House of Commons

Committee of Public Accounts

DFID: Transferring cash and assets to the poor

Sixty-fifth Report of Session 2010–12

Report, together with formal minutes, oral and written evidence

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Committee of Public Accounts

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The powers of the Committee are set out in House of Commons Standing Orders, principally in SO No 148. These are available on the internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at www.parliament.uk/pac. A list of Reports of the Committee in the present Parliament is at the back of this volume.
Additional written evidence may be published on the internet only.

Committee staff

The current staff of the Committee is Philip Aylett (Clerk), Lori Verwaerde (Senior Committee Assistant), Ian Blair and Michelle Garratty (Committee Assistants) and Alex Paterson (Media Officer).

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Summary

The Department for International Development's (the Department's) transfer programmes deliver cash, food and assets, such as livestock, directly to people living in poverty. Transfers can be used to tackle a range of issues, such as hunger and malnutrition, or access to health and education services, in a variety of contexts. In 2010-11 the Department spent £192 million on social protection programmes, which includes its transfer programmes.

The evidence we heard suggests transfer programmes are effective in targeting aid, and ensuring the money goes directly to the poorest and most vulnerable people. There is strong evidence of short-term benefits for recipients of transfers, for example better nutrition and greater access to health and education services. Research following-up recipients over a number of years after their participation has so far only been done on one transfer programme. While the results of this longer term evaluation are encouraging, overall there is less evidence for longer-term impacts. No aid spending can be fully immune to waste and fraud, but transfer programmes appear to be less risky than other methods, especially when money can be tracked through electronic payments, as has been done in Kenya.

We are surprised that the use of transfer programmes has not increased more in light of the evidence of positive outcomes. The Department only plans to support transfer programmes in 17 of its 28 priority countries. It does not have an overall strategy for the use of transfers and its decisions on where to support transfer programmes look reactive. The decision as to whether or not to propose a transfer programme is taken by staff working in the country and it is not clear why there are extensive programmes in some countries and none in others.

The Department does not collect data on all the costs of the transfer programmes it supports. For example it does not factor in the cost of diverting health and education professionals to act as payment administrators, as is done in some programmes. The Department is therefore unable to say whether it is lifting more people out of poverty for every pound spent on transfers compared to other programmes. It also lacks information to compare the efficiency of running programmes at district or neighbourhood level. However we are encouraged that more attention is being given to this area; the Department recently published guidance for its country offices that provides advice on data collection and evaluation. We also welcome the Department's greater transparency in publishing business cases and reviews, including those for transfer programmes.

The Department's long-term objective is for the governments of recipient countries to take on the responsibility of owning and funding transfers as part of a sustainable social security system. However, the Department has not been clear about how individual programmes will be sustained. It is likely that many transfer programmes can only continue with funding from the Department as in many of its priority countries even a basic social

security system may be unaffordable and unrealistic.

On the basis of a Report by the Comptroller and Auditor General,[1] we took evidence from the Department for International Development.

1 C&AG's Report, DFID: *Transferring cash and assets to the poor*, Session 2010-12, HC 1587

Conclusions and recommendations

1. **The Department has brought real benefit to poor individuals and communities through the use of transfers.** Short-term benefits include getting food directly to families and greater access to health and education. Measurement of long-term benefits is still in its early stages but, where there has been assessment in Bangladesh, benefits outweighed costs by over three times. The recommendations which follow are intended to help improve the Department's approach to transfers so that they can get better value for money from their use.

2. **The Department does not have an overarching strategy for the use of transfer programmes even though these programmes have positive short-term impacts for recipients.** The Department produces guidance on when and how to use transfers, but there is an inconsistent approach to their use – Department offices in 11 of its 28 priority countries are not yet planning to use them. While it is understandable that the Department is wary of expanding too fast and making mistakes, given the benefits there should be a systematic consideration of whether transfers could apply in other or all priority countries, although using transfer payments has to sit alongside other interventions to improve essential health and education services. The Department should produce a clear strategy for the use of transfers, including expected future levels of spending and develop a framework to ensure decisions about their use in each priority country are taken on a consistent basis.

3. **When setting up transfer programmes, the Department has not identified whether or how it expects them to be sustained and where future funding will come from.** Ideally the Department wants governments of recipient countries to take on the responsibility of owning and funding transfers in the long term, but this is very unlikely in some countries. Some low income countries only collect between 7% and 10% of GDP in tax and so basic welfare systems that distribute between 2% and 6% of GDP are unlikely to be introduced. Many transfer programmes will therefore be reliant on international funding for the foreseeable future. The Department needs to be clear from the outset whether and how it expects each programme to be sustained in the long-term, by donors or by government, setting out the expected sources and levels of funding over time.

4. **The Department has a limited understanding of the long-term impacts of its transfer programmes.** Some programmes are relatively new so an assessment of the long-term effects cannot yet be made, but there are also established schemes where this assessment has not been done. The Department has committed to improve its evaluations of all programme's including looking at the impacts a number of years after the intervention. When it sets up new programmes the Department needs to put in place measures that will enable it to assess the long-term impacts. It should do appropriate research and evaluation to track whether the benefits are sustained for those people and communities who no longer receive transfers.

5. **The Department's ability to evaluate the value for money of transfers is undermined by gaps in data on cost and performance.** While transfer programmes

appear to be effective, the Department does not have a handle on the full costs or benefits of its programmes. This includes the cost of administering transfer programmes, which is of particular concern when health and education professionals are diverted from their core roles to act as payment administrators, as in Zambia. The Department is also unclear about changes in costs over time as programmes move from set-up phase to steady state. The Department is thus not able to say if it is achieving the best value from each programme, nor can it make valid comparisons between programmes. The Department agreed to obtain better and more standardised cost data and will report back to us on its progress in two years' time. The Department should obtain sufficient data to compare cost-effectiveness across its portfolio which will allow it to reduce administrative costs, where there is scope to do so, and improve value for money.

6. **The Department has not assessed what level of individual transfers will provide the best return on its investment.** Whilst an extra few pence a day will allow very poor people to access more food, such a small cash transfer will obviously not transform lives on its own. Larger amounts transferred to recipients are likely to have a more substantial and long-lasting effect and may therefore be better value for money, but the Department has not tested this hypothesis. We welcome the commitment from the Department to examine this issue in its programmes in the future. The Department should routinely assess the benefits generated by different transfer amounts and gather evidence from pilots where possible.

1 The Department's use of transfer programmes

1. Transfer programmes deliver cash, assets (such as livestock) and food directly to poor and vulnerable people. Between 2006-07 and 2010-11 the Department for International Development's (the Department's) spending on social protection programmes, which includes these transfer programmes, increased from £90 million to £192 million but as a proportion of its bilateral (country-to-country) spend it has barely risen; from 4% to 4.5%.[2] However, other aid agencies have undertaken more substantial shifts in their spending patterns. For instance, Save the Children told us it had increased its use of transfer programmes by 600% in the same time-frame.[3] Cash transfers allow recipients to choose how to use money and are important in tackling hunger and malnutrition, and in improving access to health and education.[4]

2. Transfer programmes can be effective in targeting aid in all contexts. Evidence suggests that the Department is succeeding in delivering transfers to the people it intends to reach. Non-Governmental Organisations told us that the challenge with transfer programmes is accepted to be one of fine-tuning programmes for different situations, experimenting with different designs and using new technologies to refine the approach, rather than a question of whether or not transfers are a good thing.[5]

3. Despite evidence that the Department's investment in transfer programmes is well spent in terms of the immediate impact it is achieving, the choice of where such programmes are used in priority countries is purely reactive and is not guided by a clear strategy.[6] The Department has supported transfer programmes for over a decade. In 2010/11 it undertook a bottom-up review of all its aid spending in which country offices proposed future programmes, including transfers. As a result of this review, the Department intends to support transfer programmes in 17 of its 28 priority countries, but it is not clear why it plans to use them in some countries and not others. [7]

4. The Department admitted that, in Africa, less than 20% of the population it wants to target with transfers are being reached because of limited resources.[8] The Department says it wants to expand its use of transfer programmes, but it is reluctant to act too quickly because it fears making mistakes.[9] However, we are still left wondering why the Department does not have a comprehensive strategy to underpin its approach to using transfer programmes across all the countries benefitting from UK aid.[10]

2 C&AG's report, para 10 & 1.1

3 Qq 1-3

4 Qq 1, 27

5 Q 5

6 Q 38

7 Q 41

8 Q 70

9 Q 41

10 Q 38

5. No aid spending is immune to waste and fraud, but transfer programmes appear to be less risky than other, more traditional forms of aid spending. The Department has been successfully identifying the people it wants to reach and help with each programme. This, alongside monitoring to make sure that those people get the transfers, is a good safeguard against fraud.[11]

11 Qq 5, 64

2 The long-term benefits and sustainability of transfer programmes

6. The Department has undertaken proper evaluations of the short term benefits of its transfer programmes, which show clear immediate benefits for recipients such as reducing hunger and raising incomes.[12] However, there has been limited evaluation of the long-term benefits and whether benefits are sustained permanently after a temporary transfer is removed.[13] In theory, transfer programmes can result in a number of important long-term impacts.[14] For example, there is a window of opportunity in the first years of a child's life in which investments in nutrition could have a lifelong impact on the brain and body development of the child.[15]

7. In Bangladesh, where the Department supports two transfer programmes, longer-term evaluation has been undertaken. Recipients on one programme were revisited one, three and five years after they stopped receiving transfers. The results indicate that benefits are maintained and outweigh costs by between three and six times, a better outcome than for other programmes the Department supports.[16]

8. In a number of cases, transfer programmes are still in their early stages and so evidence on long-term impacts cannot exist. However, in Ethiopia a transfer programme has been funded since the mid-2000s and is now in its second phase, but there has only been a partial assessment of impact. The Department accepted it needs more and better evaluations.[17] It intends to design all of its new programmes to allow for evaluations to be carried out both at the end of the programme and at intervals some years after the transfer programme has finished to see if benefits have been sustained.[18]

9. Long-term benefits can be affected by the sustainability of the programme itself. The ultimate goal for the Department is to see the recipient country government take on and fund transfers as part of a local social protection mechanism. However, the ability of recipient governments to take on these programmes varies with their capacity to finance them. Basic social protection mechanisms normally distribute between 2% and 6% of GDP and the countries the Department supports often only collect 7% to 10% of GDP in tax, making social protection mechanisms unaffordable alongside other demands on those resources.[19]

10. The governments in Kenya and Zambia have started to take up and fund elements of the transfer programmes, building on the experience of the pilots funded by the

12 Q 52

13 Q 15

14 C&AG's report, para 7

15 Q 34

16 Q 52; C&AG's report, para 3.19

17 Q 56

18 Q 55

19 Q 59

Department.[20] However, in other countries where the Department supports large transfer programmes, such as Bangladesh and Ethiopia, the tax base is much smaller and they are likely to require international assistance for much longer.[21] Non-Governmental Organisations told us that the Department has huge leverage and is beginning to influence African governments to take these programmes on board.[22] However, it is not clear to us that these issues are clearly thought through when the Department designs its transfer programmes.[23]

20 Q 43

21 Q 59

22 Q 27

23 Q 59

3 Delivering transfers efficiently

11. The Department is successfully reaching people in need with transfers, and gathering evidence of clear benefits in areas such as household diet, expenditure and investment.[24] But it does not have a grip on the costs of administration and delivery. It counts all its capital costs in the years they are incurred, rather than spreading the cost of set-up activities or capital items over their useful lives. So it has only a partial insight into what the full costs of programmes would be in the long term.[25]

12. Central overheads are highly variable, ranging between 5% and 30% of total costs. The Department considers that overheads at the higher end will improve over time.[26] At present, programmes are deliberately targeted where risks of fraud are less, even if this means fewer people are reached. But the Department has not properly analysed its costs, nor sought to compare costs between programmes.[27]

