government of Burma to lift all restrictions.

19. DFID should significantly increase funding for cross-border aid to conflict affected communities in Burma, including the funding of women’s organisations.

20. DFID should increase funding to the Thailand Burma Border Consortium, including funding for cross-border aid.

21. DFID should commission a study into the needs of child soldiers and victims of rape who escape to Thailand and other neighbouring countries, or live in camps for the internally displaced which cannot be reached from inside Burma, and allocate sufficient funding for their psychological and physical needs, including their security.

22. The root causes of poverty in Burma are the actions and policies of the government of Burma. DFID should support the capacity building work of underground networks in Burma working via neighbouring countries, which educate Burma population about and expose these root causes.

*October 2011*

**Written evidence submitted by Dr Geoff Coxon, TBD-UK**

We are writing to give evidence for the above inquiry with a special focus on the expenditure of research in tuberculosis drug development.

The many UK-based researchers carry out world leading research in the field of tuberculosis (TB) drug development and recently have been coordinated as TB Drug Discovery UK (TBD-UK). Funded by the UK Medical Research Council (MRC), TBD-UK aims to coordinate the UK response to the challenge of tuberculosis and to facilitate the development of new TB drugs co-ordinating academic and industrial researchers. Also, UK-based researchers work closely with international partners in Global Alliance for TB Drug Development (GATB), WHO, and have established Europe wide collaborations supported by EDCTP in the PanACEA consortium.

We applaud the excellent work that DFID currently supports and our written evidence outlines that TBD-UK efforts can be used to greater effect by working with DFID. It specifically identifies that this may be done by funding and development of existing partnerships with GATB and supporting further the efforts to develop a strong European response the TB.
INTRODUCTION

TB drugs are the lifesaving treatment that underpin the global case detection and cure strategy. The experience of another mycobacterial disease, leprosy, indicates that reduction in the global burden will require shorter and more effective treatment. The long duration and associated toxicities of current TB treatments limit their application in a real world setting and without better safer and shorter treatment there is little prospect of controlling the present global pandemic. Their discovery and development is long, costly and include many scientists and clinicians globally. Product Development Partnerships (PDPs) are the most effective mechanism to discover the drugs that will achieve the same goal in TB.

At present UK-based researchers are engaged at all stages of the complex drug development process using funds from UK government funded research councils, the Global Alliance for TB Drug Development, the European Union Wellcome Trust and other agencies as set out below.

INCREASING THE VALUE FOR MONEY OF DFID FUNDS

TBD-UK is an inclusive research-based consortium that brings together leading UK scientists and clinicians in the area of drug development. In early phases of drug discovery partners are pioneering new compound series targeted against TB. TBD-UK is working closely with GATB in the development of a novel compound series. In addition to this we have developed a portfolio of specific projects and initiatives that, in partnership with GATB and others supported by the EU.

For the phase following the identification of a new compound series TBD-UK colleagues are leading players in the PreDiCT-TB consortium (currently engaged in contract negotiation with the IMI initiative) that will develop new strategies to speed the pre-clinical and early phase clinical development of novel drugs. Crucially, TBD-UK members are leading partners in REMoxTB initiative (28 clinical sites internationally), the first regulatory TB clinical trial that is sponsored and funded by GATB. This project has done much to create and develop infrastructure in Africa to deliver regulatory standard trials. Colleagues are also leading PanACEA (Pan-African Consortium for the Evaluation of Anti-tuberculosis agents), a European Developing Country Clinical Trials Partnership funded group managing the clinical development of a range of novel agents and regimens and supporting the development of trials infrastructure at a range of African sites. These initiatives fit with the DFID research strategy 2008–13, and in meeting MDG 6 (target 8) “to have halted and begun to reverse the incidence of TB by 2015”. Importantly, it aligns strategically with DFID’s aid review, “UK aid: Changing lives, delivering results”, and “Towards zero infections: the UK’s position paper on HIV in the developing world”.

By funding and developing the portfolio of potential projects between TBD-UK and its various research collaborators including GATB, PanACEA, PreDiCT-TB, the UK can make a much stronger contribution to the eradication of TB. Existing UK academic and industrial expertise could be exploited by improving further the coordination of research collaborations. This could include further support for coordination meetings to develop collaborations, creating specific projects to draw the collaboration together further such as joint capacity development, masters and doctoral training that focuses on TB drug development. The further co-ordination and consolidation of UK researchers in academia and industry would support the UK effort in controlling TB and allow us to expand and sustain our national expertise as we work with partners in developing countries to build their capacity to address TB in high burden countries.

RECOMMENDATIONS

DFID would benefit from having an “open round table” discussion with UK researchers collaborating in TBD-UK.

DFID should investigate ways to collaborate with TBD-UK and GATB and other partners to leverage additional funds towards drug discovery and development through a PDP paradigm.

DFID should consider methods to support projects that would consolidate the work to coordinate the UK TB drug development community further and strengthen their links with research councils UK, academic, NGO and pharmaceutical partners.

October 2011

Written evidence submitted by The International Children’s Trust

The International Children’s Trust educates, guides and protects children and young people who are vulnerable and at risk through poverty. We help children build their self esteem, gain access to their rights and develop the skills to break out of poverty and create a better future for themselves, their families and their communities. We currently work with the most vulnerable, hardest to reach children in Ecuador, India, Mexico, the Philippines, South Africa and Sri Lanka.

The International Children’s Trust works through partners and are based in Peterborough, with a total number of five staff members and an annual average turnover of £850,000 and is a recipient of CFSC grants and has recently applied for funding from the Global Poverty Action fund.
Changes Since the Election to DFID’s Role, Policies, Priorities and Procedures

— We appreciate the protection of aid within the UK budget and we recognise that there is potential benefit to working with other UK government departments, such as the Foreign Office, the Department of Trade and Industry, and the Ministry of Defence, where priorities are aligned. However, we believe that aid decisions regarding allocation and distribution should be based on human rights criteria established within international instruments, in particular that priorities be directed towards poverty situations sufficiently severe to infringe on those internationally established rights. We furthermore believe that the granting of aid should be directed towards interventions that embrace a rights based approach to poverty reduction, focusing on long term solutions to establishing, re-establishing and protecting the rights of populations, especially the most vulnerable.

Specific points in relation to program development and priorities

— The new program development in the form of GPAF is welcomed, in particular the balance of advocacy and service delivery activities, which we believe complement each other well: service delivery activities provide a channel to generate evidence for advocacy related activities and advocacy related activities can help support and/or reduce the need or priorities for service delivery activities.

— The new structure (dividing the program into Innovation and Impact window) does however have negative consequences for medium sized NGOs, such as ourselves, those just over £500,000 as the 25% match funding requirement combined with a minimum grant size of £250,000 makes this funding mechanism now virtually impossible to apply for, in particular in the current economic climate.

— While we welcome the involvement of the UK Public in the UK Aid match program, we are disappointed that for this again seems to favour the larger NGOs.

— We would like to recommend a focus on the reason why MDGs are not being met for certain target groups (eg children affected by violence, street children, disabled)—in addition to focusing on specific MDGs (or in some cases only those MDGs which are “off track”) as there are often substantial commonalities between the groups that continuously are excluded from the benefits of programs aiming to reach the MDGs as well as a high correlation of the reasons why the MDGs are not being met for these groups, regardless of the service provided or MDG targeted.

— We would welcome an increased focus and recognition by DFID on family violence and how this can substantially impact program outcomes for children as our experience shows that a violent family life so frequently contributes to children being on the streets as well as not being able to sustain attendance in service delivery programs where the impact of family violence is not recognised.

The Implications of Changes for Management Styles, Structures, Staff Competence and Capacity to Deliver

— Contacts for civil society within DFID remain a challenge due to a lack of clarity of the DFID structure, high turnover and resulting difficulties in establishing relationships or understanding who would be the most appropriate contact person.

— The use of external consultants, in particular the use of contracted consultants by the external consultant themselves does not allow for a relationship to be established with DFID or even the external consultant.

— We fear that due to the use of external consultants information and lessons learned generated from programs managed by external consultants are not sufficiently reintegrated and shared among DFID staff.

— In particular, at times, discrepancies appear to exist between the expectations of the external consultant and DFID staff on reporting requirements and priorities.

— The above point is exacerbated by the fact that the reporting forms focus increasingly on quantitative data and indicators and less on how these numbers were actually achieved.

— The use of external consultants has led to a substantial increase in procedures and forms at times without any obvious benefit in particular in the case of multiple requests for information already provided, while not allowing for an increase in administration costs allocated to NGOs which has remained at 8% for the last four years.

— A lack of clarity about accountability for different areas of the project management sometimes leads to a feeling of lack of ownership of programs managed by external consultants.

— DFID’s guidance to NGOs on grants and funding programs and interaction with civil society has improved somewhat of late (eg on implementing new guidelines on M&E, sharing of priorities through BOND) however, this is not always in time to comply with reporting or application requirements and a pro-active approach to this would be welcomed and more beneficial to both NGO, DFID and the external consultant program manager.
— A frequent changing of guidelines for reporting, requested with only minimal time before reporting is actually required leads to inefficiencies in project management.

— We recommend increased cross-departmental learning, in particular between the Home Office and DFID. Many of the recognised best practices and continuous developments and findings in this field as recognised by the Home Office (eg for providing care for children, domestic violence and reducing violence in schools and at home) should be considered an important source of information for DFID.

— The use of external consultants of assessing individual NGO capacity (eg the use of KPMG), while encouraging to have a fresh, outsider’s perspective, we would have recommended that it would have been more valuable and effective to work with a consultant that had experience of working with smaller (development) NGOs, both in terms of effectiveness of the review as well as the likelihood that costs might have been lower.

— The delays in grant contracting, timing etc and information regarding such delays leaves NGOs with challenges in planning of projects leading to overall reduced inefficiencies, while at the same time, NGOs are required to adhere to strict time lines with limited to no flexibility.

The Overall Impact on the Efficiency, Effectiveness and Cost-effectiveness of DFID’s Activities

— We feel the need to emphasize that value for money and genuine impact primarily also requires substantial investment in the long term. In particular, when focusing on the most challenging, vulnerable beneficiaries, short term gains may not be sustainable beyond a project (and therefore less effective) than longer term, higher investments focusing on the root causes and holistic issues affecting the beneficiary. This is specifically important as the most challenging, vulnerable beneficiaries (in the case of children), if they do not benefit from appropriate responses, may grow up to cost society (in health care, justice and otherwise) much more than the initial investment would have cost.

— Please also see the above points.

October 2011

Written evidence submitted by Save the Children

Introduction

1. Save the Children is the world’s independent children’s rights organisation. We’re outraged that millions of children are still denied proper healthcare, food, education and protection and we’re determined to change that. Save the Children UK is a member of Save the Children International, working to change children’s lives in more than 120 countries.

2. This document is intended to address some specific issues which form the basis of the inquiry. It is not intended to address comprehensively the issues discussed in DFID’s Annual Report and Business Plan 2011–15. Rather, it draws on our programmatic experience and interaction with DFID to suggest concrete actions that will maximise the efficiency of the DFID’s work.

3. Save the Children’s submission focuses on three key shifts in DFID’s work, each of which have implications for, or relate to, the first six areas of the Committee’s inquiry. These are the changing nature of DFID’s aid allocations; the Department’s changing remit—strongly guided by their new emphasis on results, accountability and value for money; and usefulness of the Business Plan and Annual Report for the planning of sectoral programming work. In both of these areas our submission sets out clear recommendations that DFID should take into account going forward to ensure that the world’s poorest people are those who benefit most from their aid. These recommendations are as follows:

Changing Aid Allocations

— DFID should ensure that poor, stable states do not suffer from the new focus on conflict affected and fragile states.

— DFID should set out clear aid exit strategies, which lay out (in a transparent fashion) how DFID intends to manage its withdrawal and which other agency or government department will take over responsibility for the services and programmes DFID was previously funding.

— DFID should clarify the selection criteria for programming in conflict affected and fragile regions and states, so as to safeguard against the politicisation of aid allocations in these contexts.

DFID’s Changing Mandate: Results, Accountability and Value for Money

— DFID should not over-emphasise the results, accountability and value for money agenda, as doing so may call into question DFID’s ability to observe the Paris principles of national country ownership and utilise such practices as budget support.
— Save the Children believes that country offices and partner organisations could better realise this principle of value for money if DFID developed guidance on what this means in practice. It should outline both quantitative and qualitative value for money assessments, to ensure there is not an over-reliance on unit cost analysis.
— DFID should ensure that changing financing modalities do not compromise the pursuit of positive social outcomes over simplistic outputs. In particular, we would encourage DFID to re-evaluate the recent 43% reduction in general budget support.
— DFID should clarify how they are managing the inherent tension between clear results and value for money and working in conflict affected and fragile states, which are often the most expensive places to work and where results are often the hardest to monitor. This would help to clarify DFID’s expectations of partner organisations.

**The Business Plan and Annual Report: effective planning and evaluation?**

— **Health:** Future annual reports should include a breakdown of what proportion of DFID’s health budget is allocated to health systems and human resources for health.
— Whilst the country operational plans developed following the bilateral aid review go some way to outline how, when and where DFID will meet its commitments to women and children’s health, it would be helpful if DFID could break down their targets to show how many mothers and newborns will be saved per country and per year.
— **Education:** It is essential that DFID produces a new Education Strategy and establishes a framework for results which details the UK’s overall cross-strategy commitment to education, including the value of its financial contribution and how it will implement and monitor its work.

**A. Changing Aid Allocations**

4. Save the Children has welcomed DFID’s recent attempt to streamline its programmes (following the bilateral aid review), as well as its decision to allocate 30% of its resources to conflict affected and fragile states (CAFS). 1.5 billion people live in CAFS, and this includes many of those who are poorest and most vulnerable. Ensuring development efforts reach these populations is not only fair; it is the only way for us to respond to the fact that not a single fragile state is currently on track to meet the Millennium Development Goals (MDGs) by 2015.¹

**The impact of a focus on fragile states**

5. Nevertheless, Save the Children has some concerns that the focus on conflict affected and fragile states, and the rapid scale up of resources to countries that are politically strategic (for example Ethiopia and those identified in the Arab Partnership), are monopolising valuable resources previously allocated to poor, heavily aid-dependent but stable countries, such as Burundi, Niger, Lesotho and Gambia.