13. A further difficulty is that the Department does not look at the real costs of running some programmes. For instance, using local teachers and nurses as payment managers is diverting them from their core work, and potentially robbing Peter to pay Paul. The Department accepts that it is essential that it knows the opportunity cost of using key workers and has covered the matter in its new guidance, issued in October 2011.[28] It also recognises that it needs standardised, comparable data to understand how to ensure best value.[29]

14. Exploiting opportunities for electronic payment of transfers would help to cut costs. Electronic payments are accessible, reduce direct and hidden transaction costs, can improve financial control and reduce risks of fraud or theft. Conversely, manual payments are prone to inefficiency and risk. The Department agrees that it is almost always best to deliver electronically, and is putting this in place, for example in Zambia.[30] The Department already uses electronic payment in Kenya.[31]

15. The Department accepts that it needs a more consistent approach to management information systems, especially the metrics used to assess the effectiveness of targeting and payment. It has agreed with the Governments of Rwanda and Zambia to take the lead in providing information system solutions for their programmes.[32]

16. The Department has recently focused on cost-benefit analysis but there is a lot left to do before they can properly compare transfer programmes with other approaches. At present

24 C&AG's report, para 4 & 7

25 Q 74; C&AG's report, para 2.11

26 Q 93

27 Q 77; C&AG's report, para 16a

28 Qq 74, 80; C&AG's report, para 1.6, 2.11, 2.12

29 Q 77

30 Qq 75, 79

31 C&AG's report, para 2.15

32 Q72, C&AG's report, para 16a

there is not a data set rich enough to do a comprehensive cost-benefit analysis.[33] It has, since January 2011, published its approved business cases so taxpayers can if they wish examine these and consider, based on the information presented, whether the Department has made a good decision. [34]

17. Setting the amount of the transfer at the right level is a key judgement. The Department's programmes generally base transfer amounts on average household food needs, without analysing whether higher transfer values could have transformative effects on poverty. The Department has agreed to do more piloting to generate better information on the rates of return, whilst acknowledging that it can be contentious to provide different levels of support to recipients in the same locality.[35]

33 Q 73

34 Q 84

35 Qq 16, 74; C&AG's report para 9, 3.10

Formal Minutes

Monday 23 January 2012

Rt Hon Margaret Hodge, in the Chair

Mr Richard Bacon
Jackie Doyle-Price
Matthew Hancock
Chris Heaton-Harris
Meg Hiller
Fiona Mactaggart
Austin Mitchell
Nick Smith
Ian Swales
James Wharton

Draft Report (*DfID: Transferring cash and assets to the poor)* proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 17 read and agreed to.

Conclusions and recommendations 1 to 6 read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Sixty-fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for placing in the Library and Parliamentary Archives.

[Adjourned till Wednesday 25 January at 3.00pm

Witnesses

List of printed written evidence

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

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Twenty-First Report	The youth justice system in England and Wales: reducing offending by young people	HC 721
Twenty-second Report	Excess Votes 2009-10	HC 801
Twenty-third Report	The Major Projects Report 2010	HC 687

Twenty-fourth Report	Delivering the Cancer Reform Strategy	HC 667
Twenty-fifth Report	Reducing errors in the benefit system	HC 668
Twenty-sixth Report	Management of NHS hospital productivity	HC 741
Twenty-seventh Report	HM Revenue and Customs: Managing civil tax investigations	HC 765
Twenty-eighth Report	Accountability for Public Money	HC 740
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Thirtieth Report	Management of the Typhoon project	HC 860
Thirty-first Report	HM Treasury: The Asset Protection Scheme	HC 785
Thirty-second Report	Maintaining financial stability of UK banks: update on the support schemes	HC 973
Thirty-third Report	National Health Service Landscape Review	HC 764
Thirty-fourth Report	Immigration: the Points Based System – Work Routes	HC 913
Thirty-fifth Report	The procurement of consumables by National Health Service acute and Foundation Trusts	HC 875
Thirty-seventh Report	Departmental Business Planning	HC 650
Thirty-eighth Report	The impact of the 2007-08 changes to public service pensions	HC 833
Thirty-ninth Report	Department for Transport: The InterCity East Coast Passenger Rail Franchise	HC 1035
Fortieth Report	Information and Communications Technology in government	HC 1050
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Forty –third Report	The use of information to manage the defence logistics supply chain	HC 1202
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Forty-fifth Report	The National Programme for IT in the NHS: an update on the delivery of detailed care records	HC 1070
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Forty-eighth Report	Spending reduction in the Foreign and Commonwealth Office	HC 1284
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Oral evidence

Taken before the Committee of Public Accounts

on Wednesday 7 December 2011

Members present:

Margaret Hodge (Chair)

Mr Richard Bacon
Stephen Barclay
Matthew Hancock
Chris Heaton-Harris
Meg Hillier
Joseph Johnson
Fiona Mactaggart
Nick Smith
Ian Swales

Amyas Morse, Comptroller and Auditor General, National Audit Office, gave evidence. **Mark Andrews**, Director, and **Gabrielle Cohen**, Assistant Auditor General, National Audit Office, and **Marius Gallaher**, Alternate Treasury Officer of Accounts, were in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

Transferring cash and assets to the poor (HC 1587)

Examination of Witnesses

Witnesses: **John Plastow**, Programme Director, CARE International, and **Alex Rees**, Head of Hunger, Save the Children, gave evidence.

Q1 Chair: Welcome to you both and thank you for agreeing to appear before the Committee. I do not know whether you have picked up on the purpose of this first initial sitting, but it is a new introduction at the PAC. It is a short session in which, you being in the field, we try to pick your brains about how we can develop a better understanding of the topic on which we are taking evidence. We are not trying to catch you out; we want you to have the opportunity to tell us what you think works well and what does not, and what we should be thinking about in terms of value for money. We are not a policy Committee, we are very much a value for money Committee on existing DFID policies.

Interestingly, CARE International spends much more of its budget on this sort of issue—on cash and assets and emergency relief. Two-thirds of its budget goes on that[1], whereas Save the Children, as I understand it, is more about longer-term investment. You come from very different organisations, and I wonder whether that gives you different views on the pros and cons of using this as a method of international aid.

Alex Rees: We certainly feel that cash transfers play an important role in tackling poverty and vulnerability in a range of different contexts. In fact, the majority of our cash transfers take place in emergency contexts, whether that is a chronic emergency, or when there is a disaster—for example in a context such as Vietnam or Indonesia—and we respond at scale with cash transfers. So we certainly feel that it has a very important role to play in tackling hunger, tackling malnutrition, tackling and improving access to health and education, and recovering the livelihoods of people who are facing ongoing vulnerability and poverty or who have been hit by a particular crisis. We have been working, during the last few years, to improve our systems internally to look at cost-effectiveness more carefully, as there has been very significant growth. It is the same for us and like-minded agencies such as CARE International. We have had a 600% increase in cash transfers in the last four years.

Q2 Chair: 600% in the last four years?

Alex Rees: Absolutely.

Q3 Chair: If you look at the percentage for DFID it has hardly gone up. The absolute number has gone up, but the percentage in terms of its spend has gone up half a percent. or something. It is tiny—3.5 to 4% or 3 to 3.5%. I cannot remember the figures.

Mark Andrews: 4 to 4.5%.

Chair: Thank you.

Alex Rees: That has been accompanied by funding from the European Commission in particular and also the USA.

Q4 Chair: The EU does a lot of this, does it?

Alex Rees: Well, it has increasingly, particularly the humanitarian office.

Q5 Chair: What comes out of the NAO Report is that this is an effective way of targeting aid, which ensures that the money gets to the people you want it to get to. It appears to be not only effective in the short term but, in the Bangladesh example, it is effective over time. Is that your view and therefore

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1 Note from CARE International: CARE International spends more than a quater of its budget (well in excess of £100 million in the last financial year) on this sort of issue on cash assets and emergency relief.

should there be a change in the balance of the programme?

John Plastow: I will try to answer your question and also give you a flavour of how we engage. We are engaged in a number of theatres. We are still engaged in Latin America, although obviously with a lighter touch. There is still lots of valuable learning to be done there. We are at a different level of maturity and context there, but often, in middle income countries and contexts like Latin America, there is still much to be gained from a relationship there as it goes further along the scale. We work in a number of contexts such as that, where we are looking at value addition and complementary mechanisms to help people graduate to the next levels.

We also work in more stable contexts. We have been very much involved in Zambia for five or six years. Obviously, that is a more stable development context. There are also the more vulnerable areas, such as in Kenya, where the resilience debate relates to parts of the Horn and extends into parts of Asia as well. There are various theatres and it is important to emphasise that we believe transfers are relevant in all of those contexts. The dynamics, the debates and what it is possible to measure are quite different there. But, one should not take a narrow slice. We and other actors, including DFID, should be active in all those domains—and I am sure they are.

The evidence we see shows that cash is a very effective modality. Care has food aid in its DNA from way back, but we are certainly an organisation that is migrating very extensively into cash modalities. There is still very much a place for food depending on context, but the evidence is shifting towards the value addition of working through cash modalities. For me, I am not sure that it is a question of whether this is a good thing, because, as the Report suggests, overwhelmingly we feel that it is. It is about fine tuning in different contexts, experimenting with different targeting modalities, using new technologies and things like that to refine the approach, rather than a question of whether or not it is a good thing.

Q6 Joseph Johnson: My question is about the sustainability of what you are doing and the extent to which you are incorporating conditions into the cash transfers that you make in your programmes. The concern would be that cash transfers potentially do not sustainably add to the social infrastructure in the recipient country, unless you attach conditions linked to, say, attendance at a health clinic, participation in an immunisation programme or completion of a certain number of school years and so on. To what extent in your programmes are you attaching conditions to the cash transfers?

Alex Rees: First, it depends on the context. The contexts that John described, from a pure development context to those that are more about tackling vulnerabilities, such as in Ethiopia or Kenya, compared with the very rapid onset, would vary. In an emergency context, conditions would not be appropriate in most instances. Moving more into the development context, conditionalities have significant costs, and it is important to understand what those costs are, both financially and to the people who have to undertake those conditionalities.

Chair: What does that mean? Will you expand on that because Jo is raising a really important issue?

Q7 Mr Bacon: Just to be clear: when you say, "to undertake a conditionality", which is not a phrase I have heard before, do you mean, "to check on whether the conditions are fulfilled"?

Alex Rees: No, not to check on, but whether it is actually directly in the interests of those households to be performing those particular activities. Does it really add value to the objectives being sought by the programme? What are the opportunity costs of spending time doing a particular activity when there may be set conditions?

Q8 Mr Bacon: Presumably, part of that is solved by setting the conditions appropriately in the first place, isn't it?

John Plastow: If I can just—

Mr Bacon: Sorry, I was having a conversation with Mr Rees.

Is the problem not solved by setting the conditions appropriately in the first place?

Alex Rees: It certainly can be, if those are properly assessed, but there is also the financial side of the programme and whether those opportunity costs exist or not. I will give an example from the productive safety net programme in Ethiopia. When it was initially introduced, there was a public works component, and there is value to that public works component; it has delivered a number of important infrastructure improvements and improved water access and so on. It made it very difficult for breast-feeding mothers to stay at home and care for their children during a very vulnerable period, and there was quite a bit of lobbying and evidence generated to show that actually unconditional cash transfers would have a more beneficial impact for mothers who are at that stage.

Q9 Chair: What were they expected to do?

Alex Rees: They were expected to work, in the same way that anyone else in the scheme was expected to work during the six months that the scheme works.

Q10 Joseph Johnson: Let's get to the nub of the question again: what proportion of your cash transfers have conditionality attached?

Alex Rees: Very, very few.

Q11 Joseph Johnson: How do you address the issue of whether you are contributing to the sustainable development of social infrastructure in the recipient countries, in the absence of conditions?

Alex Rees: That is not necessarily an objective of the programme in and of itself. Usually, the objective is more of a human development outcome of improved nutrition and consumption of food.

Q12 Joseph Johnson: Are we not falling into the cliché of give a man a fish and you feed him for a day, but teach a man to fish and you feed him for a

lifetime? In the absence of conditions, is that not a risk with cash transfers?
Alex Rees: Improved health and nutritional status, which is a way of transforming and breaking the intergenerational transfer of poverty, is an investment and an outcome in and of itself. Improved access to education and more regular attendance of school is a way out of poverty, so it is not just about building improved irrigation within a particular—

Q13 Chair: You could make attendance at school or a heath clinic a condition.
John Plastow: Can I interject one contextual thing? We are partners in northern Kenya on the HSNP, so I know that area of Kenya very well. Social infrastructure there is almost absent, so in a context like that, your objectives, as Alex said, would be rather different. What are you contributing for? The foundations for you to interact in the way that you are suggesting are not always there. We work in Zambia with people on ARVs, and there is clearly linkage there, and therefore there is conditionality because you have—

Q14 Stephen Barclay: What is the jargon?
John Plastow: Antiretroviral drugs.
Mr Bacon: We are not very familiar with TLAs on this Committee, I am afraid. That stands for three-letter acronyms, in case you don’t know.

Q15 Matthew Hancock: You will forgive us—we are a value for money Committee, so we are looking to ensure that British public spending is spent in a way that secures value for money, and that is why we will have DFID in afterwards. One of the tests of whether cash transfers can work is whether, when they are removed, you get permanent improvements in outcomes from the temporary existence of cash transfers. If cash transfers do not lead to any permanent improvement, there are questions to be asked about whether they are a sustainable way to fund aid other than in deep emergencies and crises, which themselves are short. What evidence do you have that cash transfers lead to permanent improvements in outcomes?
John Plastow: You have to remember that the recipients of cash transfers on a number of the programmes that we are dealing with are really at the bottom of the pile in very poor countries, so the belief that a small cash transfer—often we are talking about considerably less than a dollar a day—will transform lives on its own is, I think, unrealistic. The long-term objective is on-budget, sustained, Government-resourced social protection mechanisms. That is the kind of gold standard that we are looking towards.

Q16 Meg Hillier: When you say Government-resourced, do you mean British Government-resourced or resourced by the home country’s Government?
John Plastow: No, the other state’s Government, not Britain’s. That is very much the Latin American model; it is self-sustaining. I believe that the discussions with DFID are very much about trying to work with the Zambian Government and the Ethiopian Government to put these things on-budget. So a cash transfer for a social protection mechanism is a valuable instrument for these very poor people—for example, for the poorest widow in northern Kenya a few pence a day is very valuable and can enable her to do things for her family that she could not do otherwise—but on its own it will rarely be enough.

Q17 Ian Swales: Can I ask a question about the distribution mechanisms and specifically whether you are using intermediaries at any point? By intermediaries, I do not necessarily mean agencies but a person in a village, because we all know that in these sorts of communities the potential for cash to disappear in ways that were not intended is endemic to the culture in many areas. To what extent are you certain that the cash you distribute actually hits the very people and issues that you want to hit?
Alex Rees: Save the Children has used a number of different mechanisms in different contexts, essentially based on what the financial infrastructure looks like in an area. We have used the banking systems and the post office systems, and we have also used voucher systems when there is concern about how cash might be used. A good example is in northern Kenya, where we are using biometric systems that have scanned in the fingerprint of beneficiaries and the funds are transferred through a bank to those beneficiaries, so that you can actually follow the chain. And the more that the infrastructure in each country is improving—for example, in terms of mobile phone coverage, so that transfers can take place through and to phones—the greater the ability to follow the chain there is, to be able to account and to be transparent in that process.

Q18 Ian Swales: When you say banking systems, are you using international banks or local banks?
Alex Rees: A good example was a DFID-funded programme in Swaziland, where we transferred funds through Standard bank, which already had a standing agreement with the post office services in Swaziland. In many instances, it is about how to get the cash to beneficiaries in often very dispersed locations. Those are the kind of opportunity costs, and we can do it in an easy way.

Q19 Ian Swales: On a sample basis, do you follow the trail to make sure that the cash you are spending is actually getting there? Have you had any cases where you got it wrong that we could learn from? In other words, cash that you thought was going there actually ends up being top-sliced or ends up somewhere else?
John Plastow: There are different modalities. We are in a moment of experimentation, and the context that Alex described is an extraordinary one—extraordinarily rural and hard-to-reach places. You can use satellite technology to link poor people in fairly cost-effective ways in a relatively secure way. The leakage compared to manual systems is less. Of course, there is cost in setting these things up.
I would like to use this opportunity to throw in one thing that I think did not come out of the NAO Report, which is the use of the private sector. I do not think

that is a theme that played out very loudly in the Report. We were involved in a scheme in Tamil Nadu promoting micro-insurance—initially with tsunami-affected communities—with the insurance broker, Allianz. In the course of less than three years, we rolled out 218,000 policies to poor fishermen in those communities. The emphasis in the Report is correctly on state actors, but there are opportunities with the private sector. What happened in that instance is that there was a flood and people received payouts, and of course that reinforced belief in the system. The transaction costs are borne by a private sector actor and, of course, it is their business to make it work.

Q20 Ian Swales: In a way, that is a great story, but thinking about whether we have either charitable or Government funds heading towards that programme, to what extent was Allianz doing charitable work, and to what extent was it a business proposition where they ended up with some of the money?
John Plastow: I think that is fine. If you can have a business outcome that solves development issues, that is absolutely the way we want to go. We had a facilitative role, a brokering role, in enabling them to reach a community that it was not in their DNA to reach. If Allianz serves hundreds of thousands or millions, or other banks, with those services, that is a win.

Q21 Ian Swales: A final question in this area. Can either of you think of a case where you have got it wrong? Be honest. Have you channelled money into an area where you thought, “Okay, this is going to achieve these outcomes”, but one way or another, that money has not reached the right destination and has not achieved the right outcome?
John Plastow: We failed in Niger.

Q22 Ian Swales: Why did you fail there? What happened?
John Plastow: I think a lack of detailed attention to methodologies. I do not think that it was inherently undoable. You had a very unsupportive Government and perhaps a slightly naive intervention approach, but I believe the overwhelming caseloads that we handle are successful. They are not perfect, but we are in that mode of refining.

Q23 Ian Swales: What happened in Niger? Was it just the outcomes or did some of the money disappear?
John Plastow: I think it was poorly set up. There were insufficient factors to make it sustainable at any level.

Q24 Ian Swales: Answering my question, was it the outcomes or did some of the money disappear?
John Plastow: I think it was the outcomes.

Q25 Chair: We reach a tiny number of people through these programmes. Where is the argument—I think 3% is the figure in the Report—that this is a better way of doing it than food aid or something like that? Is the argument about dignity for the individuals? What is the justification for it?
Alex Rees: At an individual level, it makes a massive impact.

Q26 Chair: A massive impact because of dignity—choice?
Alex Rees: Because if a family is receiving an additional third of what their income might usually be, it can be quite a substantial improvement.

Q27 Chair: But why not food aid?
Alex Rees: In many instances, there is certainly a dignity element. There is also the ability to use cash in a whole range of different ways. Cash can be used for food and better access to health and education. In our experience, it is often used to repay debts, to improve creditworthiness and to strengthen savings, which we know to be very important in terms of the way that we all operate within our communities or societies. The evidence internationally, from a great number of schemes outlined in the DFID evidence paper, shows clearly that there is an impact on cash transfer programmes, because of the ability to spend in a wide range of ways. What we increasingly need to understand, and improve the evidence base on, is low-income settings. That is where we are trying in a whole range of new ways—new technology transfers and new contexts—to see what works, and to analyse and assess the evidence as it is being developed. This is all relatively new within the last four, five, six years.
John Plastow: There is some evidence from Kenya where I believe 71% of families said that they would prefer cash for the reasons Alex was saying—the flexibility, the opportunity to use it in a way that is relevant to your context. There is evidence that people are saving, so that enables them to leverage access to other forms of opportunity.
I have been associated with this work for half a dozen years. We were involved in Zambia and there was no interest from the Zambian Government at that time in really taking this on budget. Zambia is changing its tune through some very sustained work by DFID. We were a partner in that process. But I heard recently that the African Union is starting to look seriously at social protection as an instrument in its poverty reduction processes. That is the holy grail. We work to provide models; NGOs can do that in small ways. We can work effectively with a big player like DFID, which has huge leverage. DFID is an influencer in the wider context and is beginning to influence African Governments to take this on board. There is that multiplication effect which is very valuable.

Q28 Meg Hillier: There was a conversation about private sector involvement. The Co-operative group has an initiative whereby they push loans from individuals in the UK to small businesses. Have you been doing any of that?
John Plastow: That is done with Care. The Co-operative is a partner to CARE International.

Q29 Meg Hillier: Can you tell us a bit about how that is working? When you have an entrepreneur in a developing country and money coming from wherever it may come in the UK—DFID—and that is recycled,

that seems very good value for money on the face of it, but is it as simple as that?
John Plastow: Some of you may have heard of the Kiva model in the United States—we can plug "Lend with Care", if you would like to go online you can find out all about it and your money will come back to you. It is a different modality. It is about providing credit. For many of the people who receive social protection, you are aspiring for them to be creditworthy. Often the people we are reaching are not the same people you would find on the Care website, who are small entrepreneurs. It is a different modality.

Q30 Meg Hillier: Do you think it is used enough? You are involved with it very closely. Do you think it is something the Government could learn from?
John Plastow: I think it is broadening the range of instruments—I don't want to say too much because it is self-interest. We work with microfinance institutions. That money is delivered through a microfinance institution. That is another level of debate. They have their place and there is a linkage between social protection and microfinance. So I do think it is an interesting modality. If I am honest I think that social protection has more legs because in pure poverty terms it can probably have greater impact. But it is part of the suite of things that we should be doing.

Q31 Chair: Is there anything else that you think we should be thinking about, either of you?
Alex Rees: I would emphasise that cash transfers are not a silver bullet. They have to be in conjunction with a range of investments that improve the supply of services at the same time so that people can take them up. Going back to the conditionalities point we were discussing earlier, there is no point in applying conditions if your local health service does not have staff, does not have the drugs or does not have the service that could and should be expected, and has been the case in Central and South America where these conditional cash transfer schemes have been more effective. It is about ensuring that Government and DFID investments are working in a coherent and effective way together.
John Plastow: It is part of the suite of things we can offer even in Latin America where things are most advanced. We recently did a study on conditional cash transfers and we found that in terms of women's empowerment it is not really a transformative initiative. One can over-claim what it can do. You need complementarity of support to make these kinds of changes.

Q32 Chair: Would you up the level—the 4.5%? Is that right?
John Plastow: Yes. I think DFID is changing the landscape.

Q33 Chair: Should it go up a bit?
Alex Rees: Yes.
John Plastow: Yes.

Q34 Nick Smith: I can see from your evidence the value to individuals who might buy food, heating or short-term housing, and I can see how if you give the money in a targeted way to those definitely in need, you can cut out graft, corruption and top-slicing and all that sort of thing. Equally if you give people money, it avoids you spending money on large logistical initiatives that take time and are expensive and might not work anyway. I get all of that, but I am still not convinced by your argument that it can provide sustained change around health, housing and other social services or employment. Could you tell us a little bit more about that, because I still do not get it?
Alex Rees: To give an illustration in relation to nutrition, there is a real window of opportunity when women are pregnant and while a child is growing up and moving towards its second birthday, in which investments can change and transform the life of a child. If it is malnourished when it gets to its second birthday it will essentially never recover from the challenge of the body and the brain not being able to make the kind of connections in growth that should have happened. That is where cash transfers, with a slightly longer-term perspective, can actually have a very substantial impact on life and future prospects. The lifetime earnings are significantly greater, according to the evidence available, when those kinds of nutritional investments are happening. That is one area.
Another example, from the South African pension scheme, shows that in households receiving pensions, levels of employment are higher than in those not receiving that pension payment.