6. All four of these sub-Saharan African countries are exceptionally poor—in the bottom quintile of the Human Development Index. They are also heavily aid dependent. In Burundi the civil war, corruption, poor access to education and the effects of HIV and AIDS have resulted in a very low gross domestic product. As a result, overseas aid accounts for a large percentage of gross national income—about 44%. Meanwhile in Niger and Gambia, it accounts for about 12%; and in Lesotho about 7% of total GNI.

7. Since 2005 the UK has provided an average of 10% of total bilateral funds to Gambia and Lesotho and 8% to Burundi, making it one of the largest of the Development Assistance Committee’s bilateral donors. The majority of these funds have been invested in essential services such as healthcare and schools. In Burundi 34% of DFID’s 2009–10 bilateral aid was invested in healthcare, and of that 37% was spent on improving maternal and neonatal health services. These funds are essential for Burundi’s progress towards Millennium Development Goals (MDGs) 4 and 5.

8. **We therefore urge DFID to reconsider their withdrawal from many of these states, and/or to make public clear aid exit strategies** which carefully detail which other development partners or government ministries will take over the financing and managing of their programmes so that the people who rely on these services do not suffer as a result of these decisions.

9. The scale up in DFID’s resources to conflict affected and fragile states (CAFS) will be vitally important for efforts to meet the MDGs and to improve the lives of the most insecure. However, we would like to see more information from DFID on the kinds of projects and programmes they will be funding in CAFS and in which provinces and regions (whilst respecting the need in some cases to keep the exact details out of the public arena for staff safety) as there appears to be a strong emphasis on political expediency over development needs. In Afghanistan, over 20% of DFID’s budget for 2011–15 is allocated to Helmand Province. Although this region has acute development challenges, it is also of particular military and political significance. Therefore, questions should be asked about whether the allocation to this region is based on careful assessment of development needs or a political strategy.

The Aid Reviews

10. The Aid Reviews were a useful systematic exercise to assess DFID’s performance and efficiency, which have helped to shape the Government’s new development strategy, but their rigour should not be overstated. Further annual assessment will be required, to ensure that multilaterals and country governments, previously considered unsuitable for DFID support but now making strides to improve their effectiveness, are supported in their endeavours.

Bilateral and multilateral aid reviews

11. Although the Bilateral and Multilateral Aid Reviews have now concluded, Save the Children’s recommendations to the reviews still stand. Our submission to the Bilateral Aid Review can be found here: http://www.savethechildren.org.uk/en/54_12853.htm and our submission to the Multilateral Aid review can be found here: http://www.savethechildren.org.uk/en/54_12860.htm.

12. In our response to DFID’s aid reviews we welcomed the strong focus on results, impact and only funding high-performing multilateral agencies. We also supported the decision to concentrate resources in many of the world’s poorest and most fragile countries. A major challenge that we have highlighted is how DFID will ensure responsible exit strategies for those countries where funding is being cut. Many of these are poor African countries, still heavily dependent on aid, so ensuring there is an alternative way to finance DFID’s previous activities is key. Save the Children has also stressed the need for DFID to build on the multilateral review with a strong reform agenda to ensure poorly performing multilateral agencies are made more effective and results-orientated. This reform should specifically seek to improve multilateral effectiveness and accountability.

The Humanitarian Emergency Response Review

13. Save the Children’s full submission to the HERR can be found here: http://www.savethechildren.org.uk/en/54_14950.htm

14. Save the Children welcomed the HERR led by Lord Ashdown and saw it as an important step to ensure that DFID, as a part of the global humanitarian system, adequately prepares for the unique and growing challenges ahead. This is a challenge to us all, and for DFID we would recommend that it seeks to play a transformative role in generating big ideas, resources and leadership structures to deal with the changing humanitarian environment and continue to improve humanitarian response. This will allow DFID to capitalise on its leadership to date on humanitarian reform, building on its successes but also recognising the significant inadequacies prevalent in the system. Save the Children would like to see DFID as a transparent, reliable and consistent donor, working with those who can offer innovation as well as significant operational experience.

15. The HERR highlighted the importance of the cluster system, and as co-lead of the Education Cluster with UNICEF we endorse DFID’s support to this strategic coordination system. The Cluster system is an example of a cost-effective investment to reach more beneficiaries and DFID must ensure it continues to provide key financial support to the cluster system as a whole.

B. DFID’S CHANGING MANDATE: RESULTS, ACCOUNTABILITY AND VALUE FOR MONEY

16. DFID has been commended for being a leader in its field; indeed, a 2010 report by the Development Assistance Committee (DAC) identified DFID as “an international development leader” particularly “in times of global crisis”. It has consistently pushed development boundaries, working on innovative and difficult areas (like social exclusion), and using aid modalities which encourage partner country ownership (for example budget support). It was one of the first development agencies to completely untie its aid, and since 2002 and the passing of the International Development Act, is has had a very strong poverty reduction mission. Unlike many other donors, that continue to tie their aid as a matter of formal policy or practice, DFID has long placed the development interests of partner countries, particularly poverty reduction, at the heart of its work.

17. This commitment to align with partner country agendas and to achieve sustainable development results has been reflected in DFID’s support for and championing of aid effectiveness principles, set out in the Paris Declaration and Accra Agenda for Action.5

18. Since 2010 however the coalition government has increasingly emphasised accountability, results and value for money, as opposed to “aid effectiveness” as conceived at Paris in 2005. This shift is particularly evident in DFID’s 2011–15 Business Plan, which places repeated emphasis on these three criteria, saying “results, transparency and accountability will be our watchwords and will guide everything we do”.6 In addition, the Secretary of State for International Development has recently announced that these three areas


3 As agreed in Paris in 2005 and in the 2008 Accra Agenda for Action, aid effectiveness should not only be determined by results but by national ownership (i.e. enabling developing countries to set their own strategies for poverty reduction and wider development), through alignment (whereby donors align behind national objectives), harmonisation (whereby donor countries coordinate, simplify procedures and share information to avoid duplication); mutual accountability (whereby donors and partners are accountable for development results).

will drive his agenda at the Fourth High Level Forum on Aid Effectiveness, taking place in Busan South Korea, in November 2011.

19. Having observed the changes in DFID over the past year, Save the Children believe that that the strong results, accountability and value for money agenda is having three effects; first, it is changing the way in which DFID perceives and assesses programme effectiveness; second, it is changing DFID’s ways of funding programmes; and third, it is changing the scope of DFID’s day to day activities and overall mandate.

Value for money

20. One of the Secretary of State’s core ambitions since taking the helm of DFID has been to build confidence in the accountability and results of DFID’s programming. To realise this, the Operational Planning process clearly stipulated that country offices should demonstrate their programmes’ “value for money”. Doing so would enable the creation of an internal market, whereby DFID could closely monitor whether country offices were using their resources in the most efficient manner. Nevertheless, measuring value for money can be trying and as made plain in the Operational Plans—available since spring 2011—few offices have identified careful methods for doing so, aside from unit cost analysis, which fails to consider less tangible returns on investment. Indeed, in May 2011 the Independent Commission for Aid Impact acknowledged that there was not yet an agreed definition of the term, amongst the Commission or in DFID.

21. Save the Children believe that country offices and partner organisations could better realise this principle if DFID developed careful guidance on what value for money means in practice. They should outline both quantitative and qualitative value for money assessments, to ensure there is not an over reliance on unit cost analysis. Such guidance would also give DFID the opportunity to prove that the value for money ensures that all programmes are delivering qualitative as well as quantitative long-term outcomes. For example, in education guidance would help to ensure that learning outcomes are monitored alongside enrolment and access figures.

Results and Performance Based Financing

22. The results and value for money agenda is encouraging a shift towards new financing modalities, such as cash on delivery and other performance-based funding methods. Save the Children welcomes the intentions behind such modalities, such as greater rigour in monitoring, evaluation and impact assessment, but has concerns that they are dependent on clearly discernible outcomes, often measured in outputs, and provide little room for longer term transformative change, which can be more difficult to monitor.

23. The results agenda also appears to be steering DFID away from the use of budget support. In July 2011 the UK Government announced a 43% reduction in general budget support across the world, and a tightening up of the criteria on which budget support agreements are made.

24. It is not yet clear whether DFID will continue to use sector budget support in place of general budget support (GBS), or whether DFID will move away from budget support as a method of delivering aid entirely. Although we recognise the challenges of using budget support (such as transparency, fungibility, and fiduciary risk) we would encourage DFID to take note of its substantial positive impact on country ownership and development results, in the right context. A recent Oxfam and EC report shows that GBS can have a very beneficial effect on social spending: government spending on education had increased by 31% in eight of the countries receiving some of the largest amounts of EC budget support.

Achieving “results” in Fragile States

25. Save the Children believes that there is an inherent tension between DFID’s recent emphasis on clear results and value for money, and working in conflict affected and fragile states, which are often the most expensive places to work and where results are often the hardest to monitor.

26. We would urge DFID to set out clearly the way in which they will measure results in CAFS and what is expected of their partner organisations and governments. The Building Stability Overseas Strategy set out some of the ambitions of UK Aid, such as increasing by 50% the number of women with improved access to security and justice in Ethiopia; helping an additional 800,000 children into education in Northern Nigeria; and providing sustainable access to safe drinking water for 800,000 people in Sudan. These are commendable activities but we would want to make sure that DFID is clear what the “improved access to security and justice” would actually look like in Ethiopia; that the children in Northern Nigeria remained in school once they had enrolled, and received a quality education; and whether the water points in Sudan were equitably distributed. That is to say, numbers are useful, but are not sufficient as a means of measuring results. We would encourage a focus on improved social outcomes, as well as a better understanding of whether and how DFID will continue to work on deeper structural causes of insecurity such as poor governance and

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accountability, and how they will monitor this kind of structural change. The realisation of children’s basic rights, including to protection, should also be reflected in results measurement frameworks.

27. Achieving sustainable results in CAFS is a long-term challenge. As highlighted in the 2011 World Bank World Development Report, “creating the legitimate institutions that can prevent repeated violence is, in plain language, slow. It takes a generation. Even the fastest-transforming countries have taken between 15 and 30 years to raise their institutional performance from that of a fragile state today—Haiti, say—to that of a functioning institutionalized state, such as Ghana.”

28. For DFID to monitor and evaluation their approach in CAFS it will be important to have good oversight at the field level, but this requires adequate staffing of local DFID country offices and adequate support to enable staff to travel outside of capitals. It may also necessitate increased administrative capacity. This may be costly, but ultimately will result in projects being more effective and better value for money. DFID have yet to explain whether such an approach is part of their CAFS agenda, so we would encourage the committee to push DFID to make their operational strategy in such contexts more transparent.

Changing mandate

29. DFID’s ability to take measured risks has enabled it to become a global leader. However, Save the Children believe that the current focus on results, accountability and VFM is diverting attention from DFID’s work on the structural drivers of poverty and inequality (such as governance), and as such, is changing the nature of their day-to-day activities. This shift is making DFID less a broadly defined development agency and more of an aid agency, concerned with accounting, aid delivery and management. Given the changing nature of the global development project—the declining relevance of aid, the increased role of the private sector and the number of poor people now living in middle income countries—we question whether such a narrow aid-management focus is appropriate for DFID. DFID needs to be able to work across Whitehall to engage on a broader set of issues including trade, climate, security and migration if it is to make a full contribution to sustainable development.

The Business Plan and Annual Report: Effective Planning and Evaluation?

30. In this section we draw on examples from the health and education sectors to highlight some of the welcome additions, but also gaps in DFID’s annual planning documents, specifically the business plan and annual report.

Health

31. DFID’s focus on women’s and children’s health since the election is very welcome, as are the commitments to save the lives of at least 50,000 women in pregnancy and childbirth and 250,000 newborn babies by 2015. Whilst the country operational plans developed following the bilateral aid review go some way to outline how, when and where these targets will be met, it would be helpful if DFID could break down their targets to show how many mothers and newborns will be saved per country and per year.

32. On average, DFID reports that 18% of its bilateral programme was allocated to health. This level of spending on health is welcomed and DFID should commit to sustaining this proportion of spending on health as the overall aid budget increases towards 0.7%. Out of DFID’s health budget, 50% should be allocated to health system strengthening with half of this specifically targeted to strengthening human resources for health. Future annual reports should include a breakdown of what proportion of DFID’s health budget is allocated to health systems and human resources for health.

33. The average spend on health masks disparities between countries. Whilst the annual report shows that the spending on health is much higher in many countries, it has dramatically reduced in others. Afghanistan is a key example of a country that has a high burden of maternal and child mortality yet no longer receives support for health from DFID.

On page 8 of the annual report DFID describes how it helped to “secure global commitments at the UN MDG Summit to save 16 million women and children”, but does not then go on to describe how its efforts on maternal and child health have and will contribute to the implementation of the UN Global Strategy on Women’s and Children’s Health.

34. The Business Plan includes an impact indicator on the number of births attended by a skilled birth attendant, but there is no target for the number of new health workers the UK will help to train and support in order to achieve this goal (although the Plan does note that DFID has helped to train 65,000 health professionals in 2009–10). DFID would benefit from a broader operational plan or framework for results that outlines its approach to health and that is linked to the existing frameworks on reproductive health and malaria.

Future annual reports would benefit from a section that looks specifically at equity and how DFID is working to ensure that the poorest and most marginalised benefit from its programmes and support.

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Ev w10  International Development Committee: Evidence

Education

35. Prior to the election, DFID’s education strategy was clearly set out in “Learning for All”. This provided useful guidance on DFID’s areas of priority, including its strategic approach to conflict-affected fragile states. The absence of a new DFID education strategy or Business Plan makes it challenging to monitor its overall objectives and understand DFID’s approach to education, as well as its policy framework.

36. It is essential that DFID produces a new Education Strategy and establishes a framework for results which details the UK’s overall cross-strategy commitment to education, including the value of its financial contribution and how it will implement and monitor its work. This framework will represent a further step towards building DFID’s accountability, and will ensure DFID continues to be a leading supporter of education worldwide.