Q35 Chair: Why is that?
Alex Rees: I imagine it is because of the strength and economic fabric of the household, the ability to go out and look for work, rather than trying to cope with the ordinary day-to-day essentials that need to be covered, such as food, water and other basic needs.

Q36 Ian Swales: Even in this country, we recognise that some people with cash do not always make the right choices, particularly for their children. Perhaps expenditure on alcohol, tobacco or worse, is higher than it should be. Do you have any evidence in Latin America that your programmes run the risk of cash not being applied in ways that are logical in terms of health or nutrition—that they are actually being used for other purposes?
John Plastow: I know there are data on the use of cash and analysis of that. Of course, human nature is such—
Chair: I was just saying to Richard that when we looked at the use of children's tax credits, people spend it on their kids. They do actually spend it on the kids.
Ian Swales: But you do get exceptions.

Q37 Chair: You will always get exceptions, but on the whole, if you give parents money they spend it on the kids.
John Plastow: Food gets abused; it is sold on the market and can be used in the same way. You cannot legislate for human nature.

Alex Rees: As the evidence base has unfolded, it has become clear that if the targeting is right, if you are getting the right people at the bottom of the pyramid, the chances are that they spend it on the right kinds of things—because they feel it on a day-to-day, hour-to-hour basis. This is where investments around targeting and understanding livelihood profiles—the way that people live, the kind of choices they make—is really important.

Chair: Thank you. That was really helpful. I know it was short, but it gave us a context and some information. We are very grateful to you both.

Examination of Witnesses

Witnesses: **Liz Ditchburn**, Director, Value for Money, **Nick Dyer**, Director of Policy, and **Mark Lowcock**, Permanent Secretary, Department for International Development, gave evidence.

Q38 Chair: Welcome, Mr Lowcock. You have given evidence to us before, so this is not quite your first visit. Congratulations on your appointment.

On the whole, this is a good Report, which shows that DFID money is well spent. The issue is that things look rather haphazard in terms of the countries you choose to spend the money in and the way in which you take decisions on levels of expenditure. Things look as if they are working, but we are left wondering why you do not have a proper strategy across all your programmes.

Mark Lowcock: Thank you. One thing your earlier witnesses said that is relevant is that 10 years ago in the very poorest countries—not the Brazils and Mexicos of this world, but the very poorest countries, which are the ones we work in—the general assumption among their Governments and their international supporters was that they were too poor to have any kind of social protection systems. Over the last 10 years, there has been some experimentation, and you make a fair point: with experimentation, you have a variety of things happening in different places. Over the last four years, we have roughly doubled the number of people we reach.

We have a plan, which arose from the broad forward set of strategic decisions that Ministers took earlier in the year, to treble the number of people we reach with these programmes to about 9 million over the next four years. The Report describes the process we went through to identify the 17 countries in which it would be sensible for us to use this modality and the objectives on which it would be helpful to use it. This is a modality, so it is not something that you can use to solve every problem, but there is a set of problems where it is very helpful.

Chair: I understand that; what seems to be missing is the logic. The number is 17, not 28, but why? We are floating around at 4% to 4.5%. If that works, and it gets rid of a lot of the challenges you face in distributing aid, why not more? We do not get a feel for these things. The NAO comes along and says, “This ain’t bad. You can do better. You can have better information and better monitoring, and you can cut costs,” and we will no doubt come to all those things, but it all feels too haphazard. I understand that there are other modalities, but have you taken a policy decision to run it at 4.5%?

Q39 Matthew Hancock: Excuse me, but what does modality mean? Could I please implore you to tell me? I am a self-confessed non-expert in this area, but I am keen to learn.

Mr Bacon: We are going to have a swear box, and every time you say modality, you have to put £1 in it.

Chair: Well, I got what modality was about the fourth time they used the word.

Matthew Hancock: Well, you’re a brighter spark than me.

Mark Lowcock: Fair enough, Mr Hancock. We could, as the Report says, have a strategy that tries just to build the public services of the countries in which we work, to help those countries grow their economy, in the hope that the results will trickle down, or to help those countries collect more tax. We do all those things as well, but it is a good idea to help countries put in place systems, as in every developed country and increasing numbers of emerging countries, where they can give cash, assets or other commodities, if you like, directly to people. I apologise for the jargon, but that is what we mean by the modality.

Q40 Chris Heaton-Harris: Is that a method?

Mark Lowcock: Yes, if you like.

Q41 Chair: But can you answer my question? Why 4.5%? Why not 8% or 10%? Is there a logic to that? Why 17 and not 28—is there a logic to that?

Mark Lowcock: The logic to 17 rather than 28 is that when the coalition Government came in, Ministers gave us five sets of priorities—five things that they wanted us to focus on. We asked all our country offices what results they could deliver on those five areas, and how they would do it—by which means, if you like. We ended up with a lot of proposals in this space, some of which we thought were good enough value for money to proceed with, and others that were not. That was the rationale.

What constrains the rate of growth? I think that is part of your question. I am open to being advised that we should grow these programmes faster. As the Report says, I think they are good value for money, despite their relative lack of maturity. I am open to being asked to do more of that, but I am also alert to the need to ensure, as we go through what is a very big scaling-up in a short period, that we focus on quality, results, evidence generation and value. I am wary of expanding so fast that we make too many mistakes and reduce confidence.

Q42 Mr Bacon: Can you remind us of the five priorities?

Mark Lowcock: Trying to get everybody access to the basics—health, education and so on; promoting wealth creation as the engine out of poverty; tackling climate change; reducing conflict and insecurity; and providing better opportunities for girls and women as a transformational investment in society.

Q43 Chair: But to be fair, it is not the NAO's job to tell you, "You've got to spend more here." This is a DFID policy task to determine. I have still not got out of you in that answer whether the approach is to wait three years to see whether we sustain the benefits that we think will happen, and then we might think of doubling it. Or is the approach to wait three years and then we might put it into some of the other countries? I do not get the feeling that there is a rational approach.
Mark Lowcock: Can I make a point that is also part of what we see is our role as an organisation? One thing we are trying to do is help the countries in which we work move to the point where they can put in place, and finance themselves, a social protection system. One question asked of your earlier witnesses was about sustainability and how wise it is to put in place a system that these countries might not be able to afford. That is another thing that we have to bear in mind as we scale up the programmes.
Interestingly, as the Report says, in Kenya and Zambia, for example, the Governments want to grow these programmes from their own tax resources. Quite a lot of countries come to us because they want help with the pilot stage. That is another part of the rationale behind why we do what we do in the places where we do it.

Q44 Chair: But is it all bottom up? You said that all your countries were given your five objectives and were then told—bottom up—how to do it, rather than sharing what works as best practice from the experience of administering it. That is how it feels to me.
Mark Lowcock: As the Report says, we have built up quite a lot of guidance, material, experience and analysis in this area. All the countries looked at all the evidence, and one reason why this is one of the fastest growing parts of our portfolio is because the evidence of success is quite good. There is not a top-down judgment saying, "You must do x per cent. of this in every country." That is not something I would be in favour of.

Q45 Stephen Barclay: The Prime Minister has repeatedly said that Afghanistan is his No. 1 priority and that of the coalition Government. You have 28 priority countries. Within those, is Afghanistan the No. 1 priority, or is it just one among 28?
Mark Lowcock: As the Prime Minister said, Afghanistan is the UK's top foreign policy priority—that is what the Government said when they took office. It is absolutely a top priority for us in the Department, and I think it is the country that the Secretary of State has visited most often since he took office. It is the country I have been to most often. Yes, it is a very big priority.

Q46 Stephen Barclay: But what I am trying to clarify from a methodology point of view is whether Afghanistan is just assessed alongside the other 28 priority countries on a programme such as this?
Mark Lowcock: We do not use cash transfers or transfers direct to beneficiaries in Afghanistan.
Stephen Barclay: I know that.
Mark Lowcock: That is for reasons to do with the wider set of priorities we have in Afghanistan and the difficulty of operating there. But the priority that is given to Afghanistan was reflected in the amount of overall resource that we have allocated to the country programme there—the amount of staff resource and organisational effort we put in.

Q47 Stephen Barclay: Sure, but my question is about methodology. What I am trying to understand is whether a weighting is given to reflect that, and it goes to the heart of cross-departmental working as well. Was a weighting given and yet it still failed the test? Because, going through the five that you have just set out—access to basics, wealth creation, climate change, conflict and security, women and girls—I would have thought that those do apply to Afghanistan. I understand that there are concerns in Afghanistan of certain areas potentially suffering from starvation this winter. I just note that Afghanistan is part of neither the existing programme nor the proposed future programme. So can I come back to the methodology? Was that methodology assessing Afghanistan purely alongside the other 27 countries in the same way, or was it prioritised and yet still failed to meet that test?
Mark Lowcock: We set the budget for Afghanistan for the four years of the spending review period somewhat ahead of the budget set for the other countries in which we operate. That was done very early in the coalition Government's life, and that reflected the priority to be given to Afghanistan. We do have an econometric model that, given the poverty level and quality of policy in all the countries in which we operate, provides a way of thinking about how much resource we should allocate to that country. Consistent with the view that Afghanistan is a top priority for the UK's foreign policy and for its development policy, the allocation to Afghanistan is a bit higher than it would be if you just took that econometric model as your only guide. As I say, that is a reflection of priority.

Q48 Stephen Barclay: Again, with respect, that is not the question I am asking. I fully understand if, as a Government priority, a higher budget is set. What you are saying is that that budget was set before this methodology was considered. What I am trying to understand is, notwithstanding what might have gone before, what we are looking at here is an approach that the FCO has taken, which it argues has benefits such as addressing fraud, an issue that I have raised repeatedly with the Department—I note, for example that the Department in the UK has only five members of staff working on counter-fraud and cannot say how much it has spent on external fraud investigations before January 2010. So fraud is an area of issue, particularly well reported in Afghanistan. You have a payment method here that you say is particularly beneficial in tackling fraud. In Bangladesh, you use non-governmental organisations so, again, if there are weaknesses from a Government point of view, perhaps the lessons in Bangladesh would have been pertinent.

I come back to the methodology. I fully understand that as part of that methodology, you might have decided that Afghanistan did not meet the test. What I am trying to establish is whether the test applied was the same as for the other 27 countries, or whether there is a cross-departmental prioritisation of Afghanistan which meant that you looked at this new approach, which has benefits applicable to Afghanistan, and gave it a weighting in your methodology.

Mark Lowcock: We think that in Afghanistan there are a range of more important things for us to do to help move the country forward and to pursue the UK's overall interests than what I am afraid would be a very difficult thing to do in Afghanistan. Because of the environment, the use of these direct transfer cash payments would be a difficult thing to do safely, just because of—

Q49 Stephen Barclay: We are paying though banks in Kabul that are a byword for corruption. In a country where one would have thought we are trying to strengthen regionalisation, much of our aid is actually being directed centrally. I would have thought that a scheme like this was actually hugely beneficial in a country where a lot of the corruption is centralised. Therefore, there are benefits in actually saying, "Who are the people on the ground? How do we get money direct to them?" Would not all the benefits articulated in the Report, or many of them, be applicable, compared with a centralised corrupt system that we are concerned about in Kabul?

Mark Lowcock: As the Report says, in order to safeguard resources under these programmes, you have to have a very detailed, staff-intensive and quite time-consuming engagement with each community in which you do it. That means you have to put lots of people out all over the area you want to cover. It is very difficult for us in Afghanistan to have not only our own staff—although that is very difficult—but the staff of organisations we work with out permanently talking to communities about who should be beneficiaries of these programmes, monitoring the expenditure and checking it is going to the right people.

Q50 Chair: Who took that decision, Mr Lowcock? Did you, or did your representatives in the country? Who took that decision?

Mark Lowcock: In terms of the composition of our programme in Afghanistan?

Chair: I think we are all a bit bewildered by it.

Matthew Hancock: Not all of us. The cost of putting a civilian civil servant into Afghanistan is extremely high because of the security problems.

Chair: No, no; you could work through NGOs.

Stephen Barclay: As in Bangladesh. In Bangladesh NGOs were used.

Mark Lowcock: But if I may say so, many of the NGOs we normally work with, which have the high standards, are themselves very heavily constrained by where they can operate in Afghanistan and what they can do. In answer to your question, Chair, the Government of Afghanistan told us some of the things they would like us to do. Ministers took delivery of that; they decided the set of things they wanted us to focus on and they asked us to look root and branch across the range of possibilities to try to move things forward in Afghanistan faster. I would be happy to write in more detail on exactly the process if that would be helpful.

Q51 Stephen Barclay: Soldiers are given the discretion themselves, aren't they? Platoon commanders and company commanders are actually given money, so the MOD has in essence accepted this principle, because it gives its staff on the ground discretion to make small funds available. One of the regiments from my constituency had an issue where it wanted to go in and fit washing machines, but it was told by DFID that it was not allowed to do so, which caused huge frustration among the soldiers on the ground. One of the frustrations they expressed to me was that they could have achieved far more if they had been given more discretion on the ground. It strikes me that this is another scheme that is all about giving money to those at the sharp end rather than putting it through the central Government structure.

Mark Lowcock: We finance a lot of those schemes, and what they do is to rehabilitate a clinic or a school, or to build a length of road. It is easier to manage the funds if you are doing those kinds of things than if you are identifying thousands and thousands of individuals to whom you want to make a payment every month, and you want to be sure that the money is going to the right person and that it is not subject to all sorts of community pressure with some warlord raking off the proceeds.

Q52 Matthew Hancock: I want to move on to the big picture. Going back to the point about assessment and evaluation, may I point you to paragraph 15 on page 9 in the summary, which is the paragraph on conclusion on value for money? There are two significant points. Transfers show clear, immediate benefits including reducing hunger and raising incomes, which are the short-term direct benefits. I wanted to ask about longer-term benefits and return to the question I asked before. Of course, we can all understand that part of your goal is to reduce hunger and raise incomes, especially in crisis-hit areas, but we are also concerned about the long-term sustainability of spending. The only assessment of this that we have in the Report is analysis of the two Bangladesh programmes, which is anecdotal rather than an overview. It is good news, and I welcome it, but I wonder whether you could tell us whether those findings are reflected more broadly.

Mark Lowcock: Under the two Bangladesh programmes a household will get, for a period of 12 to 18 months only, after which it ends, a package of support: an asset—typically, people buy a cow—some cash, some health services and some personal support.

When you do the benefit-cost analysis at the end of that programme, which is done by revisiting people one, three and five years after they have come off the programme, you find a high benefit-cost ratio of somewhere between three and six. Bear in mind that anything above one is viable, and we finance a lot of things that are 1.1, so a number between three and six is high. As your earlier witnesses said to you, there is not a lot of evidence for this kind of population—this is the bottom 5% of the population of a country where the per capita income is £400, so they are the most destitute people you can imagine—beyond the programmes we have financed, on whether just by providing that 18-month level of support you permanently lift people up to a better place.

Q53 Matthew Hancock: By saying there is not a lot of evidence, have you looked for the evidence and there is none, or have you not been able to assess it?
Mark Lowcock: As I said earlier, it is because most of the programmes are relatively new. By definition there are not many graduates of those programmes. A lot of the programmes that exist are more characteristic of, say, providing support for people over a five or 10-year period while their children grow up. By definition, until more time has passed, for these poorest countries it will be hard to know. The guess of most people who have looked at this is that, for these very poorest groups, you can lift them up a little bit in the long-term, but in order to give them anything like a properly decent life they need a lot of other support, such as credit, microfinance and so on.

Q54 Matthew Hancock: Have you any plans to try to make these assessments broader and more rigorous?
Mark Lowcock: Yes, we have a big programme of cost-benefit analysis and cost-effectiveness analysis, and we published new guidance a month or two ago. Perhaps Nick could say a word about that. I think the NAO found that we are one of the biggest commissioners of evidence generation and independent studies in this whole area globally.
Nick Dyer: Going back to the point on evidence, there are examples where people have invested in assets and now have higher agricultural productivity. So you do get reasonably rigorous examples, but there is not a lot of evidence out there, partly because people have not looked for it and partly because these programmes have not been going for a long time. There is really strong evidence on improving people's access to food and reducing that vulnerability. There is pretty good and growing evidence on access to health, education and nutrition, and there is good logic, but weaker evidence, on economic productivity, but that is not to say that it is not there. Mark's general point is that economic growth is not going to be driven by cash transfers; it is going to be driven by changes in credit markets, prices and investment in raw productivity. That is what will drive real productivity and growth.
Liz Ditchburn: I will add two points to that. First, there were proper evaluations of the Bangladesh programmes—I think the NAO can confirm that—rather than anecdotal evidence, so there was serious evaluation.

Q55 Matthew Hancock: But they are only two in a larger sample.
Liz Ditchburn: Two of the programmes that were seriously evaluated show evidence of a long-term impact. We are looking at long-term impact in other programmes once they are running long enough. In Kenya that is going on now, so results are being awaited.
The other critical thing is that we are strengthening evaluation of all programmes, not just cash transfer programmes, across the board. That is very much about building in evaluability—the ability to do sensible evaluations—at the design stage. We know that if you do not design programmes from day one with the knowledge of what it is you are going to measure, how you are going to do that and how you will ensure that you have appropriate ways of thinking about evaluation, it is very difficult to do those evaluations in the future. So we are building all of our programmes on the basis that we will be able to do strong, effective evaluations at the end. We need to think about how often we go back to a programme some years after it has finished. We will look at evaluation immediately at the end, but we also need to think about how often and where we go back to look at the impacts some years beyond the initial intervention.

Q56 Matthew Hancock: In Ethiopia, for instance, where your productive safety net programme is in its second phase, have you gone back there to assess how effective the first phase was and whether the benefits have been sustained?
Mark Lowcock: That has been done partially. We need to do a lot more analysis, but, to give you an example, we did some benefit-cost work on the public works element of that programme. It is relatively easy to do that piece of analysis, so that is the first thing we did. Again, I think that generated a range between 1.8 and 3.5 with a point estimate somewhere in the middle.

Q57 Matthew Hancock: Why was the Ethiopian assessment only partial?
Mark Lowcock: I think we need to do a fuller assessment, and there is a plan to do that. That was, I am afraid, just what was done at the time for the next phase. I would have preferred us to do a bigger one. That is in our forward plan.

Q58 Stephen Barclay: Why?
Chair: I am going to stop us now. I am sorry about this. It is deeply irritating, but we had better go and be democrats.
Sitting suspended for a Division in the House.
On resuming—

Q59 Chris Heaton-Harris: Following Matt's point, this is about the recommendations in the Report. Essentially, you start something good, hopefully, and it's handed over to either local authorities or Governments. Page 11, part F, talks about transfer programmes. Are you going to develop clearer strategies in this area? I know this is at the formative stages, but you must have good relationships with these Governments already to be working in those countries. How is that going to develop, and what is your time scale for those things?

Mark Lowcock: That absolutely is the goal. The time scale will depend above all on the country's ability to finance the schemes. That is the fundamental constraint: affordability. The Report says that to put in place a very basic social security system will cost between 2% and 6% of GDP in many countries. The countries in which we work sometimes only collect between 7% and 10% of GDP in tax, and they have a lot of calls on those resources.

In countries like Kenya and Zambia, we are seeing much more rapid take-up by the Government of the pilots and financing of them through their own budgets. The Kenya project that we financed, for example, has now been made essentially nationwide by the Government of Kenya with their own resources. If other countries such as Ethiopia and Bangladesh, where the tax base is much smaller, are to sustain those programmes and grow them, they will need international assistance for much longer. As fast as we can get there, we will, and that is what we want to do, but it is above all dependent on the public expenditure choices and the size of the tax base in the countries in which we are working.

Q60 Chris Heaton-Harris: I assume that other countries act as international donors in a similar way, and indeed other organisations that we have already heard from. How is all that co-ordinated?

Mark Lowcock: Yes, you are right. The biggest financiers of this kind of activity are the World Bank, the US Government and, I think, ourselves. We are the biggest of the bilaterals in Africa. Often, we work through the kinds of organisations you had representatives from earlier. They are implementing agencies. The co-ordination is done within each country and within each programme. The Ethiopia programme that Mr Hancock was asking about is, in fact, funded by the World Bank, ourselves, the American Government, the Canadian Government and one or two others. The co-ordination for that programme takes place at the programme level.

Q61 Stephen Barclay: Who co-ordinates the fraud risk around that, with so many players?

Mark Lowcock: There is a division of labour between the organisations financing a programme to agree who will do what. It varies.

Q62 Stephen Barclay: So taking that as a specific, you as a Department get management information back on the fraud issues identified?

Mark Lowcock: Yes. We get tracking reports and audit reports. That is a little bit unusual, because in most programmes that we finance, we are the main donor, so we do that ourselves.

Q63 Stephen Barclay: I was asking about fraud.

Mark Lowcock: Yes, I am talking about fraud.

Q64 Stephen Barclay: So you have tracking on the programme. It's just that when we had our last hearing on fraud issues, my understanding—I may be mistaken—was that the Department didn't get fraud data from third party organisations such as the World Bank and the European Commission; you relied on them to address the fraud risk. So actually, you do get specific fraud-related data on programmes such as this from those other agencies?

Mark Lowcock: We do. When we provide resources to an organisation, we require it to account to us for them. That is a key part of our assurance. The biggest part of assurance on fraud in these programmes is how you target them. If you successfully identify the right beneficiaries and make sure through your monitoring that those people get the resources, that is the best safeguard against fraud. I think the NAO concluded that targeting is robust and successful in these programmes.

Q65 Stephen Barclay: Can you describe how you target fraud? Who actually does it?

Mark Lowcock: If I may, I will start with the targeting process itself. What typically happens with these programmes is that the programme implementer will go village-by-village or community-by-community and conduct an appraisal on who the beneficiaries ought to be. They do that either by assessing their income level or by identifying if they are, say, orphan families. That appraisal of the sample you get is then succeeded typically by a more detailed questionnaire survey done household-by-household by a different group of people, and then in some cases there is a third round of that as well. Through that means you identify the beneficiaries.

In parallel with that, you identify in the community who will track through the life of the programme that the right people are receiving the resources. There are lots of different ways of doing that. You can set up independent grievance organisations. The Kenya safety net programme is how we did it there. We contracted a different organisation. Sometimes you just use the village community. It depends on the circumstances of the case. Then we have our own audit programme. We get the documents from the organisation. We have an evaluation system.

Q66 Stephen Barclay: Is that done in-country?

Mark Lowcock: Yes, all of what I have described to you is done in-country. There is obviously some sharing at the headquarters level sometimes on programmes as well, but essentially it is an in-country process.

Q67 Stephen Barclay: Where that identifies something—when you, as a Department, say, "We have zero tolerance to fraud," what does that mean? If, within those three tiers that you have very helpfully set out, an issue of fraud is identified, what does zero tolerance mean in practice?

Mark Lowcock: To give you an example, about a year ago a concern arose in the Kenya orphans and vulnerable children programme that there might be a problem. The first thing that we did was to suspend the payments to the programme.

Q68 Stephen Barclay: The whole programme?