October 2011

Written evidence submitted by UNICEF UK

SUMMARY OF RECOMMENDATIONS

1. DFID should develop further Business Plan indicators which capture the impacts of its work/spending on climate change adaptation.
2. DFID should prioritise tackling inequity as part of its commitment to achieving the MDGs by increasing investment in high quality data, disaggregated by gender, age, geographical location, wealth quintile, race, ethnicity and disability.
3. DFID should widen out its focus on women and girls to a broader framework for women and children. Increasing coordination of activities though a new strategy or “framework for results” for children.
4. To ensure a coherent approach to children across DFID’s work it must ensure a new focal point for children within Policy Division.
5. DFID should measure its impact through tracking improvement in the outcomes for the most marginalised and vulnerable.
6. DFID should champion the UK Government committing new and additional long term resources for international climate finance.
7. DFID should ensure due consideration is given to children and their specific vulnerabilities to climate change in climate change adaptation programming.
8. DFID should prioritise child centred disaster risk reduction programming as part of its growing focus on building resilience to the increased risk of disasters.

INTRODUCTION

The UK National Committee for UNICEF (UNICEF UK) welcomes the opportunity to submit to the International Development Committee Inquiry into the Department for International Development (DFID) Annual Report and Resource Accounts 2010–11, and Business Plan 2011–15. This submission will address the following areas:

1. DFID Business Plan and priorities.
2. What is missing from DFID’s priorities.
3. DFID Business Plan indicators.
4. DFID Annual report.

1. DFID’s Business Plan and priorities

1.1 UNICEF UK welcomes the Coalition Government’s continued commitment to international development and the ongoing progress towards achieving the target of 0.7% of Gross National Income to be spent on Official Development Assistance by 2013. We further urge the Government to swiftly move ahead on its stated intention to enshrine this commitment in law.

1.2 In its Business Plan 2011–15 DFID sets out its strategic direction for the next four years and clearly defines its priorities. We are pleased that the vision set out in the Plan underlines DFID’s determination to reduce the widespread inequalities of opportunity around the world, although it is disappointing that tackling poverty and inequality are not thereafter deemed either overarching objectives or priority focus areas for DFID.

9 Besides disaggregating data on gender, DFID should aim to produce more equitable disaggregated data, including the progress made towards ensuring children from vulnerable groups are able to access education. Evidence like this (and/or details of data DFID plan to collect) should be included in DFID’s operational plans, Annual Business Plans and annual reports. Targeted sampling of monitoring information towards vulnerable and marginalized groups will ensure that DFID’s investment is responding to the needs of those who will benefit the most from UK taxpayer investment.
1.3 Of DFID’s stated priorities, combating climate change and achieving the Millennium Development Goals (MDGs) are of particular interest to UNICEF UK and we are pleased to see these issues high on DFID’s agenda.

Climate Change

1.4 Climate change is a key issue for all development activities. On current trajectories its impacts will increase even if global emissions are limited. Climate change disproportionately affects the most vulnerable people in the poorest countries, who are often children, despite the fact that they are the least to blame for the problem. As our report “Climate change in Kenya: Focus on Children”\textsuperscript{10} makes clear children are highly vulnerable to climatic changes as these have the potential to affect many different aspects of their lives, including education, health and welfare.

1.5 UNICEF UK welcomes DFID’s commitment in the Business Plan to both prioritise climate change as a key element across all areas of work and in seeking to ensure “climate compatible development”—minimizing harm from the impacts of climate change and harnessing opportunities presented by the transition to a low carbon future whilst promoting poverty reduction and human development.

1.6 As DFID has recognised in its Business Plan investing in adaptation programmes is a “smart investment”. Adaptation will help build resilience and capacity in countries to deal with climate stress, which in turn could help create an environment where we can achieve the MDGs, reduce poverty and create economic development. However, despite this the indicators in the Business Plan against which DFID’s climate change activities will be measured remain weak and do not include any indicators focusing on adaptation. In order for these indicators to better reflect the work DFID is currently pursuing we recommend that the current indicators be reviewed and additional indicators proposed which capture the impact of adaptation activities and the extent to which DFID is helping to build resilience.

1.7 More specifically DFID could integrate the indicators by which it measures international climate finance adaptation spending, as part of the Operational Plan for the DFID Climate and Environment Department, into the business plan.\textsuperscript{11}

Supporting Actions to Achieve the MDGs

1.8 With less than four years remaining until the MDG deadline, we strongly support DFID’s prioritization of the MDGs. Aid will be an essential part of the effort to reach the MDGs, thus we welcome the Government’s continued commitment to reaching the target of 0.7% of Gross National Income (GNI) on Official Development Assistance (ODA) by 2013.

1.9 However, despite the significant progress towards the MDGs, these gains are largely based on improvements in national averages\textsuperscript{12} and are covering up a lack of progress amongst the poorest and most marginalised populations, the majority of whom are children. For example, half of the 8.8 million deaths of children under 5 years old in 2008 took place in sub-Saharan Africa and compared with their wealthiest peers, children from the poorest households throughout the developing world are twice at risk of dying before age five. The odds are similar for stunting, underweight prevalence or being unregistered at birth.\textsuperscript{13}

1.10 Research completed by UNICEF demonstrates that focusing on the most vulnerable and deprived children is also the most practical and cost effective way to achieve the health-related MDGs for children.\textsuperscript{14} UNICEF research shows that in low-income, high-mortality countries for every additional $1 million invested, an equity-focused approach to child mortality averts 60 per cent more deaths than the current path.

1.11 Given this, we believe that tackling inequity must be a key area of action for DFID’s efforts to achieve the MDGs. Tackling inequity between children requires an understanding of who the most deprived children are, the nature of the deprivation and its underlying causes. This necessitates high quality data disaggregated by a range of factors including age, race and ethnicity, disability, geographical location, sex and income quintile. To ensure that UK development assistance is reaching the most vulnerable, deprived and poorest children DFID should invest in high quality data disaggregated by a wide range of factors, and measure results on this basis. Doing so would enable DFID to monitor the targeting of its assistance more effectively.

2. What is missing from DFID’s priorities?

Children should be at the centre of DFID’s agenda

2.1 Children constitute around half the population in many developing countries and a third of the global population. Children and young people represent a significant majority of the people affected by poverty, even though they have the least capacity to support or protect themselves. The rights of children and young people are also increasingly threatened by cross-cutting issues such as climate change, the food and financial crises, the food and financial crises, the food and financial crises.

\textsuperscript{10} UNICEF UK (2010), Climate Change in Kenya: Focus on Children.
\textsuperscript{12} UNICEF (2010) Progress for Children.
\textsuperscript{13} UNICEF (2010), Progress for Children.
\textsuperscript{14} UNICEF (2010), Narrowing the Gaps to Meet the Goals.
humanitarian crises and conflicts, high levels of youth unemployment, rapid urbanisation, and increased fiscal austerity. These issues will make the lives of today’s children and young people more challenging, increase vulnerability and impact most on the poorest and most marginalised.

2.2 There is also a strategic case for prioritising children and their rights in development. For example, children are central to the MDGs—all of the Goals affect children, six of the eight Goals directly. Without prioritising children, efforts to achieve the MDGs will not be sustainable or effective. Investing in children and young people also has long-term benefits. An individual’s health and well-being is determined in early childhood, which makes it the best time to break the cycle of poverty and disease or, ideally, to prevent the cycle from starting in the first place. Hindering a child’s ability to achieve their potential perpetuates cycles of poverty, disease and hunger, and hampers national development and growth. Children are the citizens of the future. They will not only inherit the legacy of the policies enacted today, but they are also the change agents with the power to transform their societies and create lasting change. To empower children is, therefore, one of the most valuable investments a Government can make.

2.3 While it is positive that DFID has prioritised women and girls, we believe this should be widened out to a broader framework for women and children. Despite lots of evidence of DFID-funded projects which benefit children much of this work is currently not joined up or coordinated. For example, currently, DFID Operational Plans rarely reference children or their rights. To address this we believe that DFID should put together a strategy or “framework for results” for children. This would provide the essential vision, coordination and drive for achieving positive and lasting change for children across DFID’s work.

2.4 Another way DFID could strengthen the attention it gives to children is through its online Project Database. Currently, it is possible to track which DFID projects have an objective to promote gender equality. This could be extended to track which DFID projects have an objective to promote gender equality. This would provide the essential vision, coordination and drive for achieving positive and lasting change for children across DFID’s work.

2.5 Structural changes within DFID over the past year have added to the view that children have been deprioritised. With the changing of the former Equity and Rights Team to focus only on gender, the staff member with oversight for children and young people has been moved to the Civil Society Division. While we welcome a children and youth-focused role in the Civil Society Division, it is worrying that there seems to be no lead in the Policy Division on children, equity or rights as cross-cutting themes within the Department’s work.

3. **DFID Business Plan indicators**

3.1 As stated in the Business Plan DFID aim to reduce the inequalities of opportunity around the world and concentrate efforts on achieving the MDGs. With this in mind it is essential that the indicators by which DFID review and assess their progress reflect the central challenges to achieving the MDGs. There is significant and growing evidence that one of the key barriers to the achievement of the MDGs is the growing equity gap. In line with the achievement of the stated mission DFID must therefore ensure that the indicators used to track and evaluate progress take this equity gap into account.

3.2 The use of average indicators, like those in the MDGs, can obscure the actual outcome for many children and young people. Often it can suggest that progress is being made, whereas it may only be achieved among some groups or sections of society. It is therefore critical that in measuring the impact of activities DFID capture the full picture of change through fully disaggregated data. We believe that to ensure that the right outcomes are achieved data and results should be disaggregated by age, sex, location and income quintile. For example:

- **Education**: The number of children from the poorest 20% of the population surviving to Grade 5 in Primary School.
- **Malaria**: Number of children from the poorest 20% of the population under 5 who slept under an insecticide treated net the previous night.
- **Nutrition**: Prevalence of underweight in among children under five in the poorest quintile of rural areas.
- **Water and Sanitation**: Number of people from the poorest 20% of the rural population with access to clean drinking water sources.

4. **DFID Annual Report**

4.1 UNICEF UK was pleased to see a strong focus on climate change, water and sanitation and education in DFID’s annual report for 2010–11. We also welcomed the many positive examples of DFID’s work for children, the MDGs and equity.

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Climate Change

4.2 As highlighted by DFID in this Annual Report, UNICEF UK welcomes the UK Government’s commitment to a £2.9 billion climate finance fund (made up of ODA) for the Comprehensive Spending Review period, £1.5 billion of which contributes the “Fast Start Finance” promises of the Copenhagen Accords.16

4.3 Similarly, we are very supportive of DFID’s move to prioritise climate change as a key development concern. It is also reassuring to see due consideration given to climatic challenges in all of DFID’s international development assistance through its focus on “climate compatible development”—for example in interventions on health and water.

4.4 However, based on DFID’s annual report, UNICEF UK has several recommendations for DFID’s climate change work for 2011–12.

(i) Long term climate finance

4.5 Whilst we fully support the commitment to Fast Start Financing and welcome the UK’s fulfilment of its Copenhagen commitments in this respect, we also urge the UK to remain committed to sourcing new long term additional climate finance to contribute to the global goal of $100 billion a year by 2020.

4.6 International climate finance is a key investment for current and future generations. Financing for climate adaptation and mitigation will ensure that children are able to enjoy a safer, clean environment and are protected from climate challenges. Climate finance will be key to ensuring that there are resources available for children to survive and thrive in a changing climate.17 Additional resources for long term climate finance will also be important in ensuring that ODA is not diverted from other development goals (such as the health and education MDGs) as the funding needs for climate related development challenges become greater and more urgent. We therefore believe that DFID should champion the UK Government committing new and addition long term resources for international climate finance from innovative sources such as a tax on financial transactions and international transport fuels (bunker taxes).

(ii) Green Climate Fund

4.7 UNICEF UK welcomes the recent establishment of the Green Fund at COP 16 in Cancun. The Green Fund will be critical for distributing the flows of climate finance from developed to developing countries, to help build a long term climate resilient future through both adaptation and mitigation. UNICEF UK congratulates the strong constructive lead that DFID has been taking in the design and development of the Green Climate Fund.

4.8 Mobilising climate finance and making sure that it is both new and additional is only one part of providing a safer future for all children. Long-term climate finance must be distributed and targeted in a way that those most vulnerable, such as children, have adequate support to cope with the growing impacts of climate change.

4.9 The Green Climate Fund and the procedures by which it operates will be critical in the distribution of long term climate finance, and therefore should be designed so they ensure funding for adaptation goes to the most vulnerable groups such as children18. The UK Government should use its role as a key player in climate finance debates, and as an influential member of the Transitional Committee, to be a leading advocate for children in the design of the Green Fund.

(iii) Child Centred Climate Adaptation

4.10 DFID’s annual report shows that DFID clearly understands the importance of climate adaptation for successful long term development. However, we would also encourage DFID to prioritise children in adaptation programming, particularly as this is scaled up over the coming years.

4.11 Children have specific needs, rights and vulnerabilities in relation to the impacts of climate change and so specific adaptation responses which are focussed on this are needed (“child centred approaches”). This will ensure that adaptation responses address the specific climate risks and needs faced by children, ensuring they are best protected from the impacts of climate change. DFID should ensure it gives due consideration to children and their specific vulnerabilities to climate change in its adaptation programming.

4.12 Children can also be useful contributors in programmatic responses to climate change and disasters. Their participation can help identify the specific needs of children and vulnerabilities they face. Children can also be useful agents of change, by educating their peers and families on disaster preparedness for example. Considering the voices, and the needs, of children when developing adaptation responses can be critical in determining effectiveness and long term success.

16 DFID Annual report 2010–2011, pg 9
17 UNICEF UK (2011), The $100 billion question.
4.13 Research by UNICEF UK\(^{19}\) has shown that there are long-term economic benefits to such child centred approaches to climate adaptation. There are also moral imperatives for putting children at the heart of climate responses but it also makes sense in the context of achieving “value for money” and “results”. DFID should be encouraged to prioritise children’s rights and a child centred response in these areas of programming.

Children and their rights

4.14 Similarly to the points raised in section 3, DFID’s latest Annual Report highlights the need for DFID to accord greater priority to children and their rights and the need for a corresponding strategy for achieving this.

4.15 The Annual Report contains some very positive examples of DFID’s support for children’s rights and mentions the commitment pledged in the Coalition’s Programme for Government to recognise the vital role of women in development, promote gender equality and focus on the rights of women, children and disabled people to access services. However these mentions appear to lack coordination which reflects the absence of a vision and strategy for children.

4.16 We welcome the positive narrative focused on achieving results and value for money for UK aid. However, in order to assess whether assistance and programming is reaching the most vulnerable, including the most deprived children we suggest that an in-country assessment or situation analysis is conducted as part of programme development. This should include an assessment of the situation of children, as well as equity considerations, to ensure that activities are designed in a way which maximises results and outcomes.

5. Reflections on the Humanitarian aid review (HERR)

5.1 UNICEF UK welcomed the recent HERR. We were particularly heartened to see a strong focus on the need for increased programming to build resilience in vulnerable communities to cope with the growing frequency and intensity of natural disasters.

5.2 The impact of disasters is often felt most strongly amongst the most vulnerable who have the least ability to cope with sudden changes in their environment. Children are often the most vulnerable to disasters and often face specific risks.\(^{20}\) At the height of the recent Pakistan Floods, UNICEF estimated that 10 million children were affected.\(^{21}\) It is critical that we seek to minimise the impact of natural disasters, particularly on the most vulnerable. Building resilient communities through disaster risk reduction (DRR) plays a key role in promoting equitable outcomes for all children by both protecting the most vulnerable communities against the potential risks they face as well as reducing the impact of disasters when they occur. This is critical in ensuring children have their rights fulfilled and in enabling communities to be prepared in the face of increasing disaster uncertainty.

5.3 Investing specifically in child centred DRR will help protect children against the risk of disasters and is an investment for the future. Children have specific needs, rights and vulnerabilities in relation to the impacts of disasters and hence specific child centred DRR responses are required. This will ensure that DRR responses address the specific risks and needs faced by children, ensuring they are best protected and resilient to these impacts of climate change.

5.4 UNICEF UK welcomes DFID’s response to the HERR recommendations and is heartened to see that it will be prioritising an agenda focussed on resilience to reduce vulnerability in communities at risk. We were particularly supportive of the intention to “Integrate resilience and disaster risk reduction into our work on climate change”, which highlights a welcome commitment to building a climate resilient world which will help protect children at risk of climate related disasters. However DFID should ensure that they prioritise child centred DRR in their growing focus on building resilience to increased risk of climate related natural disasters in vulnerable countries.

\textit{October 2011}

\textbf{Written evidence submitted by the UK Aid Network, in collaboration with Bond}

\textbf{ABOUT UK AID NETWORK}

The UK Aid Network (UKAN) is the coalition of UK-based development NGOs working together to advocate for more and better aid. Members carry out joint policy, lobbying and advocacy work to make the case for increasing the volume and quality of official development assistance (ODA), mostly focusing on the UK’s ODA policy and practice. However, its remit also extends to the European and international levels through its engagement with the UK government on international issues, its participation in EU Aid Watch working groups (CONCORD) and the International Coordinating Group of civil society organisations working on Aid. Members of UKAN’s Steering Group include: ActionAid, Action for Global Health, Bond, CAFOD, UNICEF UK and Plan International (2011), The Benefits of a Child Centred Approach to Climate Adaptation.\(^{19}\)

Emma Back, Catherine Cameron and Thomas Tanner (2009), Children and Disaster Risk Reduction: Taking Stock and Moving Forward.\(^{20}\)

ONE, Oxfam, Publish What You Fund, Save the Children, Tearfund, UNICEF UK, WaterAid, and World Vision UK.

**About Bond**

Bond is the membership body for UK international development organisations. Established in 1993, it has 360 members ranging from large bodies with a world-wide presence to smaller, specialist organisations working in certain regions or with specific groups of people. Bond promotes, supports, represents and leads the work and interests of the UK international development sector by creating opportunities for organisations to work, learn and take action together.

**Executive Summary**

**Bilateral Aid Review and Operational Plans**

The Bilateral Aid Review (BAR) represented an important attempt by the Coalition Government to tackle some of the most difficult challenges around UK aid. However, UKAN members want to raise a number of issues around the BAR, particularly regarding the BAR process and the way in which the priorities that have emerged from it are being taken forward. We therefore recommend the IDC take steps to ensure that:

- Important future reviews of DFID’s priorities place a strong emphasis on consultation with relevant stakeholders—especially in-country—and are fully transparent.
- DFID avoids using narrow and static approaches to Value for Money and develops methods that incorporate a focus on accepted aid effectiveness principles and take full account of all factors that are relevant to judgements about effectiveness.
- DFID continues to use budget support ambitiously and takes on the challenges with addressing its VfM.
- DFID continues to make the Paris Declaration and Accra Agenda for Action a corporate priority, and uses the Fourth High Level Forum on Aid Effectiveness to reaffirm and deepen these aid effectiveness commitments.

**Transparency**

UKAN and Bond members are greatly encouraged by the strong emphasis put on transparency across DFID’s Operational Plans, although there remain a number of areas where greater clarity and consistency is required. In particular there is a need for greater transparency on what specific programmes and projects DFID is supporting at the country level.

**Empowerment and Accountability**

We urge the IDC to ensure that DFID’s vision of value for money incorporates a commitment to empowerment and accountability.

**Multilateral Aid Review**

UKAN and Bond members welcome the transparency and many of the elements of the Multilateral Aid Review. However, we were concerned about the insufficient focus on the effectiveness of multilaterals in promoting country ownership and results for the poorest, as well as their transparency and accountability in the MAR’s assessment process. UKAN and Bond members urge the IDC to ensure that DFID’s future engagement with and assessment of multilateral agencies addresses these issues ambitiously.

**Independent Commission on Aid Impact (ICAI)**

UKAN and Bond members welcome the creation of an additional, independent layer of scrutiny for the impact and effectiveness of DFID, but have a number of concerns relating to the structure and governance of ICAI. We recommend IDC take steps to ensure that:

- it monitors the work of ICAI to understand whether and how the absence of a development expert amongst its Commissioners is impacting on its effectiveness;
- a system is put in place whereby aid recipients can contribute to the assessment process;
- there are clear and strong procedures to ensure that DFID management are accountable for ICAI’s findings; AND
- ICAI places a suitable balance on using quantitative and qualitative assessment methods.

**Work in Conflict Affected and Fragile States**

UKAN and Bond members welcome DFID’s commitment to tackle the challenges of conflict and fragility, and call on the IDC to encourage DFID to:
— release further details of the specific programmes and projects DFID will be supporting, in order to allay fears of links between DFID’s aid footprint and national security priorities; and
— commit to an aid agenda that focuses on ownership by and empowerment of broader societal actors beyond the state, especially the poor and the marginalised.

THE BILATERAL AID REVIEW

1. The Bilateral Aid Review (BAR) was an important attempt by the Coalition Government to tackle some of the most difficult challenges around aid effectiveness, and was the beginning of an important process of change in practice across DFID’s planning and project cycles. UK NGOs have warmly welcomed the Government’s efforts to address these issues in a more systematic fashion, and have closely followed both the Bilateral Aid Review process, and the development of the Operational Plans (OPs) that followed.22

2. However, UKAN and Bond members have a number of concerns, particularly regarding the way in which some of the Department’s priorities are being operationalised in practice. These are outlined briefly below.

   (a) The Bilateral Aid Review process was depicted as an “entirely new approach”23 based on bottom-up analysis driven by actors at the country level. However, the official guidance note for the BAR did not direct DFID country offices to undertake consultation at the country level, and DFID officials have admitted that consultation processes were patchy at best. Similarly, there are concerns that the priorities, agendas and decisions emanating from DFID Headquarters exerted a significant top-down pressure on the kinds of offers that were put forward, weakening the decentralisation of decision making to DFID country offices. Such processes are critical to ensuring an approach which is responsive to the needs of in-country stakeholders, and their absence is indicative of the low weight given to aid effectiveness principles such as ownership and alignment throughout the BAR process (see below).

   (b) Furthermore, UK development NGOs feel that consultation with civil society in the UK also failed to adhere to best practice, with critical documents often not made available until decisions had already been made—in contradiction with DFID’s commitments on transparency.

   (c) There are therefore very real concerns around the lack of proper consultation processes surrounding the Bilateral Aid Review. **Such an important review of DFID’s strategic priorities needs to be given sufficient time and space to consult with relevant stakeholders.**

Pursuing Results/Value for Money (VfM) in DFID Country Programmes

3. The Coalition Government has taken significant steps to ensure DFID moves away from aid allocation driven mainly by inputs, and instead focuses on the specific goals and outcomes that can be achieved through UK assistance. UK NGOs recognise the significant potential such a renewed focus on results and value for money offers for delivering benefits to the beneficiaries of aid.

4. However, for a term that is now so widely used, the exact meaning of VfM remains unclear. We understand that this is largely down to the fact that DFID’s work to deepen its focus on VfM remains at a relatively early stage, and significant and demanding technical work still needs to be done. However, it is clear from the Operational Plans released by DFID country offices that one concrete VfM metric that country programmes are already using extensively is unit costs—the cost of delivering a unit of goods or services (See below).

   EXAMPLES OF THE USE OF UNIT COSTS IN DFID’S OPERATIONAL PLANS

   — DFID Rwanda: “will use a calculation of unit costs for all interventions and as an international comparator and indicator of VfM”.

   — DFID Uganda: “where possible base programming decisions on unit costs analysis”.

   — DFID Bangladesh: “all new programmes will be assessed for VfM, including unit costs” and international comparisons”.

5. Unit costs are important metrics for DFID to use to assess cost effectiveness. However such measures only provide a narrow, monetary and immediate picture of effectiveness and exclude a focus on broader, longer-term and developmental factors that should go into programming decisions. Such factors include the degree to which possible investment options are sustainable, supportive of country ownership, and promote gender equality and a focus on the poorest people. The importance of all of these factors has been recognised by DFID through its commitment to the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action.

6. **IDC must therefore take steps to ensure that DFID takes a balanced approach to VfM that is consistent with, and does not overshadow, its commitment to aid effectiveness principles.** Aid effectiveness reforms, such as support for country led programmes and effective coordination with other donors, not only

22 A submission to the Bilateral Aid Review was prepared by Bond on behalf of its members, and was submitted to DFID in October 2010. Read the Bond submission at: http://www.bond.org.uk/pages/bar-and-mar.html
help to deliver value for money in the short run, but, by empowering aid recipients, also ensure that development assistance is needs based and focussed on building sustainable country systems and institutions.

7. UKAN and Bond members therefore recommend that unit costs should only be used alongside broader, more dynamic and more developmental measures of VfM in making programme decisions. Such an approach will help ensure that aid effectiveness principles form a central pillar of DFID’s VfM strategy, and the focus on unit costs does not inadvertently lead to a lowering of the quality and broader developmental impacts of DFID’s programmes. One of our members has already had direct experience of how narrow interpretations of the VfM concept have compromised the quality of programming that DFID has been providing funding for.24

8. Finally, UKAN and Bond members also wish to emphasise the importance of ensuring that all future work to develop VfM processes and methodologies incorporates extensive engagement with key stakeholders in developing countries—programme administrators, front-line providers and the intended beneficiaries of aid. This will ensure that VfM genuinely promotes ownership and empowerment, is country tailored, and suited to the development field.

USE OF BUDGET SUPPORT ACROSS DFID COUNTRY PROGRAMMES

9. In July 2011 the UK Government announced a 43% reduction in general budget support across the world, and a tightening up of the principles on which budget support agreements are made. This reduction in budget support is reflected in a number of Operational Plans; see below.

EXAMPLES OF REDUCTIONS IN BUDGET SUPPORT UNDER THE CURRENT ADMINISTRATION

— Ghana: general budget support will be cut from £36 million in 2010–11 to around £10 million in 2014–15; current levels of Sector Budget Support will be maintained.
— Sierra Leone: general budget support will fall from up to £15 million in 2011 to £10 million in 2012.
— Tanzania: over the spending review period annual general budget support will decrease by 30% on the indicative commitment in the 2010–11 of approximately £103.5 million.
— Zambia: general budget support will make up 45% of DFID’s programme in 2011–12 before falling to 29% by 2014–15.

10. In at least two cases—Ghana and Zambia—decisions to reduce general budget support were made due to the challenges of measuring VfM of budget support,25 rather than any evidence that budget support cannot deliver VfM. This raises a number of concerns about the ways in which DFID is approaching issues of VfM and effectiveness in relation to budget support.

11. Firstly, these decisions down-play the substantial evidence that budget support has been at the forefront of promoting more efficient, sustainable, and country-owned approaches to development assistance focussed on long term development outcomes.26

12. This in turn suggests that DFID’s approach does not currently allow it to appreciate the full range of factors that are relevant to judgements about the VfM of aid modalities such as budget support. However, rather than base judgements on budget support when suitable evidence emerges DFID seems to be retreating into using narrow and static measures of VfM and using simpler but potentially less effective forms of aid. Such an approach is not consistent with the Secretary of State’s recent statement that DFID will not avoid doing difficult things because they are hard to measure.27

13. We urge IDC to encourage DFID to continue to use budget support ambitiously and to take on the challenges with addressing its VfM. This is necessary to ensure that DFID does not focus on short-term, “easy” wins over addressing the structural causes of poverty simply because they are difficult to measure.

14. UKAN and Bond members also call for greater transparency around budget support allocations especially where decisions have been made to scale down or discontinue the provision of budget support. In particular we ask IDC to ensure that DFID provides a clear and complete breakdown of where, and when, the 43% reduction in general budget support will take place.

DFID’S FOCUS ON IMPLEMENTING ITS AID EFFECTIVENESS COMMITMENTS

15. UKAN and Bond members welcome the emphasis the Operational Plans put on DFID working with and through national institutions in the countries where it is investing and doing so in partnership with other donors

24 See Zambia and Ghana 2011–2015 Operational Plans
25 See UKAN Policy Paper 2, The Case for Budget Support and Country-led Aid, January 2010
26 “Don’t be misled into thinking that our focus on results means we’ll avoid doing the harder things just because they’re difficult to measure”, Andrew Mitchell, Results for Change Speech, 8 June 2011
16. However, UKAN and Bond members are concerned by the lack of emphasis on a range of areas addressed by the Paris and Accra aid effectiveness frameworks, including improving predictability, using conditionality responsibly, improving the effectiveness of technical assistance, strengthening mutual accountability and promoting country and community-level ownership. Despite international commitments to address such issues, DFID has failed to use the BAR to reiterate its support for these aid effectiveness reforms and to outline plans for delivering on these commitments.