Mark Lowcock: Yes.

Q69 Stephen Barclay: Does that not make people within the programme potentially more reluctant to come forward?
Mark Lowcock: Some people thought that we had overreacted in that case, but you asked me what we mean by zero tolerance, and what we did was suspend the programme. An investigation was done and in fact what was found was that there was not a fraud problem, but that there were various management problems, so we did two things. We resumed the financing, but we also agreed that we would put in place a different system for administering the programme. It is essentially an electronic payment flow system. In Kenya, there are the institutions, the bandwidth and the capability to do that. That is what we did in that case. Our essential approach is to stop if we think we need to, fix the problem and then resume.

Q70 Ian Swales: In previous hearings, we have heard how DFID actually put—if I remember rightly, I do not have the Report here—at least half of its money out through other agencies. We heard from a previous witness that some of their programmes in this area were going through the humanitarian office of the EU, and you have mentioned the World Bank, and I guess some of that will be UK money in one way or another. This goes back really to the point that Mr Barclay made about co-ordination, because—I am probably exaggerating—I am imagining sitting in a village somewhere and finding that the World Bank person comes one week and then the UN person comes the next week and the DFID person the next week and life is very good. How do you ensure that UK money that is going out via other agencies has the right kind of standards applied? How do you check, given that the Report talks about weak management information and "no real efficiency measures to assess delivery performance against unit costs at district or location level", that all these various initiatives are not cutting across each other and are achieving the right value for money?
Mark Lowcock: As I think the Chair alluded to at the beginning, the core issue with these programmes is that, for all the number of agencies that there are, only a very small proportion of the people globally who ought to be eligible for them access them. In Africa, less than 20% of the population who you ought to want to target are being reached. The core problem is not that we are all falling over ourselves to find people to support these programmes with. It is the other way around.
On your broader question of how we pursue value for money through, in particular, the multilateral organisations that we finance, the NAO are actually doing a study on this, which I know will come to you next year. There are a number of levels at which we do it. We are on the governing bodies of these organisations. We do it at that level. We use our country offices and networks. When we're involved with a particular programme, such as the Ethiopia one, we pursue it at that level as well. I'm sorry: that's a broad answer, but we do lots of different things.
Nick Dyer: The World Bank is a good example. It is the biggest funder of cash transfers. We have a headquarters-to-headquarters relationship with it, which is quite a strong one. We are a peer reviewer of its new 10-year strategy, so it's asking for our advice on what that should involve, and we are very much sharing our knowledge and experience. We sent the guidance that we produced on value for money and how to do better cost-effectiveness and efficiency to the World Bank, and it is very keen to respond to that and adopt it.
Ian Swales: I want to pick up the management information point that I mentioned and I know Ms Ditchburn always impresses the Committee when she comes before it.
Chris Heaton-Harris: Absolutely.

Q71 Ian Swales: Absolutely. You gave a very convincing answer on the setting up of new programmes and setting the criteria at the start, but the Report says at point 4.9 that management information systems for transfer programmes are currently weak. What are you doing to catch up with the programmes that are already in place but have weak management information?
Liz Ditchburn: There are two things. The guidance that Nick refers to is not aimed just at those programmes that are being newly started, where we want to get all of this right from day one. It is also for people to use with existing programmes, so that they can say, "Are there some opportunities I'm missing? Are there some things I should be measuring that I'm not measuring?" The guidance works for both ongoing programmes and for new ones.

Q72 Ian Swales: Do you assess the information centrally? As the information comes in, are you able to gather it at management level and say, "This is good; that is bad," or "This is better; that is worse"?
Mark Lowcock: Yes, we do that. We have a team whose job it is to take an overview of all the programmes, to spread lessons across the organisation, to promote good practice and so on. I agree with the recommendation that we need to do more on MIS. We have agreed with the Governments of Rwanda and Zambia that we will take the lead in providing MIS solutions for their programmes. Globally, the World Bank is the lead organisation, so in most other countries the World Bank will take the lead.

Q73 Ian Swales: You made a comment earlier, and I wrote it down: this area is growing because the evidence for success is quite good. Is that probably too qualitative at the moment and not quantitative enough? Is that a fair comment?
Mark Lowcock: Actually, in this area, there is a lot of quantitative evidence. We can go through, for all the programmes the NAO looked at, the quantitative benefits: people getting 30p or 40p a week eating 50% more food than they did and having a 50% higher chance of their kids going to school, and a reduction in the number of children being sent out to work instead of being sent to school. Across all these programmes, we have quite a lot of quantitative data. We do not, for every programme, have a data set rich enough to do a comprehensive benefit-cost analysis. To finish the answer to the question Mr Hancock

asked me, in Ethiopia there was a partial benefit-cost analysis. It wasn't complete, but it will be. It wasn't complete because we didn't have the full data set or the World Bank didn't have the full data set.

Q74 Chair: You are telling us quite convincingly that good data are emerging and developing on outcomes. Why are your data so bad on the management costs of the programmes? We all looked at figure 5 on page 25 of the Report before you came in, and it looked like there was huge variation. The NAO then said, "Be very sceptical of the figures because you haven't got them. You don't know how much it costs to administer a programme in a particular area." You are being innovative, which is great. It looks like you're being effective, which is great. You want to maximise the benefit out there, which is important. However, you have not got a handle on the easiest bit of this, which is the costs of administration. Why?

Mark Lowcock: What the Report says is that on many aspects of cost data, we have good information. On the things that we are paying for ourselves, we have good data. There are two areas where I agree that we need to generate better data. The first is that set of costs that we do not meet, but that are implicit in programmes—for example, where there is delivery by some other organisation, whether it is the Government or someone else. In order to have a true picture, we should have data on that.

The second area that the Report identifies as one in which we need to do better is the cost of different options on transfer levels. The proposition is that, maybe if we piloted different levels of transfer, we would generate more information on the rates of return, and we will do that. There are some caveats. It is politically contentious—

Q75 Chair: That is an outcome—I do not think that is picking up exactly. I agree that it is important to do—it is a good start—but is it better to do it electronically? We don't know. The data are inconclusive. Is it better to do it through an NGO? Are we right to use teachers or is it a waste of their time giving out money to the families? Right throughout this, you are trying to get a handle on what is best value, but you don't have the data to tell us.

Mark Lowcock: Where you can do it, it is almost always better to do it electronically.

Q76 Chair: You don't know, because if you look at the Kenyan figures, which is where you are doing it, at the moment it looks more expensive than Bangladesh chars.

Mark Lowcock: I will bring in Liz in a minute, but that is partly because of the different levels of maturity of the programmes. In the first year of any programme, the costs are high.

Chair: The Kenya orphans and vulnerable children.

Q77 Fiona Mactaggart: It is because you count all your capital costs in the first year, which is an odd way of accounting.

Mark Lowcock: It is only a one year into the programme, that is why the Zambia numbers look high. I agree with your central point—we will do more analysis on this—but let me bring in Liz.

Liz Ditchburn: This is what we are building—we are building this data. We have some of the stuff that we can start to use, but the guidance that we have put out is to try to get some sensible, standardised ways of thinking about cost, so that we actually have comparable data. We know this data is not directly comparable; that is what the NAO says and that is what we know. We need to address that by getting some sort of standard ways of thinking about different aspects of costs and of really getting people to start measuring the same things, so that we can actually use benchmarks properly. We know that unit costs and benchmarks can be very dangerous. They can point you off in all the wrong directions if you don't actually understand that you are comparing like with like. Through the guidance and the better design of programmes, we are building in people's better understanding of cost from day one. Again, I think the NAO Report says that the more recent designs it has seen—the more recent programmes—are much better at thinking about cost than the earlier ones. The programmes it is looking at here were designed some time ago. We have done a tremendous amount to improve this aspect.

Q78 Chair: When will we see all this? Figure 5, which we all spent a bit of time on, ended up not being that useful because of the data populating it.

Nick Dyer: For new programmes, you are starting to see it now already. The new programmes are drawing on the guidance in terms of doing their cost-benefit analysis and unit-cost analysis. On the existing programmes, like Zambia, they have commissioned and will receive in January next year a value for money assessment, based on this guidance, looking at the unit costs on the economy and on efficiency and effectiveness, so it is starting be rolled out now.

Q79 Chair: When will we see it?

Mark Lowcock: I am very happy to give you, at whatever interval is most convenient to you, an update on this kind of stuff. What we will do for our own purposes is, at least every year, take stock across the whole of the portfolio, update this, re-spread the lessons to our teams around the world that are working on it, and try to drive value through that process.

Amyas Morse: The question then is to actually gauge when there is meaningful movement. I am wondering if every year is actually too frequent for the Committee to look at it. The interesting question will be: if we were to look periodically—in two years' time, for example—would there be some meaningful movement, or would we just be having exactly the same discussion?

Mark Lowcock: There will be. I need this information to drive the programme, so I am going to collect it anyway. In two years' time, certainly, we will have a substantially changed portfolio to offer you.

Fiona Mactaggart: Figure 5, the area of collecting the costs of programme data, is the issue that I want to ask about. Paragraph 2.11 highlights that you do not collect the cost of Government officials in the donor countries. Indeed, a later paragraph—2.13—points out that using local teachers and nurses as payment managers is diverting them from the jobs that they do. Those two bits seem to highlight the absolute essentialness of finding a way of capturing those costs in different places. When it comes to nurses and teachers, we need to try to find a way of recompensing or ensuring that the teaching and the nursing that they do does not get diminished by this very good set of programmes. You seem to be potentially—certainly not deliberately—robbing Peter to pay Paul through the process that is being used. I understand the use of teachers and nurses.

Mark Lowcock: You are exactly right. We are putting in place an electronic payment system for that programme. In fact, what was happening was teachers and nurses in these districts had to go themselves to the district centre every month to get paid. So they were going to get paid. They were doing some other things while they were there and then going back into their community. At the time we set that programme up, it was the only way to deliver it. It clearly is not the best way to deliver it. We are now putting in place an electronic payment system.

Q80 Fiona Mactaggart: I can see why you might have to start programmes like that because teachers and nurses do have access to the cash economy. They also have access to the poorest people in some of these countries, so I can completely see why they are key actors. Have you got a way of working out what the opportunity cost of using them is and can you tell us about that, and tell yourselves about it as well? That seems to be critical. One of the things I see from this Report is that, at the moment, you cannot.

Mark Lowcock: That is exactly right. That is one of the things we are doing and have developed the new guidance for.

Liz Ditchburn: This is the guidance. We would be happy to send it to you because it is a fascinating read, even for a Committee—

Chris Heaton-Harris: As boring as us.

Liz Ditchburn: A Committee that does not like jargon. It is written in very plain English and it covers all those aspects in great and very practical detail. So it asks, practically how do you think about those challenges of identifying opportunity costs and practically what might be the options you think about. It is a good piece of work.

Q81 Fiona Mactaggart: And you will be able to tell us about that after that piece of work becomes your normal way of operating?

Liz Ditchburn: Yes.

Q82 Chris Heaton-Harris: I was going to ask about the same figure, but I will not now because it has been well trawled through. One overarching question is this: obviously, DFID is working out different evaluation schemes for all its programmes, but when will you get to the point where you can go to the Minister and say, "We are lifting more people out of poverty for our pound through this programme than we are through that programme. Those results are coming through and we know exactly how much everything costs"—well, perhaps not exactly but as much as possible?

Mark Lowcock: Ultimately, you have to make some value judgments about what you value most. There are some intrinsic things that numbers cannot answer for you. Do you value putting a girl through an extra year of school more than providing a couple with another year's worth of contraception, or providing food for a person?

Q83 Chris Heaton-Harris: But DFID has not been very good at collecting those costs at all, let alone presenting them in a way that means a Minister can make a political call or moral judgment on what is best.