17. UKAN and Bond members urge DFID to continue to make the Paris Declaration and Accra Agenda for Action a corporate priority in recognition of their critical role in supporting sustainable country-led development results, and to work with country offices to ensure that addressing these issues and challenges remain part of DFID’s core focus and way of working.

18. DFID’s performance in recent years suggests that continued commitment by DFID to its Paris and Accra aid effectiveness commitments is absolutely vital; the 2011 survey monitoring implementation of the Paris Declaration found that DFID has so far met only three of the targets set for donors to achieve by 2010 (See Table 1). Performance has in fact gone backwards in a number of areas, with DFID now further away from targets on use of country systems, alignment with national priorities, and carrying out joint analytical work than it was in 2005.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2005</th>
<th>2010</th>
<th>Target</th>
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</thead>
<tbody>
<tr>
<td>3. Aid flows aligned on national priorities</td>
<td>50%</td>
<td>48%</td>
<td>85%</td>
</tr>
<tr>
<td>4. Strengthened capacity by coordinated support</td>
<td>61%</td>
<td>65%</td>
<td>50%</td>
</tr>
<tr>
<td>5a. Use of country public financial management systems</td>
<td>76%</td>
<td>73%</td>
<td>87%</td>
</tr>
<tr>
<td>5b. Use of country procurement systems</td>
<td>77%</td>
<td>75%</td>
<td>n/a</td>
</tr>
<tr>
<td>6. Avoid parallel implementation structures</td>
<td>40</td>
<td>25</td>
<td>13</td>
</tr>
<tr>
<td>7. Aid is more predictable</td>
<td>51%</td>
<td>59%</td>
<td>76%</td>
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<tr>
<td>8. Aid is untied</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>9. Use of common arrangements or procedures</td>
<td>58%</td>
<td>60%</td>
<td>66%</td>
</tr>
<tr>
<td>10a. Joint missions</td>
<td>42%</td>
<td>53%</td>
<td>40%</td>
</tr>
<tr>
<td>10b. Joint country analytical work</td>
<td>66%</td>
<td>57%</td>
<td>66%</td>
</tr>
</tbody>
</table>

19. UKAN and Bond members therefore urge IDC to hold DFID accountable for the commitments it made in Paris and Accra, and to make sure that the necessary action is taken to meet these existing commitments. This includes ensuring that the 4th High Level Forum on Aid Effectiveness (HLF4), to be held in Busan, South Korea in November/December 2011, commits OECD donors and developing countries to fully implement and deepen the Paris Declaration and Accra Agenda for Action by a concrete deadline, and to tackle the political obstacles to doing so.

TRANSPARENCY

20. UKAN and Bond members are greatly encouraged by the strong emphasis put on transparency across DFID’s Operational Plans, especially commitment to ensure country programmes meet the UK’s Aid Transparency Guarantee and the International Aid Transparency Initiative’s commitments, and on the translation of aid information into prominent local languages.

21. However, there remain a number of areas where greater clarity and consistency is required, for example identification and assessment of security-related exemptions, and commitments towards publishing forward-planning budgets. It is vital that these issues are addressed as DFID’s work on transparency is taken forward, especially embedding an assumption of disclosure into operations at the country level through clarifying guidelines in a disclosure policy or handbook.

22. There is also a need for greater transparency on specific programmes and projects; the majority of operational plans released by DFID country offices simply present aggregate sector spending plans. Information on the specific programmes and projects DFID will be supporting is vital to gaining a full understanding of DFID’s new priorities, and we therefore urge the IDC to request that such data is made available for all of DFID country programmes.

EMPOWERMENT AND ACCOUNTABILITY

23. Transparency is a necessary but not a sufficient condition for the effective scrutiny of aid. The admirable progress that has been made on aid transparency will be unlikely to translate into greater effectiveness if there is insufficient support for accountability and empowerment initiatives. These support the intended beneficiaries of aid to give vital feedback on its impacts, and hold decision-makers accountable for aid work that affects their lives. We urge the IDC to ensure that a commitment to empowerment and accountability is fundamental to how transparency and VfM is envisioned in UK aid.

MULTILATERAL AID REVIEW (MAR)

24. The MAR process was comparatively more transparent than that of the BAR. DFID made publicly available information on the MAR’s methodology provided clear opportunities for external stakeholders to input and the published report makes clear what judgements were made of the multilaterals. In addition, the MAR’s methodology for assessing multilateral agencies also addressed a wide range of important issues.

25. However UK NGOs had a number of concerns about the methodology and process of the MAR which we would like to highlight below.

26. Firstly, although DFID undertook some country visits to carry out analysis as part of the MAR, these visits were small in number and short and were not used to systematically consult the recipient country governments and programme beneficiaries on their views of the effectiveness of multilateral agencies.

27. Secondly, in our submission to the MAR we highlighted the need to for its assessments of the multilaterals to place an emphasis on how effectively they support country ownership, and poverty reduction results and also their transparency and accountability. However, in the end these three assessment criteria were given equal weighting alongside six to seven others—including contribution to UK development objectives, cost and value consciousness—which we believe should not have been given equal emphasis. We therefore do not feel that the MAR brought sufficient attention to the most critical issues.

28. UKAN and Bond member NGOs urge the IDC to ensure that in the follow-up to the MAR and any future assessments of multilateral agencies carried out by DFID the issues of country ownership, results for the poorest people, transparency and accountability are strongly emphasised.

INDEPENDENT COMMISSION ON AID IMPACT (ICAI)

29. UKAN and Bond remain closely engaged with ICAI’s work, and are in ongoing consultation with the Commissioners and Secretariat. We welcome this relationship, and look forward to continued dialogue.

30. The creation of ICAI, and the formation of an additional, independent layer of scrutiny for the impact and effectiveness of UK aid, is an encouraging step that has received broad support from the international development sector. However, concerns remain in a number of areas, some of which are outlined briefly below.

Structure of ICAI

31. We are pleased to see that ICAI has underlined its independence from government by recruiting well-respected and senior Commissioners led by Graham Ward. However, we are concerned that, while the Commissioners represent a range of important areas of expertise, there is non of the ICAI Commissioners has an international development programming or evaluation background, which does raise concerns. It is also imperative that ICAI puts in place a system whereby the voice of aid recipients (developing country partners) can be fed into the assessment process.

ICAI Governance

32. The Secretary of State’s stated aim in creating an independent Commission is welcome, as is the Commission’s reporting line to Parliament and the International Development Select Committee. However, it is currently unclear how ICAI and the IDC will work together to effectively hold DFID answerable to ICAI’s findings. It is crucial that there are clear and strong procedures for how DFID is required to respond to ICAI’s reports, in order to ensure that DFID management are accountable for addressing findings.

33. We would recommend that IDC and ICAI explore the possibility of adopting the approach of the World Bank’s Independent Evaluation Group (IEG) as this represents best practice amongst independent development evaluation institutions. World Bank management is formally required to respond to IEG evaluations by stating and justifying the degree to which it accepts the IEG’s recommendations, and subsequent follow-up action is tracked by the IEG on a rolling three-year basis.

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29 See Bond submission to the Multilateral Aid Review http://www.bond.org.uk/pages/bar-and-mar.html
30 For more detail of these and other concerns, please see the Bond Submission to the Independent Commission for Aid Impact (ICAI) 3 Year Workplan Consultation http://www.bond.org.uk/data/files/Bond_joint_submission_to_the_ICAI_Consultation.pdf
Assessment methodology: balancing qualitative evidence with hard numbers

34. In addition to assessing quantifiable impacts, it is important for ICAI to find suitable methods to assess more qualitative factors. Issues such as accountability, empowerment, governance and capacity building, are less open to quantification and require more varied, nuanced and qualitative methods of assessment to be used.

DFID’s Work in Conflict Affected and Fragile States

35. Given that 8 out of 10 of the most aid dependent countries in 2008 were CAFs (World Bank), that 1.5 billion people live in CAFs, and that around 50% of the OECD’s bilateral aid programs go to CAFs, there is clearly a need to better address poverty reduction in situations of conflict and insecurity.32

36. UKAN and Bond members therefore welcome DFID’s commitment to tackle the challenges of conflict and fragility by using 30% of UK ODA to support fragile and conflict-affected states and to tackle the drivers of instability. However, given the increasing focus on such countries, we would encourage the IDC to pay particular attention to the following questions.

Where and how is UK ODA being spent?

37. Despite large scale ups in aid to countries such as Yemen, Pakistan and Somalia, there does not seem to be evidence that UK aid is being diverted towards security needs. The average per capita spend for countries judged to be a ‘high’ terror threat by the FCO is £9.43 whilst the average per capita spend for countries not judged to be a high terror threat by the FCO is £16.43 (excluding the Overseas Territories), and the strength of correlation between UK security interests (indexed by various means) and bilateral aid allocations has stayed roughly the same.33

38. There are, however, questions to be asked about whether the scale of the increase in UK aid to Pakistan can be justified in terms of the country’s development needs, and how exactly funds to other conflict affected fragile states, such as Afghanistan and Yemen, are being spent. A lack of clarity around the detail of programming decisions means that very little is known about how funds are being used; greater transparency would help allay fears that aid is not just being directed to the most insecure or strategically important provinces within such countries, or orientated towards short-term security objectives.

39. UKAN and Bond members therefore call on the IDC to encourage DFID to release further details of the specific programmes and projects DFID will be supporting, in order to allay fears of links between DFID’s aid footprint and national security priorities.

What is being done to ensure UK aid responds to the needs of the poor and the marginalised?

40. The challenges faced in contexts of poor governance, conflict and fragility have a number of implications for the way in which DFID delivers its aid. In particular, DFID must continue to lead efforts to build on international agreements in order to improve the effectiveness of aid is such contexts.

41. Aid that supports the state even when it is a primary actor in a live conflict may strengthen regimes that violate international human rights or humanitarian law, and potentially contradict humanitarian commitments to neutrality as exemplified in the IFRC Code of Conduct and the Principles on Good Humanitarian Donorship. In other cases, governments may misuse aid effectiveness principles to justify policies that reduce space for local civil society activity and / or for humanitarian response.

42. UKAN and Bond members therefore urge IDC to ensure DFID commits to an aid agenda that focuses on ownership by and empowerment of broader societal actors beyond the state, especially the poor and the marginalised. Where governments fail to represent the interests of some members of the population, DFID should align first and foremost behind priorities identified by citizens groups in these countries.

October 2011

Written evidence submitted by World Vision UK

World Vision is a child focused Christian relief, development and advocacy organisation dedicated to working with children, their families and communities to overcome poverty and injustice. We are the world’s biggest local charity, working in nearly 100 countries to improve the lives of around 100 million people worldwide.

We welcome the opportunity to provide written evidence to the Committee on this enquiry. The submission of the UK Aid Network (UKAN), of which World Vision UK is a member, is a more detailed analysis of developments at DFID, and in this submission we would like to highlight a few key areas of importance to World Vision UK.

32 Aid Effectiveness in Contexts of Poor Governance, Conflict and Fragility: A statement by UK relief, development and peacebuilding agencies ahead of Busan. September 2011.

We welcome much of what DFID has done over the last year and the priorities set out in the Business Plan. We also support the focus on achieving results and demonstrating value for money. However, this agenda is not yet well defined and much of our submission highlights areas where we feel DFID should develop a more comprehensive approach to measuring results; an approach that prioritises systemic and long term change, over short term outputs.

1. Bilateral Aid Review

1.1 World Vision welcomed the Bilateral Aid Review (BAR) in March 2011, and the subsequent publication of bilateral country plans.

1.2 The emphasis within the BAR on MDGs is welcome, as is the prioritisation of women and girls. This puts children at the heart of DFID’s fight against poverty, which we have seen from our work is essential to bring about lasting change.

1.3 World Vision is pleased that DFID has continued to focus on fragile states as home to some of the world’s most vulnerable and poorest people. We very much support the proportional prioritisation on fragile states in the BAR. However, in fragile and conflict affected areas results may be less tangible and more difficult to achieve, especially in the short term, especially in areas the more rural and hard to reach communities. We recommend that DFID adopt an appropriately flexible value for money approach.

1.4 We were also concerned that some of the poorest countries such as Niger and Burundi have been removed from DFID’s priority whilst those with lower levels of poverty like South Africa are seeing an increase. Whilst recognising the need for DFID to focus aid, we did not believe that there was an adequate explanation of how the gaps left by DFID were to be filled.

1.5 We also had concerns about the process of consultation, which we considered limited the level of transparency and accountability for which DFID aims. A far more rigorous and formal process of consultation to go alongside such an important and strategic review of DFID’s bilateral programmes would have improved the quality and input into the consultation and given DFID greater access to expertise which exists within Civil Society and beyond.

2. Multilateral Aid Review

2.1 World Vision was pleased that the MAR was driven by a range of criteria including the multilaterals’ ability to demonstrate a strong commitment to international development goals such as the MDGs, recipient countries’ poverty reduction, local development needs and a deepening focus on the poorest and most vulnerable. But we are pleased that the multilaterals’ value for money was assessed against both their contributions to UK development objectives and their unique organisational strengths (including their emphasis on transparency, sound management and accountability and partnership working). However, joint impact assessments involving donors, national governments, local government and civil society should be used in future to provide an even better indicator of success and value for money.

2.2 We believe that DFID needs to balance the need for multilateral agencies to demonstrate value for money and results with the need for them to focus on systemic and sustainable change, especially in fragile states where this is hard to measure.

2.2.1 For example, World Vision welcomes the high scores of “very good value for money” received by GAVI and the Global Fund for AIDS Tuberculosis and Malaria. World Vision is a major partner of the Global Fund, implementing 39 grants in 22 countries. With our global presence and high level of engagement with the Global Fund, World Vision has three members on the Developing Country NGO Delegation to the Global Fund Board, and we continue to have a strong relationship (both at an operational and policy level) with GAVI. Both, however, are specialised agencies where results may be easier to measure. Ongoing review of multilateral institutions should not detract from other approaches, which may be harder to measure, but build sustainable systems.

2.3 The UK is in a strong position to drive reform and leverage the best possible outcomes across the whole spectrum of multilateral institutions—both those that are already performing and those that are not. We hope DFID will build on this by demanding that the multilateral institutions place greater emphasis on civil society and community involvement. This will help ensure that organisations fully understand that institutions should be accountable to those they serve and thus that transparency is matched by accountability.