Mark Lowcock: We sent you recently the results of a lot of the work we have done on education and the costs of achieving things, and learning outcomes and input costs. Over the next two or three years, we will have a lot of that data on a lot of the other sectors where we work. Some things cost more in one country than another and the nature of what we are trying to do means that, fundamentally, we will always want more data in the very poor countries where data is the rarest thing available. So we will never be satisfied with the amount of data we have, but in two or three years' time, we will certainly be in a much better position than we are now because we are investing a lot.

Q84 Chris Heaton-Harris: We all get letters—I do and I am sure other Committee members do—about the Government's commitment and why we are putting that commitment ahead of others. It would be very nice for us to be able to write back and say, "Look at the value we are getting for this money. Look at the people we are raising out of poverty and putting through education." It is not just a political ask or a value for money ask; it is so we can explain to our constituents better what this means.

Liz Ditchburn: To talk about some of the information that is already going into the public domain, we publish all our business cases for every single programme that we approved since January 2011, so your constituents can go and look at all those business cases and think about whether we have made a good decision, based on all the information available to them. We will publish all the annual reviews and project completion reports for those same programmes. Where there are evaluations, we will publish them. We have published annual results data, which are set exactly against the commitments that the Government have made. We have 25 indicators that we will publish every year, which will tell you how many girls are in school as a result of DFID's funding. It will tell you how much money went for some of those things, so people will be able to make comparisons and ask, "That's the level of result. That's how much it cost. Do I think that's sensible?" That information is already going out now, and the annual report that we will produce next year will report against the set of results commitments made by the Government.

Q85 Stephen Barclay: Building on that, will it be comprehensive in capturing sustainability? You touched earlier on the Ethiopian productive safety net programme. I want to clarify whether within the assessment you did, you measured the sustainability—whether individuals who graduate from the programme continue to need to be supported. Was that one of the items you covered?
Mark Lowcock: What we looked at there was the rate at which people were getting beyond the point that they could not subsist without the programme. I think we have graduated about 1.6 million people from the programme.

Q86 Stephen Barclay: Sorry, can you just say that again? I didn't quite understand that.
Mark Lowcock: What we have tracked is that 1.6 million people who have been on that programme have got themselves to the point where they no longer need that support. They need other sorts of support, but they don't need that very basic level. Ethiopia, like other countries in the region, has just been going through the worst drought in 60 years. That has knocked a lot of people back. We are operating in a dynamic environment.

Q87 Stephen Barclay: But we don't know how many of the 1.6 million on the programme have now been floated off the programme and perhaps would have stayed off the programme other than for exceptional events. What I am saying is that it is a major programme, with 1.6 million people—this comes back to Jo's exchange earlier with the previous witnesses. What I am not sure is, for example, did you cover savings, investments and variability of access to public services? Were those a part of the assessment that was made?
Mark Lowcock: The assessment that was made for whether they needed to be in this very basic-level programme was: is there a reduction in the time in a year when they are very hungry? That is what gets you on to the programme to start with. There are other programmes that we and the Government of Ethiopia finance that deal with things such as access to health services and education. The 1.6 million graduates were just from the programme that the NAO looked at. It doesn't tell you anything about the other things they need.
The concept, which has been proven in the two Bangladesh programmes, is that if you can move people a little bit up, above the most extreme level of deprivation and destitution, you can get them to the point where they can access credit, use it sensibly and crawl up a little bit further. The 1.6 million Ethiopians who got to that first step, I am afraid, in some cases, will have been knocked back because of the severity of the drought. We are going to keep tracking what is happening to them.

Q88 Stephen Barclay: I agree with that, and that is the aspiration we would all want—we have floated them up to a point where they can access further rungs of the ladder and take them away from the dreadful situation they are in. What I am asking is, for the money that has been spent on those 1.6 million cases, how many of those, after the end of the programme, are we still having to support? That goes to the heart of the earlier reply in terms of, yes, you can have all sorts of documents and assessments, but fundamentally, that is what I am looking to know, and it goes to Chris's point. Do you have a number for that, or is that something that you just haven't measured?
Mark Lowcock: That 1.6 million who are no longer on the programme are out of 8 million who have been through it. Now, we want to get the rest of the 8 million through. In normal periods, my expectation would have been that most—possibly almost all, if things go well—of those 1.6 million would be permanently lifted to a better place. But the drought, I am afraid, has changed that for lots of people.
If you look at the Bangladesh cases, where there have been hundreds of thousands of people through those programmes, including quite a lot who left them between three and five years ago, the evidence is that there has been a long-lasting effect on those people's lives, so that gives us a degree of confidence that you can get people up a rung or two of the ladder. The bottom of the ladder is still not such a happy place to be, so you have to get them further up, but in that sense the evidence is positive.

Q89 Stephen Barclay: On a different area—to take the opportunity of your being here—in terms of some media reports about issues around USAID, I want to clarify whether the Department uses cost-plus in terms of where firms that you contract with get a percentage of the profits on top of their costs, particularly around some of the infrastructure projects that you support. Could you give me some clarification on whether you use cost-plus in some of your awards?
Mark Lowcock: You mean in our tendering process?

Q90 Stephen Barclay: Yes, when you are contracting with infrastructure firms and suppliers and that sort of thing. I am sure you are familiar with the term; USAID uses it extensively. There are particular concerns around it in terms of fraud and corruption. There is a case currently that the FBI is taking forward. Again, I am sure you are very familiar with it. Is cost-plus something that you as a Department use, and if so, do you have concerns about it?
Mark Lowcock: If I may, Mr Barclay, I will have to write to you with the details on that. We are not big financiers of infrastructure. Our approach is to use competition to drive pricing. If I may, I will write to you, because I have not prepared in that area.

Q91 Chair: Can I ask you two brief questions? There is always a balance between management costs and oversight and minimising back-office costs, programmes and monitoring and all that sort of stuff. What are your views?
Mark Lowcock: I agree with that. Essentially, the side we have erred on is to over-invest in quality of targeting, risk minimisation and evidence generation. We have invested heavily in that, and I accept that is

at the expense of a slight reduction in the number of people we could have reached.

Q92 Chair: So you are looking to reduce that. Have you got a target? Not a target; whatever the current—
Stephen Barclay: An outcome.
Mark Lowcock: What we have are global norms. The range is between 5% and 15% of the central overhead costs.

Q93 Chair: So these figures where we are seeing 30% are going to disappear over time.
Mark Lowcock: Yes. For long-running programmes, they will.

Q94 Chair: By when?
Mark Lowcock: That depends on how many new pilots we have and when we move to a long-term—

Q95 Chair: Two years' time?
Amyas Morse: Let's take stock in two years' time.
Mark Lowcock: We will report on that.

Q96 Chair: Final question. In the Chancellor's statement last week, because of what has happened to GDP, you have had a cut in what you were expecting, which I think we understand and which some of us may regret, but it is there. The only thing that interests me is what happens if, miracle upon miracle, GDP goes up again. Will the money increase to stick to the commitment?
Mark Lowcock: That would be my expectation.

Q97 Chair: That would be your expectation.
Mark Lowcock: It would. The Government seem very—

Q98 Chair: In this CSR?
Mark Lowcock: Yes. The Government have been very clear that their intention is for us to hit 0.56% this year and next year and 0.7% in the two following years. The Secretary of State has repeatedly made that clear publicly.

Q99 Chair: And do you think funding the World Service is an appropriate thing for DFID to do?
Mark Lowcock: We fund the World Service Trust, which supports broadcast organisations in developing countries.

Q100 Chair: Do you think that is an appropriate thing to do?
Mark Lowcock: Yes, I do. I think providing good quality information—

Q101 Chair: Which of the targets does it hit—of the five principles?
Mark Lowcock: It is a very good way, for example, of encouraging people to take up the availability of antiretrovirals or family planning, encouraging people to vote when there is an election or encouraging men to send their daughters to school. We did quite a detailed cost-benefit analysis on those programmes. I will be happy to send it to you, if that would be helpful. It has been published. The business case was quite strong for the value for money for that programme, so I am very happy to say that.
Chair: Okay. Thanks very much indeed.

Written evidence from Department for International Development

MEMORANDUM TO COMMITTEE OF PUBLIC ACCOUNTS: ONE YEAR UPDATE ON DFID'S BILATERAL SUPPORT TO PRIMARY EDUCATION

In the Government response to the Committee of Public Accounts Thirteenth report on DFID's bilateral support to education, we agreed to report back to the Committee in a year's time on progress with addressing the recommendations.

I am pleased to enclose a memorandum update for the attention of the Committee.

24 November 2011

MEMORANDUM TO THE COMMITTEE OF PUBLIC ACCOUNTS

Results and Value for Money: Progress Update on DFID's Education Portfolio

SUMMARY

Improving education quality

In March 2011, "UK Aid: Changing Lives, delivering results" set out the UK commitment on education. As a result of the Bilateral Aid Review (BAR), the Department is focusing on poor countries where most children are out of school and especially on unstable and conflict affected states. By 2014–15, the UK will support 11 million children in school through the bilateral programme. Of these, 9 million will be in primary school and 2 million in secondary school.

We recognise that getting children into school is not enough. The Department is working to ensure that once there, children are well taught and that what they learn improves their lives and economic opportunities. All new DFID education programmes support and monitor learning outcomes. These vary from improvements in national learning assessments (Ethiopia) to specific increases in literacy rates (Nigeria). Being able to read fluently and with comprehension in the early grades of primary is the foundation for all further learning. Interventions to support early grade reading (and mathematics) are being designed or implemented in 10 countries, with additional programmes to be reported by end 2012. Data on completion and learning outcomes for boys and girls will be reported under the DFID results framework by all countries with DFID education spend from 2011–12.

Evidence shows that investment in girls' education is excellent value for money (VfM) due to the significant maternal and fertility benefits to girls that remain in school beyond primary. As an outcome of the BAR, all DFID bilateral programmes have prioritised support to girls' education. We will also support poor families to have more choice over their children's schooling—so it's closer to home, better quality and more affordable. We are working to increase the range of options for parents, for example by designing programmes to expand access to low cost, local schools for the poorest children (Kenya, India, Nigeria, Pakistan).

Better measures, more data

By end 2012, 18 DFID focus countries for education[1] will have full data coverage of a set of education measures that provide a framework for driving improvements in the performance of education systems and the VfM of DFID investment in education (Appendix 1 for detail on the set)—six countries will have full data coverage by December 2011. For Afghanistan, Burma and the DRC, all fragile states where data is not reliably available, strong measures will be put in place to access data by end 2012. We expect full data coverage in these remaining countries by the end of 2014–15.

An effective education system means children are not just enrolled, but learning while in school. Data on learning outcomes is being monitored in all DFID focus countries. End of primary cycle examinations are available in 16 DFID focus countries, whilst in 13 countries we have moved beyond examinations to monitor and increasingly support more advanced metrics of learning outcomes. These include school and community based assessments of early grade reading that enable remedial action to be taken to improve learning early in the primary cycle. By the end of 2012, such data will be available, or data collection planned, in all countries where DFID supports education.

DFID is working to improve national data systems in all countries where we have education programmes.[2] This includes strengthening Education Management Information Systems in 14 countries—systems designed to collect data on enrolment, retention, drop-out and completion, and provide information on the flow of students through the system. DFID is also supporting alternate measures of collecting data on additional indicators—such as sample surveys of early grade reading and teacher attendance.

Cost per child supported in primary school is a DFID Business Plan indicator and reported publicly on an annual basis. Data are currently available for all countries except DRC, Nepal, Nigeria, South Sudan, Uganda and Zambia. By end 2012 we expect this metric to be available for all focus countries.

DFID is developing a measure of "cost per child per achievement level".[3] This will go beyond "cost per child per year" to incorporate cost inefficiencies in the education system, such as drop out and poor learning outcomes. It will be piloted in at least five countries before end 2012.