3. Humanitarian Emergency Response Review

3.1 We welcome both the Humanitarian Emergency Response Review (HERR) and the recently published DFID Humanitarian Policy Paper. We were pleased with assurances in the HERR that humanitarian relief will only be given to relieve human suffering, and not to further political objectives. This is the central tenet of humanitarianism and the Secretary of State’s repeated assertions of this are very welcome.

3.2 For the communities World Vision serves, implementing the recommendations of the HERR are critical, as the scale of disasters is expected to increase to impact over 375 million people per year. Therefore, as Lord Ashdown states in his foreword to the HERR, “enhancing the status quo will not be sufficient”. Despite DFID
and the UK humanitarian community taking the lead in global thinking and operations, we are pleased to see that DFID recognise that a step change is required to operate more effectively in the future.

3.3 World Vision believes the emphasis needs to be firmly placed on the primacy of children in humanitarian responses, value for money in outcomes over outputs, the importance of funding mechanisms for NGOs and the need for reform of the UN coordination mechanisms. The HERR and DFID’s Policy also rightly highlight the importance of resilience as a cross cutting theme across all of DFID’s work.

3.4 DFID needs to have a greater focus on children in emergencies. World Vision supports the view of the HERR that children are the worst affected by disasters.

3.5 DFID should work with NGOs to develop clear guidance on value for money, and ensure that a simplistic, output led understanding of this important concept does not undermine humanitarian agencies’ ability to provide appropriate and flexible responses to those in the greatest need. It is more effective to attribute value to impact and outcomes, rather than simple outputs. In the response to the flooding in Pakistan, DFID evaluated value for money based on “unit cost” of inputs, such as buckets or tents, and highlighted the quantity of material assistance over quality and impact on lives. This approach did not take into consideration core humanitarian responses, such as creating child friendly spaces, hygiene promotion and protection, which cannot be measured by unit cost. Further, responses in harder to reach communities, activities in community mobilisation and with vulnerable segments of society, are both more expensive and difficult to measure. 

Humanitarian responses can be unduly influenced by a simplistic value for money approach that prioritises unit cost and material intervention over effectiveness and impact. We welcome the Government’s focus on ensuring that its funding has the greatest impact, as described in the Humanitarian Policy, but we believe there is a need for greater clarity on how this will be worked out in funding decisions.

3.6 NGOs, like World Vision, provide much of the implementation capacity in responses and provide excellent value for money, especially in the speed in which we are able to disburse funds. For example, in the Pakistan flood response, the Consortium of British Humanitarian Agencies was able to disburse funds within 72 hours, much faster than the UN coordination mechanisms. DFID have stated their intention of developing a funding mechanism for rapid disbursement among pre-qualified NGOs, although we are yet to receive details of this mechanism. We believe that this mechanism should make funding decisions based on which agencies have the operational footprint to deliver quickly and a proven track record of meeting humanitarian need and innovation. We also believe that the decision making process for funding needs to be transparent and accountable, in order to ensure that it focuses on agencies ability to meet the greatest need.

3.7 World Vision commends the emphasis in the HERR and DFID’s Humanitarian Policy on resilience. Greater impact for those affected by humanitarian disasters, and therefore greater value for money in DFID’s response, can be achieved if disaster risk reduction becomes central to all of DFID’s programmatic work.

We recommend that the resilience agenda is widened from disaster preparedness to include the reduction of risks and vulnerabilities in communities, in line with the Hyogo Framework for Action.

3.8 We also welcome the recommendations on the need for better UN coordination. We support the call for more transparency and accountability of the UN in disaster responses to improve how humanitarian emergencies are funded, led and coordinated. The review highlights the lack of strong and consistent leadership within the UN coordination system, a vital area for change consistently called for by World Vision. We are concerned by the UK Government response to the HERR only partially accepting the HERR’s recommendations, and do not feel that DFID’s Humanitarian Policy goes far enough. The UK should to play a greater role in championing the reform of UN coordination and leadership and we urge the Committee to call for this.

4. BALANCING STRATEGIC PRIORITIES IN DFID’S BUSINESS PLAN

4.1 There is a potential for incompatibility between a number of strategic priorities in the Business Plan and we recommend that the Committee pays close attention to ensuring that they are held in creative tension.

4.2 Stand alone, each of the priorities is to be welcomed.

— Honour international commitments. The commitment to the 0.7% target is to be particularly welcomed, as it signals the UK Government’s own commitment to fighting poverty, and sets a positive example to other countries.

— Introduce transparency in aid. It is crucial that DFID is able to demonstrate that funds are being well spent and as such the commitment to deliver value for money is laudable. There are a number of ways “value for money” can be operationalised and as detailed in the UKAN submission, it is vital that consideration is given of the challenges of measuring value in the context of the kind of long-term, complex and risky development interventions that are most likely to achieve long-lasting results.
Strengthen governance and security in fragile and conflict-affected countries. This focus on and increase to 30% of ODA spending on these states is welcome given the concentration of poverty and vulnerable children in these countries. Greater policy coherence is to be welcome, though always recalling that the purpose of ODA is poverty reduction, and that its diversion towards shorter-term solutions will undermine its value in addressing the deeper drivers of conflict.

4.3 However, we are concerned a focus on value for money could inhibit this greater focus on fragile and conflict-affected countries. Such countries are inherently more risky environments in which to work. Development gains can be easily reversed by upsurges in violence or other factors beyond the control of an actor like DFID. Fragile states are also those in which the critical links of accountability between the state and the population are broken or deficient. Demonstrating that programmes are building this critical link is essential and yet attaching a value to this process, and conflict prevention more generally, is of a greater complexity than simple Value for Money measures are able to capture. We urge DFID to continue to follow through on its positive intentions to engage with the NGO community in helping develop appropriate measures and a sophisticated method of measuring Value for Money.

4.4 Another tension is between the first strategic priority, which includes the commitment to increase levels of ODA spending, and results focus, together with the squeeze in administration costs. The potential for shifting some of the bureaucratic burden of monitoring the results of this spending onto partner governments (through budget support), or through support of multilaterals is not being fully realised. The immediate priority of seeking to demonstrate results, and keeping direct control over accounting for increasingly large amounts of ODA, requires greater capacity within DFID, which at the same time is being cut back on.

4.5 These strategic priorities combined with the cuts in administration costs create real tensions: DFID wants to spend more money, demonstrate better value for money and more tangible results, in places that are inherently harder and riskier to work in, using mechanisms that are relatively labour intensive to manage with fewer people to administer it. We recommend that the Committee asks for clarification about how DFID intends to balance these competing priorities.

5. CHILDREN’S RIGHTS TO CARE AND PROTECTION

5.1 World Vision welcomes the fifth strategic to “Lead international action to improve the lives of girls and women”. Improving the lives of girls and women is critical to development and we applaud this DFID focus area. Millions of girls and women around the world are subjected to violence, exploitation and abuse in their daily lives and combating this scourge requires a systemic approach. As DFID has already identified, access to justice for women is key to improving their lives. However, women and girls often face different challenges and their needs and solutions must not forget this. Strengthening the protective nature of the environment around girls, as well as empowering them, is key to improving their lives. Furthermore, the United Nations Children’s Fund, UNICEF, and UNICEF, State of the World’s Children 2011, UNICEF, New York 2011.

5.2 Evidence suggests that ten many of the MDGs remain stubbornly off-track, particularly in countries affected by fragility or conflict. A focus on children can help DFID achieve equitable progress on the Millennium Development Goals. Children constitute at least half of the population in many developing countries and are currently disproportionately represented amongst the poorest and underdeveloped. An equity approach to achievement of the MDGs will ensure that the most vulnerable benefit from development, which will in turn make promoted stability and long term growth.

5.3 From a children’s rights perspective, we welcome DFID’s focus on boosting wealth creation. Sustainable development requires improved well being for all individuals. While poverty is a key underlying factor leading to violence, exploitation and abuse of women and children, economic growth on its own will not eliminate violence, exploitation and abuse. Service delivery alone will not build sustainable development. Poverty reduction working hand in hand with systemic reform is necessary to build long term stability and achieve the aims of development and we recommend that DFID maintains this balance.

5.4 Children make up 50% of the populations in the top ten fragile states. The Building Stability Overseas Strategy recognises the need to build national systems to promote stability and notes that violence against women and children fuels populations’ grievances, which contributes to instability. DFID activities aimed at building legitimate and effective institutions and addressing triggers and drivers of instability and conflict should therefore include strengthening child protection systems.

SUMMARY OF RECOMMENDATIONS

1. DFID should work with NGOs to develop clear guidance on value for money, and ensure that a simplistic, output led understanding of this important concept does not undermine humanitarian and development agencies’ ability to provide appropriate and flexible responses to those in the greatest need.

34 UN, Keeping the promise—a forward looking review to promote an agreed action agenda to achieve the MDGs by 2015, United Nations, New York, 2010.

2. DFID needs to balance the need for multilateral agencies to demonstrate value for money and results with the need for them to focus on systemic and sustainable change, especially in fragile states where this is hard to measure.

3. In assessing multilateral agencies, joint impact assessments involving donors, national governments, local government and civil society should be used in future to provide an even better indicator of success and value for money.

4. DFID needs to have a greater focus on children in emergencies.

5. DFID’s new quick impact humanitarian NGO funding mechanism should make funding decisions based on which agencies have the operational footprint to deliver quickly and a proven track record of meeting humanitarian need and innovation. The decision making process for funding also needs to be transparent and accountable, in order to ensure that it focuses on agencies ability to meet the greatest need.

6. The resilience agenda should be widened from disaster preparedness to include the reduction of risks and vulnerabilities in communities, in line with the Hyogo Framework for Action.

7. The UK should to play a greater role in championing the reform of UN coordination and leadership and we urge the Committee to call for this.

8. Poverty reduction working hand in hand with systemic reform is necessary to build long term stability and achieve the aims of development and we recommend that DFID maintains this balance.

9. DFID activities aimed at building legitimate and effective institutions and addressing triggers and drivers of instability and conflict should therefore include strengthening child protection systems.

October 2011

Written evidence submitted by WWF-UK

Summary

1. WWF-UK welcomes DFID’s prioritisation of climate change in their 2011–15 Business Plan, however, we are concerned by the absence of wider environmental issues in particular the management of natural resources. DFID needs to recognise that the environment underpins all six of the objectives set out in its Business Plan and identify how it is going to manage potential tensions and trade offs between its different priorities.

Introduction

2. WWF has extensive experience around climate change, management of natural resources and making the environment work for the poor, and we welcome the opportunity to submit evidence to the International Development Committee. WWF-UK is the UK arm of the global WWF Network, the world’s leading environmental organisation, with over 5,000 staff active in over 100 countries. We work in partnership with local communities, civil society organisations, governments, multinational agencies and the private sector on the issues of natural resource governance, green economy, supply chains, climate change and energy, sustainable production and consumption, extractive industries. 2011 is our 50th anniversary, and WWF is celebrating its achievements since 1961 and looking forward to future challenges.

3. WWF was the first environmental organisation to hold a Partnership Programme Agreement (PPA) with DFID. At the same time WWF has wide-ranging engagement with DFID on poverty-environment issues. We engage directly with DFID staff, through consultations and, with other NGOs, through the Development and Environment Group (DEG) of Bond, and we have regular engagement at country office levels. See Annex 1 for an introduction to climate-environment-development links.

4. Our evidence to the IDC will focus only on the DFID business plan.

DFID Business Plan

5. We welcome the vision set out at the start of the Business Plan which recognises growth has to be sustainable “It is wealth creation and sustainable growth that will help people to lift themselves out of poverty”. We recommend that the narrative about wealth creation and growth needs to be focussed on “sustainable wealth creation” and “sustainable growth” which can bring long term poverty alleviation. This stems from the recognition that long term poverty alleviation will not be achieved by undermining the natural resource base and degrading the environment, and needs to be climate smart. Whilst this is articulated in the vision, it needs to be clear throughout the Business Plan. For example section 3 of the Structural Reform Plan on “Boosting wealth creation” does not once refer to sustainability. Sustainability and environmental safeguards need to be built into all of DFID’s work, including with the private sector, CDC, and Trade. We recommend that a milestone that reflects progress on sustainability issues in relation to wealth creation would be valuable.

6. In their private sector strategy DFID should be highlighting links to natural resources. This point is echoed by the Environmental Audit Committee in its inquiry into “The Impact of overseas aid on environmental
7. In their Business Plan DFID commit to “Develop and launch the new Environment and Climate Assessment to ensure that environment issues are fully addressed in DFID projects”. We welcome the new assessment process, however, for the assessments to be effective there needs to be an influence on decisions and investments. Therefore DFID needs to assess how effective their assessments are and what influence they have. This is included in a recommendation from the recent EAC inquiry (recommendation 9).  

8. We welcome the leading role and ongoing work that DFID has taken to tackle illegal logging and strengthen forest governance. However, the commitment to “Develop a new programme to improve forest management and tackle illegal logging in order to reduce deforestation” does not reflect the wider areas of focus on other drivers of deforestation and links to REDD+ which DFID are incorporating under their Forests Governance, Markets and Climate programme. We consider these important areas of work to which DFID can make a positive contribution and welcome the expansion of the focus. It would be helpful if the breadth of this work was reflected within the Business Plan. 

9. DFID should be applauded for taking the challenge of climate change seriously and making combating climate change a priority in the Business Plan. For example we welcome DFID’s commitment to “Make DFID programmes more climates smart” and recognise that DFID has been a leading organisation in this regard. We are keen to see how climate change is influencing DFID policies and programmes and those of DFID partners and suggest this is an area they could include in their annual report. Including how DFID is addressing direct and indirect climate related impacts on natural resources, systems and processes that people, particularly the poorest and most vulnerable, and economies depend upon.

10. While we welcome DFID’s prioritisation of climate change, this cannot be taken as an alternative to addressing wider and central environmental issues in particular the management of natural resources. Whilst DFID’s work on climate change has increased, there appears to have been a decline in work on other environmental issues that underpin the MDGs. We are concerned that the focus on climate change has been at the cost to wider environmental considerations in DFID, as we argued in our evidence to the recent EAC Inquiry. DFID needs to recognise that the environment underpins all 6 of the objectives set out in its Business Plan, and to ignore this fact imperils the prospect of long-term change. We recommend that issues concerning environmental sustainability and natural resources should feature in the DFID Business Plan.

11. A clear example is the absence of addressing water resources in the Business Plan. This is surprising given the links from water security to building resilience, achieving the MDGs, and poverty and humanitarian crises. In terms of climate change adaptation it is difficult to imagine how DFID could make any difference to the resilience of most poor communities without addressing food-water-climate links. We suggest that DFID ensures water resource use and management are reflected in its priorities and indicators.

12. The EAC’s first recommendation from their inquiry is that DFID needs to develop and publish an environmental strategy, which brings their already well articulated understanding of the inter-relationships between environment, climate change and poverty alleviation, up to date in relation to current understanding of equitable and sustainable consumption and green economy. We recommend that DFID updates its business plan to include a commitment to developing and implementing this strategy.

13. For priority 1 honouring international commitments, we recommend that DFID also include a focus on the environment and biodiversity aspects of MDG 7, as a healthy environment underpins food security, water provision and health—and all the MDGs. The UK Government should therefore mainstream environmental sustainability across the UK’s response to the MDGs.

14. Also under priority 1, DFID should include a commitment to develop its post MDG strategy. DFID needs to adopt a twin-track approach, supporting the delivery of the MDGs but at the same time planning for beyond 2015. We suggest that a future framework for development should have sustainable development as its underpinning narrative (eg recognising the context of natural resource scarcity, and planetary boundaries). A future framework for development needs also to properly address climate change; fully integrate the role of the environment in poverty reduction and recognise that without addressing climate change and environmental degradation any development gains will be short lived. We recommend that the development of a post 2015 development framework is based on an analysis of the strengths and weaknesses of the current MDGs (for example the current MDGs focus on symptoms rather than causes of poverty, and they fail to address the vital role of the environment in poverty reduction). A future framework needs to link to the Convention on Biological Diversity (CBD) and UNFCCC processes as well as any outcomes from Rio 2012. Equity is a vital issue in protecting and managing biodiversity, which brings their already well articulated understanding of the inter-relationships between environment, climate change and poverty alleviation, up to date in relation to current understanding of equitable and sustainable consumption and green economy. We recommend that DFID updates its business plan to include a commitment to developing and implementing this strategy.


WWF Evidence to the EAC can be seen on page Ev86 of the EAC report. See http://www.publications.parliament.uk/pa/cm201012/cmselect/cmenvaud/710/710.pdf
resource use and allocation which a future framework needs to address; we have finite resources on the planet and we need to ensure those resources are shared fairly. To this end post 2015 Sustainable Development Goals should be globally applicable to all nations.

15. We suggest that DFID needs to review, and acknowledge, the synergies and potential tensions between the different priorities set out in the Business Plan and identify how to manage potential tensions and trade offs. For example there are tensions between some approaches to economic growth and addressing climate change.

INDICATORS IN DFID’S BUSINESS PLAN

16. We welcome DFID’s recognition that indicators need to be developed for adaptation, low carbon development and protecting forests (ie 6.2i—“Develop methodologies and indicators to track impact and value for money, on adaptation, low carbon development and protecting forests”). We would be keen for DFID to consult with civil society about this and see opportunities for these indicators to draw on and be consistent with other examples, such as the Forest Investment Program Results Framework and the UN-REDD Programme’s Results Framework. We would also encourage DFID to fully recognise and work with civil society to address the challenges inherent in finding adaptation indicators. Many were set out in the draft “Tracking Adaptation and Measuring Development” framework (Simon Anderson, et al, 2011) which evolved through a DFID supported workshop.

17. One of the impact indicators in the Business plan is “Length of roads built, upgraded, maintained or rehabilitated with DFID support” we suggest that this is an outcome and gives no indication of poverty reduction or sustainable development impact being achieved. Large scale infrastructure projects can create major positive and negative social and environmental impacts. We therefore suggest rewording it to “Length of roads built, upgraded, maintained or rehabilitated using appropriate social and environmental assessments and safeguards with DFID support”. WWF-UK provided detailed evidence to the IDC Inquiry into DFID’s Role in Building Infrastructure in Developing Countries which relates to this point.

18. A further indicator in the Business Plan is the corruption index, since this cannot be attributed to DFID’s efforts we would question whether this is a good indicator to measure DFID performance. Would DFID investment in good governance interventions be a better indicator?

19. DFID needs to recognize the importance of incorporating healthy ecosystems into development work, and to priorities environmental sustainability in the Business Plan. All development interventions should included climate and environmental safeguards and build resilience to future climate impacts. We therefore recommend that one of the indicators in the Business Plan should be on environment impacts of projects and programmes.

20. We welcome DFID’s commitment to greater transparency and its openness to being held to account by the public.

THE INFORMATION STRATEGY IN THE DFID BUSINESS PLAN

21. We commend DFID for wanting to be accountable to UK citizens and citizens in the countries in which it works; however accountability to the poor seems to be missing in the information strategy. As the “targets” for DFID’s work the poor are arguably the most important audience for DFID’s information strategy. How is DFID planning to address accountability to poor people and poor communities? DFID therefore needs to have specific strategies and plans for ensuring transparency and accountability to the poorest.

22. As a civil society organisation in receipt of DFID funds we welcome DFID “requiring, over time, any civil society organisation that is in direct receipt of DFID funds to adhere to similar standards of transparency and accountability”. Indeed, these measures help us to improve our own performance. However, why are DFID “pushing multilateral organisations to do the same” (in terms of transparency and accountability) and not requiring multilaterals to apply the same levels of transparency and accountability as they do with civil society funding recipients?

23. An example where DFID should be requiring strong transparency and accountability is with the World Bank as it votes on a new form of financing, Program for Results (P4R) in November 2011. We are concerned that the P4R could undercut decades of work to establish environmental and social safeguard standards and accountability mechanisms at the Bank. Under the laudable rubric of providing governments with more flexible financing for health, education and other social programs, P4R allows the Bank to fund activities that would be exempt from complying with most World Bank safeguard policies. This could results in the environmental and social standards that the Bank has carefully crafted over twenty years applying to an increasingly smaller proportion of Bank lending.

24. We welcome the move to make more project data available to the public via the website. We suggest that all Environment and Climate Assessments for projects and programmes should be publicly available. The environment and climate assessments for bilateral, multilateral, private sector and civil society

http://www.publications.parliament.uk/pa/cm201012/cmselect/cmintdev/848/848vw09.htm

WWF-UK (2011) Written evidence submitted by WWF-UK to the IDC Inquiry into DFID’s Role in Building Infrastructure in Developing Countries,
partners in receipt of DFID funds should also be publically available; we have had difficulty in accessing this information in the past.

25. **Evaluations** and other reviews for projects and programmes, funded by DFID (in multi-lateral as well as civil society), should also be publically available.

26. In terms of the information it makes available, we would encourage DFID to **showcase challenges as well as “success stories”** and to be bold in acknowledging where interventions have not gone as well as hoped, thereby sharing lessons learned. This approach would encourage others to do likewise, and would be particularly valuable in terms of increasing the exchange of experience in learning to live with a changing climate.

27. DFID conducts and commissions an excellent range of high quality research. We would be keen for **research findings to be made more accessible** to the public and to other development agencies; for example through an easy to navigate website. This should help ensure efficient use of resources and reduce duplication of effort in the development sector.

28. DFID need to set out how it will implement the Government’s Compact with Civil Society explaining on what it will or will not consult. In particular attention should be given to commitment 2.3 “Work with CSOs from the earliest possible stage to design policies, programmes and services. Ensure those likely to have a view are involved from the start and remove barriers that may prevent organizations contributing” and 2.4 “Give early notice of forthcoming consultations, where possible, allowing enough time for CSOs to involve their service users, beneficiaries, members, volunteers and trustees in preparing responses”.

29. It would be useful to have **updated organ grams at the team level** for policy and research divisions. This would facilitate civil society engagement with civil servants.

30. DFID’s Business Plan states that “Delivering this agenda will require a fundamental cultural and structural shift in DFID’s processes, and we are working to embed transparency across the whole organisation.” One area where we would like to see a shift is to greater **transparency on how funding decisions** are made. For example making public the criteria for funding decisions. Greater transparency would be particularly welcome regarding the new International Climate Fund.

**DFID Humanitarian Emergency Response Review (HERR)**

31. DFID Humanitarian Emergency Response Review (HERR) highlights the close links between climate change, natural disasters and natural hazards. Resilience is a key theme in the HERR review; however, there is **no specific mention of the vital role that ecosystems and managing ecosystems can have in building resilience**. Nor does the review explore how natural resource scarcity can undermine responses to disasters and emergencies.

**Annex 1**

**OVERVIEW OF ENVIRONMENT—POVERTY—CLIMATE LINKS**

(a) The Millennium Ecosystem Assessment (2005) found that over 60% of ecosystem services are degraded, with the natural resources critical for livelihood security for the world’s poorest in rapid decline. The twin crises of climate change and ecosystem degradation are closely linked, with feedback loops between them and with human activities key drivers of both.

(b) While we all depend on natural services and systems, the poor usually rely on them most directly and are most vulnerable to environmental degradation. For example the livelihoods most directly affected by the loss of ecosystems and biodiversity are subsistence farming, animal husbandry, fishing and forestry, all of which are key livelihoods for the world’s poor.

(c) Climate change is exacerbating existing stresses and pressures on ecosystems (such as pollution, deforestation, erosion, fresh water scarcity); this interaction makes poor people who depend on natural resources for their livelihoods even more vulnerable.

(d) Many poor people live in regions that are particularly vulnerable to climate change, such as drought-prone sub-Saharan Africa, or marginal areas such as floodplains or unstable hillsides. Poor people also tend to rely heavily on climate sensitive livelihood activities such as agriculture, fishing and collecting natural resources. Additionally poor people have the least capacity and fewest choices available to be able to cope with climate change-related shocks. All these factors mean that the poor are the most exposed to climate change impacts, are the most vulnerable and have the least resilience.

(e) If natural resources are well managed they can contribute to poverty reduction and provide people with increased resilience to climatic impacts and options for adapting to climate change.

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41 For a copy of the Compact Text see http://www.compactvoice.org.uk/about-compact/compact-text-format
Ev w28 International Development Committee: Evidence

(f) Maintaining ecosystem services is an imperative for poverty reduction and sustainable development. Poverty eradication and sustainable development depend upon environmental sustainability; otherwise, any development gains will be short lived. Climate change and environmental degradation are undermining development gains and climate change is seriously jeopardising achieving the MDGs.

(g) The environment underpins all the MDGs, especially those concerned with hunger and food security, education, gender, child mortality, health and disease. Climate change is threatening to reverse international efforts to reduce poverty despite having risen rapidly up the global agenda. Many of the impacts of climate change play out through the natural world, making MDG 7 even more vital. Nevertheless, MDG 7 is often sidelined particularly the aspects concerning biodiversity and environmental resources, sustainable use and management.

(h) MDG 7 aims to ensure environmental sustainability; it covers a wide range of environmental issues including biodiversity, air pollution, forests, climate change, fish stocks, clean drinking water, sanitation and improvement of slums.

(i) Whilst climate change has become a major focus for the international development community, it is only one of many environmental limits that are being breached. A 2009 paper on “Planetary boundaries” suggests that human pressures on the planet have reached a dangerous level. The authors propose nine planetary boundaries within which humanity needs to operate safely: Climate change; Ocean acidification; Stratospheric ozone depletion; Atmospheric aerosol loading; Biogeochemical flows (nitrogen and phosphorus); Global freshwater use; Land-system change; Rate of biodiversity loss; and Chemical pollution. The authors suggest that three boundaries have already been transgressed (climate change, the rate of biodiversity loss and the rate of interference with the nitrogen cycle). This research implies that the international development community should be paying more attention to a wider range of environmental challenges than climate change alone. This research implies that the international development community should be paying more attention to a wider range of environmental challenges than climate change alone. DFID gives the impression that it has relegated much of its natural resources/environmental management work while pursuing climate change (adaptation) objectives. Important as they are, climate change (adaptation) programmes cannot be used as a substitute/synonym for broader environmental/natural resources management. It has long been recognised that the complex interlink ages between development and environment require a holistic and systematic approach.

Written evidence submitted by Development Initiatives

Development Initiatives believes that better data is essential for better aid. This note makes some suggestions for areas where the International Development Committee could ask for improved presentation of data to support its thinking. It addresses:

— The need for information that is presented consistently across different reports, so that you can easily compare across programmes, countries, sectors and time.
— The need for increased clarity in presentation of data on resources linked to data on poverty, and information about how reliable the data are.
— The use of rankings or benchmarks to help provide a context for judgments.

Section 1 below describes the sources of information on aid spending. Section 2 is a list of suggestions for ways in which the data could be improved. Section 3 makes some suggestions for looking at aid spending in the context of other resources.

1. Sources of Information on Spending Data

(a) Statistics on international development (DFID’s own production where data is presented largely in UK fiscal years and in GBP).

(b) The OECD DAC and CRS databases: data is presented in USD (and GBP for one set of data) and in calendar years. It is published very late (2010 data was not fully published by January 2012). This data measures outflows from the donor. There is no data on what has been received by the developing country.

URL: http://www.ecologyandsociety.org/vol14/iss2/art32/

The DAC also produces forward looking data for what is called Country Programmable Aid (this is ODA with items that are definitely not available to be programmed for countries deducted. The deductions include items like debt relief, spending on refugees in the donor country and administrative costs, but also, controversially, humanitarian assistance). The forward looking data are published on a three year rolling system and there is no breakdown by sector. The major limitation is that it shows total spending by recipient (e.g. How much CPA is programmed for Zambia from all donors for 2011, 2012 and 2013) and total plans by donor (e.g. how much CPA is planned in total from each donor) but it does not give a breakdown, donor-by-donor for each recipient country. Neither does it give a breakdown of all donors for each recipient. CPA does not give an analysis by sector.
(c) Data published to the International Aid Transparency Initiative (IATI) standard, which will be both more recent and more granular. The IATI standard includes geocodes and transaction level data which will allow aid spending to be traced through the system from donor to recipient. Donors can publish to IATI at any time, so data is much more recent. Now that the USA has signed up (announced by Secretary of State Clinton at the Busan High Level Forum in November 2011) over 70% of ODA is from donors who are IATI signatories. For a preview of what IATI can provide visit www.aidinfo.org.

(d) In addition there are country based information systems (Donor Assistance Databases and Aid Management Platforms) that collate data on spending in-country. These are particularly important for governments that are trying to get access to data on donor activities so that they can plan their own resources more efficiently. Some country-level databases are public access, others are restricted to government use.47

2. SUGGESTED IMPROVEMENTS TO THE PRESENTATION OF DATA ON AID TO THE IDC

Using current data sources there are steps the IDC could discuss with DFID which would immediately provide more consistent and comparable data and allow better assessment of whether funding is proportionate to need.

(a) Present spending data in per capita terms as well as overall volume. The amounts should be presented per poor person, rather than per head of total population. This would give the Committee a yardstick to assess the scale of the British contribution to poverty reduction in a country and would allow a better comparison of aid contributions between countries as different as India and Rwanda.

If the Committee was examining aid to a sector, per capita measures can also be used based on data on the number of people in need (eg of water or sanitation) or currently unserved (the number of children out of school).

(b) Headline poverty data should include both the number AND the proportion of people living on less than $1.25 a day by country and sub-nationally within countries—for instance using the Multidimensional Poverty Index, in order to shed light on where DFID’s investments are targeted in relation to poverty at sub-national level.48

(c) Spending volumes should always be presented as the total amount (not just bilateral).

At a policy level this is important. If spending via a multilateral agency is not included in the figures showing aid to a country or a sector then the message that goes to the public is that the UK is not contributing. In reality, not only is our contribution just as real when it is via a multilateral, but we may also have chosen the most cost effective way to contribute. For bodies like the CERF, which were deliberately set up to compensate for disproportionate allocation of assistance between crises, this is especially important.

There is general confusion over what “multilateral ODA” means. The technical definition, used by the DAC in its statistics, includes ONLY the contributions to multilaterals that are totally unearmarked. By contrast, most people intuitively interpret “multilateral aid” as meaning any money that is allocated to a multilateral agency. This leads to confusion and to the presentation of different data in different reports. For instance, if the UK gives money to UNICEF for even a broadly defined area such as Asia or “humanitarian assistance”, it will appear within the UK’s bilateral aid in the DAC statistics, but it quite likely to be described as part of our contribution to UNICEF in other reports. This confusion over the definition of multilateral aid also risks double-counting.

(d) The Committee could ask DFID to show expenditure broken down into three categories: (i) bilateral contributions, (ii) bilateral contributions spent via a multilateral agency and (iii) imputed multilateral ODA.

DFID already imputes some multilateral ODA. The DAC also publishes data on imputed multilateral contributions by country for all donors. The calculations are very simple and could be done for any expenditure. You simply multiply the multilateral agency’s core expenditure on a country or a sector by the percentage of core income that has been contributed by the UK. So if the UK contributed 15% of UNICEF’s core income in 2009 and UNICEF spent £5 million of its core funds in Liberia, the UK’s imputed multilateral aid to Liberia will be £750,000 (15% of £5 million).

(e) The Committee could ask DFID to present the channel of delivery for all aid spending. This data is collected in any case and is part of the IATI standard. The DAC aggregates the data into categories 47 The country level databases are populated by information from donors in-country. This is often very different from the aggregated information that is supplied by donor headquarters. Both these sets of donor-provided information will also be different to the recipient government data on aid received, as recent studies by both DI and the DAC have revealed. A full list (Google document) of country level databases can be viewed online here. You can view the study showing the differences between what was reported as aid allocated to Rwanda and what aid was visible to the government as received in Rwanda on the aidinfo site, www.aidinfo.org.

48 In our view it will become increasingly important to analyse spending at the sub-national level: current poverty data shows that while countries as a whole may have made progress, large numbers of people remain in chronic poverty and aid needs to address that target population. There are already more poor people living in Middle Income Countries than there are in Low Income Countries and this trend is likely to continue. As aid spending is increasingly geo-coded (World Bank projects have been geocoded and it is part of the IATI standard) this will allow much better comparison of aid spending and poverty data.
such as “public sector” or “NGO” but the IATI standard requires the actual channel of delivery (the ministry, the company, the named NGO) to be published.

(f) Very often people want to know what proportion of aid to a sector or aid to a country is provided by the UK. The Committee could ask DFID to provide this data as standard now, using DAC statistics. The data will not be current but, as a generalisation, the shares don’t change a lot so an average for the most recent three or five years would give a useful measure of the relative UK contribution.

3. AID IN THE CONTEXT OF OTHER RESOURCES

In our view, it does not make sense to look at aid without seeing it in the context of other resources and in particular:

(a) UK ODA which may not be part of the DFID budget or included in the sectoral or country plans. This includes funding through NGOs as well as initiatives on climate finance and conflict and the Commonwealth Development Corporation.

(b) Other UK spending which falls outside the ODA definition—mostly security related.

(c) Aid from other donors.

(d) Other major resources in the recipient country, in particular domestic revenues. This has been particularly evident in discussions on India where readily available data could help answer the questions that have been raised about the role of aid in relation to government and private contributions from India itself.

The importance of different resource flows will vary from country to country, but in Afghanistan for instance, UK security expenditure dwarfs our ODA, let alone our humanitarian assistance. For more information see Global Humanitarian Assistance’s Afghanistan Briefing paper. In many sub Saharan African countries, the growth in domestic revenues has far outstripped the growth in ODA.

These data show varying degrees of timeliness, accuracy and detail, but they are still relevant to judgments about the scale and best use of our contribution.

Development Initiatives is currently working on a four year programme with the Bill and Melinda Gates Foundation to enable access to better data on all resources relevant to poverty reduction, with the first report due in late 2012. DI’s Global Humanitarian Assistance reports provide detailed analysis of humanitarian financing and our aidinfo programme works with DFID on the International Aid Transparency Initiative and on access to data on resources.

We would be pleased to help the Committee further with access to data or further information.

January 2012

Written evidence submitted by National Audit Office

GIFT AID AND UK ODA

Following the request made by Jeremy Lefroy MP when we briefed the Committee on the 2 November, we have looked at how DFID estimates Gift Aid in calculating total UK Official Development Assistance. The attached notes set down our findings on which DFID has had the opportunity to comment. DFID is aware that the committee might wish to make the note public.

Annex A

Additional briefing to support the International Development Committee’s inquiry into DFID’s Annual Report and Accounts 2011–12 and its Business Plan 2011–15

THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT’S ESTIMATION OF GIFT AID AS PART OF CALCULATING UK OFFICIAL DEVELOPMENT ASSISTANCE

1. The Department for International Development (DFID) is responsible for calculating total UK Official Development Assistance (ODA). ODA includes the gift aid that has been paid to UK charities by HM Revenue and Customs on donations made by UK taxpayers to support charities to deliver development objectives (Figure 1 explains the Gift Aid scheme). The Department has estimated that gift aid relevant to development objectives has typically been around £45 million per annum over the last five years (see Figure 2), the equivalent to around 0.6% of total UK ODA in 2010.

Figure 1

HOW GIFT AID WORKS

The Gift Aid scheme is for gifts of money by individuals who pay UK tax. Gift Aid donations are regarded as having basic rate tax deducted by the donor before the donation is made. Charities can reclaim the basic rate tax from HM Revenue & Customs on the “gross” equivalent value of the donation—ie the amount before basic rate tax was deducted.
As basic rate tax is 20%, this means that a £10 donation made using Gift Aid is worth £12.50 to the charity. For donations between 6 April 2008 and 5 April 2011 the charity also received a separate government supplement of three pence on every pound given.49

Source: HM Revenue and Customs, www.hmrc.gov.uk/individuals/giving/gift-aid.htm#4

Figure 2

GIFT AID INCLUDED IN UK ODA, 2006 TO 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Gift aid (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
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</tr>
<tr>
<td>2007</td>
<td>44</td>
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<td>2009</td>
<td>44</td>
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<td>2010</td>
<td>47</td>
</tr>
</tbody>
</table>


2. The Department’s estimates of gift aid for 2009 and 2010 were based on a survey of charities (referred to as its voluntary agencies survey). The Department disclosed in October 2011 that its method of calculating gift aid provides a conservative estimate due to non-response to its survey.50

THE DEPARTMENT’S APPROACH TO ESTIMATING GIFT AID FOR 2009 UK ODA

3. DFID last ran its survey of voluntary agencies in spring 2010. The survey was sent to 300 agencies which were either members of BOND (the UK representative body for non-governmental organisations working in international development) or were well known UK charities. The organisations were asked amongst other things for the value of tax claimed back from HM Revenue and Customs in 2008 and 2009.

4. DFID received survey responses from 41 (13%) of the 300 organisations it surveyed. DFID recognises that this is a low response rate, but it told us it focuses on getting returns from organisations it considers are likely to have received larger amounts of tax relief such as the British Red Cross, the Catholic Overseas Development Agency (CAFOD), Christian Aid, Oxfam, Save the Children, Sightsavers International, Tearfund and Leprosy Missions.

5. For its 2009 estimate of gift aid (£44 million), DFID summed the values provided by the 41 organisations responding to the survey. DFID was aware that returns were not received from a number of larger charities, including Christian Aid. DFID did not adjust its estimate to reflect the low response rate as, to be robust, this would have required further information.

6. To get an indication of the completeness of DFID’s estimate of gift aid we checked the published accounts of a small number of larger charities which had not submitted returns to DFID for 2009. Of the five charities examined, we found that three had disclosed receiving gift aid in excess of £5 million per annum in their recent annual reports:

   — World Vision disclosed gift aid of £6.9 million (year ending September 2009) and £8.1 million (September 2010);51
   — the Disasters Emergency Committee disclosed gift aid of £6 million for year ending March 2010;52 and
   — Plan UK disclosed gift aid of “over £5 million” for year ending June 2010.53

The gift aid reported by these three charities alone totals around £18 million a year, the equivalent of around 40% of the value of gift aid DFID currently includes in its ODA figures (recognising that time periods do not exactly match).

THE DEPARTMENT’S APPROACH TO ESTIMATING GIFT AID FOR 2010 UK ODA

7. In 2011, DFID reviewed the cost and impact of its voluntary agencies survey. It decided that as gift aid accounted for only a small percentage of total UK ODA the cost of the survey could not be justified. DFID therefore decided to estimate gift aid for 2010 by using a proxy. It explained in its 2011 Statistics on International Development that it applied its estimate of the proportion of total UK gift aid paid to charities active in development in 2009–10 to the total amount of gift aid paid to all charities by HM Revenue and

49 If a donor is a higher rate taxpayer, the donor (rather than the charity) can claim the difference between the higher rate of tax and the basic rate of tax on the total “gross” value of a donation.
50 DFID, Statistics on International Development, October 2011, page 117
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 Customs in 2010–11.\(^{54}\) DFID recognised that this provided a conservative value (£47 million) as its estimate of the proportion of total UK gift aid paid to charities active in development in 2009–10 was based on the results of its 2009 voluntary agencies survey with no adjustment made for the low survey response rate discussed in paragraph 4.\(^{55}\)

**DEPARTMENT’S PLANS TO REVISIT ITS ESTIMATING PROCESS**

8. The Department reported in October 2011 that options for estimating gift aid supporting development objectives in future years are under consideration.\(^{56}\) The Department told us in November 2011 that it had undertaken some initial research but it had not yet decided upon its preferred option. One option it is considering is using the UK Giving Survey (see paragraph 10). Another option DFID is considering is asking HM Revenue and Customs to provide details of gift aid it has given to each of the organisations covered by DFID’s voluntary agency survey. This option requires further investigation, including whether it is practical to separate gift aid given for development related activity from gift aid given to the organisations for any other purpose. This option might also require DFID and HM Revenue and Customs to establish a data sharing agreement.

9. The Department told us that it intends to have a new estimating process in place to support its final estimate of UK ODA for 2011 which it plans to publish in October 2012.

**WHAT MIGHT GIFT AID TOTAL?**

10. As part of its initial research of options for estimating gift aid, DFID looked at the UK Giving Survey 2010 which was undertaken by the Charities Aid Foundation and National Council for Voluntary Organisations. Using the survey the Department generated possible values for gift aid. After the Department undertook its analysis, the Charities Aid Foundation and National Council for Voluntary Organisations published in December 2011 the UK Giving Survey 2011. We have used data from this new survey to revisit the Department’s analysis.

11. HM Revenue and Customs’ provisional figures for 2010–11 show that total tax repayments to charities as part of the gift aid scheme totalled £1,081 million.\(^{57}\) The UK Giving Survey 2011 reported that donations for overseas causes accounted for 10% of all charitable donations by value.\(^{58}\) If it is assumed that donations for overseas causes receive a typical level of tax relief, then gift aid relevant to development objectives in 2010–11 could total £108 million—more than double the value the Department included in its 2010 ODA figures. However, the actual level of gift aid on donations for overseas causes could differ from the norm for a number of reasons including the extent to which charities focusing on overseas causes reclaim gift aid compared to other charities and the mean size of overseas donations, as both the 2010 and 2011 UK Giving Surveys found that the smaller the size of the charitable donation the less likely donors were to use gift aid.\(^{59}\) These factors would need some further exploration to reduce uncertainty around the gift aid estimate.

12. The UK Giving Survey provides some relevant information on the mean level of donations. The 2010 survey indicated that the mean value of donations for overseas causes might be smaller (by around 40%) than the mean for all donations.\(^{60}\) However, the 2011 survey found that the picture had changed and overseas causes, along with religious causes and the environment attracted “the largest donations on average”.\(^{61}\)

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\(^{54}\) The Department calculated that the gift aid (£44 million) given in 2009–10 to the 41 organisations that responded to its spring 2010 survey, represented 4.37% of the total gift aid (£1,007 million) given by HM Revenue and Customs to all charities in 2009–10. It applied this percentage to the total gift aid (£1,081 million) given by HM Revenue and Customs to all charities in 2010–11 to obtain a value of £47 million.

\(^{55}\) DFID, Statistics on International Development 2006–07 to 2010–11, page 117

\(^{56}\) DFID, Statistics on International Development 2006–07 to 2010–11, page 117

\(^{57}\) HM Revenue and Customs, Charities Statistics, Table 10.3, http://www.hmrc.gov.uk/stats/charities/menu.htm

\(^{58}\) UK Giving Survey 2011 page 14

\(^{59}\) UK Giving Survey 2011 page 15

\(^{60}\) UK Giving Survey 2010, page 21

\(^{61}\) UK Giving Survey 2011 page 14