Teacher salaries, the largest component of recurrent education expenditure, are monitored currently in 14 DFID countries. We expect this information to be available in all countries by 2012, except DRC, Burma and Afghanistan.

Fourteen DFID countries have some or all of data on costs of classroom construction, textbooks and pre-service teacher training. By end 2012 data will be available for these costs in all focus countries except Afghanistan, Burma and DRC.

Data on teacher and/or pupil absence is available in 10 focus countries. A further five country programmes will conduct surveys of school closures and pupil and teacher absenteeism by end 2012. This will support the creation of a productivity indicator intended to measure a child's "opportunity to learn" by end of 2012.

DFID is supporting the World Bank's Systems Assessment and Benchmarking for Education Results programme. By the end of 2012, this will develop benchmarking toolkits that will enable countries to systematically examine education policy and strengthen the performance of their education systems.

[1] DFID has education spend in 23 countries. Of these, one (Afghanistan) has no education spend in 2010–11. A further two (Burundi and Vietnam) will have no education spend by 2014–15. This leaves 20 countries with education spend, which we define as focus countries.

[2] With the exception of Burma. DFID may also decide not to support EMIS in countries where another Agency is doing this (eg UNICEF in Sierra Leone).

[3] "Achievement level" may be grade completion or a target level of cognitive ability. Data are already available for Bangladesh, Pakistan and Tanzania. For example, in Bangladesh, while it costs $101 to put a child into school for a year, the average cost per child completing the five year cycle with a minimum learning level is $1456.

Using Data to Drive Improved Results and Value For Money

Allocations and programme design

The Bilateral Aid Review (BAR) of 2010–11 put value for money at the heart of DFID's allocations, linking money to results. To facilitate comparison between the Results Offer made by each DFID country office, a core set of education indicators was used: number of children supported by DFID in primary and lower secondary, number of children completing primary, and a measure of learning achievement. Country Results Offers were considered by a technical panel against value for money measures such as results to be achieved, the cost per child supported, input unit costs, scalability, and cost benefit analysis. The outcome of the BAR was the selection of 20 education focus countries. In early 2011, Operational Plans for country offices were agreed and published on the DFID website. These set out the headline results we will achieve, including in education.

Since June 2011, the Secretary of State has approved seven new Education Business Cases under DFID's new rigorous appraisal and design requirements. Of these, five (Pakistan, Nigeria, Rwanda, Ethiopia and Bangladesh) are bilateral programmes and will support a total of 3.34 million children in primary and lower secondary school.[4] All these Business Cases are now published on the DFID website. These programmes are all based on evidence of what works (and where this is not available, have evaluations planned to increase the evidence base). Prior to investing, feasible options (including doing nothing) are always appraised. All programmes have specific baseline and target indicators, including increases in learning outcomes.

Improving economy

DFID staff are identifying opportunities to reduce unit costs, without compromising quality. All education staff are using new guidance on unit cost drivers in the procurement of school infrastructure, and learning and teaching materials.[5] Specific guidance on addressing corruption in education has led to scrutinising textbook procurement strategies more closely to ensure that they are competitive, with clear criteria for selection.

All countries are pursuing value for money in ways that work locally. For example, DFID Rwanda worked with the Ministry of Education to reduce classroom costs by 45%. In Pakistan, comparison of construction costs highlighted possible cost saving through non-government provision and led to a shift in funding away from government providers to utilise these savings.[6]

Improving efficiency

DFID is funding a systematic review of evidence of "what works" in improving teacher attendance. The review, to be completed early next year, will inform the design of new programmes to reduce absenteeism.

In 18 out of 20 countries, DFID is planning or already supporting initiatives to raise public awareness of student's learning achievement or increase community engagement in school level decision making. This gives more opportunity for parents to hold schools and teachers to account. Interventions include school report cards (Ethiopia, Ghana, Mozambique, Nigeria, India and Sierra Leone), creation of school management committees (Bangladesh, Ghana, Nigeria, India, Sierra Leone) and community assessment of student learning (Tanzania, Pakistan, Kenya).

Improving effectiveness

Data on learning achievement is a measure of the effectiveness of an education system. All new Business Cases specify learning outcomes as a key results indicator, alongside evidence as to how these will be improved. This varies from improvements in national learning assessments (Ethiopia, India) to specific increases in literacy rates (Nigeria). Being able to read fluently and with comprehension in the early grades of primary is the foundation for all further learning. Interventions to support and monitor early grade reading (and mathematics) are being designed or implemented in 10 countries, with additional programmes to be reported by end 2012.[7]

The Department is investing in new research to generate evidence of "what works" in education, including a series of evidence reviews and systematic reviews. Joint research partnerships are being developed with international institutions to promote new research on quality, pedagogy and learning outcomes.

Innovative programmes are being designed by DFID that engage the non-state sector in education delivery in India, Pakistan, Kenya and Nigeria. The existing evidence base is limited, but suggests that utilising non-government providers could improve education outcomes at a lower cost than the state. Rigorous evaluation

[4] The remaining two Business Cases are the "Girls Education Challenge", which is a stand-alone fund, and support for the Commonwealth Scholarships Commission.

[5] (1) Delivering Cost Effective and Sustainable School Infrastructure, Guidance Note, DFID 2010; (2) Learning and Teaching Materials: policy and practice for provision, Guidance Note, DFID 2010.

[6] DFID Pakistan has allocated £60 million of funding for school construction outside the government system. This decision was based on a comparison of government and non-government unit costs. Government costs benchmarked poorly for comparable quality. There was also concern regarding procurement weakness and fiduciary risk of government managed construction.

[7] Bangladesh, Nigeria, DRC, Tanzania, Mozambique, Pakistan, Rwanda, Ethiopia, Nepal, Zimbabwe.

will be built in to programme design to generate much needed evidence on the effectiveness of low income private schools.

More front line education advisers and technical support

The Department is recruiting new Education Advisers in response to demand from country offices and DFID's strategic workforce planning. By spring 2012 there should be 42 education advisers in post, including a dedicated Results and VfM adviser, about 35 of whom will be based in overseas offices. This compares to 34 and 20 respectively at the time of the NAO report (June 2010).

Over the past 12 months there has been an increase in the number of results posts and results related work across DFID. Results posts are usually filled by a Statistician or Economist and assist programme teams to use evidence to inform policies and programmes, develop credible results chains, identify appropriate indicators to track progress and develop robust evaluation strategies. 15 out of 20 countries with DFID supported education programmes have the support of an in-country results advisors, with 11 of these posts created in the past 12 months.

Introduction

1. In December 2010, the Committee of Public Accounts[8] (PAC) made a series of detailed recommendations as to how the Department could improve the results and value for money (VfM) of its bilateral investment in basic education. In response, the Department set out a number of commitments—including having improved measures of education delivery, performance and cost within two years.[9] This report provides the Committee with a year one update of progress towards realising those commitments. The PAC will be provided with a further report in December 2012, at the end of this two year programme of work. Each December, commencing this year, a Treasury Minute will be submitted providing a formal annual update on progress in implementing the outstanding recommendations of the PAC.

2. By end 2012, the Department has committed[10] to having a better set of measures in the 20 "education focus countries" that have DFID supported education programmes in 2010–11. These measures are:

(i) Information on the cost per child supported in primary school.

(ii) Information on the unit costs of key inputs to education systems eg classrooms and text books.

(iii) Better data on the status of learning in most DFID focus countries.

(iv) A comprehensive set of system diagnostics and reports to assess the effectiveness of any country's education system.

3. At some point during the spending review period, DFID will have education programs in 23 countries. Of these, one country (Afghanistan) has no education program in 2010–11. A further two countries, Burundi and Vietnam, have programs in 2010–11 which will be closed by 2014–15. This leaves 20 countries that have spend and will claim results for the whole review period. These are: Bangladesh, Burma DRC, Ethiopia, Ghana, India, Kenya, Malawi, Mozambique, Nepal, Nigeria, the Occupied Palestinian Territories, Pakistan, Rwanda, Sierra Leone, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe. These countries are defined as our "focus countries" and included in our data tables. For purposes of data availability over the full spending period, we include Afghanistan in this definition; Data will be available for Afghanistan by 2015 as DFID Afghanistan has committed to enrolling approximately 200,000 children in school by that date.

4. Available data on the indicators the Department committed to tracking—categorised as measures of education economy, efficiency and effectiveness—are presented in section one. These data are sourced from a questionnaire issued to country offices in October 2011 and represent whether or not data are available and being used by advisory staff, not if they exist in any form. This is in addition to the Department's corporate performance systems that track various education data on an annual basis—such as the DFID Business Plan indicators, and monitoring frameworks of Operational Plans and Business Cases. How these measures are being used by the Department to drive improvements in the performance of education systems in our focus countries is addressed in section two.

5. The Department is using the "3 E's" (Economy, Efficiency and Effectiveness) approach to value for money, which now underpins the Education Portfolio. Economy in education refers to whether inputs are being purchased at the best price—unit cost data is presented below on cost per year per child supported, classroom construction, teacher salaries and textbooks. Efficiency in education refers to how well inputs are converted into outputs. Indicators of an efficient education system include survival rates or completion rates. Finally, an effective education system means children are not just enrolled in school, but also learning and so the Department is supporting better measures of learning achievement. These data, sex disaggregated, are those that are necessary to make informed decisions on education expenditure. In addition, we are developing and monitoring more advanced metrics, as detailed in Appendix 1.

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[8] Treasury Minutes: Government responses on the Third to the Thirteenth Reports from the Committee of Public Accounts Session 2010–11 (February 2011, HMT).

[9] *Ibid.*

[10] *Ibid.*

Section One: Data Availability and Steps towards Improvement

Summary of data available on education delivery, performance and cost

6. All DFID country offices with education spend in 2010–11, except Burma and DRC, will be able to report data against the full set of education measures that the Department committed to provide by end 2012—with six countries having full data coverage by December 2011. The percentage of DFID country offices able to report against each specific measure, as of December 2011, is summarised below.

Table 1

PERCENTAGE OF THE 20 DFID COUNTRY OFFICES WITH EDUCATION SPEND IN 2010–11 THAT REPORTED DATA ON KEY VFM INDICATORS (DECEMBER 2011)

Learning Outcomes	*Unit cost per child per year at primary level*	*Teacher Salary*	*Average Cost of Primary School Textbook*	*Classroom Construction*	*Survival to Grade 5*
20 (100%)	14 (70%)	17 (85%)	13 (65%)	11 (55%)	17 (85%)

Notes: The majority of data are drawn from the last three years, but may be older in a minority of cases; data on all measures are nationally representative unless stated. The exception is learning outcomes data which include a variety of assessments not all of which are nationally representative as some are sample based. Full explanatory notes on indicators in Sppendix 2.

Strengthening national data systems to improve data availability

7. Complete coverage of these metrics requires strong underlying national data systems. In some countries, data limitations mean that reliable figures are not yet available, particularly in fragile states. Data may also not be available where DFID offices are not actively funding the procurement of an education input (ie classroom construction or textbooks). In such cases the Department is working with national governments to ensure that data of sufficient quality are available by end 2012.[11]

8. DFID is working to strengthen national data systems in all countries with education programmes[12]—actively engaging to support the strengthening of Education Management Information Systems in 14 countries. These management systems collect data on enrolment, retention, drop-out and completion, and provide information on the flow of students through the system.

9. Table 1 shows an estimated time-line for full data availability in countries where DFID will claim education results to 2015 (20 education focus countries plus Afghanistan). In the majority of countries, full data will be available by the end of 2012 (18 countries). In the remaining countries (Afghanistan, Burma and DRC) strong measures will be in place by the end of 2012 to ensure that complete data will be available by 2015, with specific indicators available before that time.

Table 2

ESTIMATED APPROXIMATE TIMELINE FOR FULL DATA AVAILABILITY BY COUNTRY

End of 2011	*End of 2012*	*End of 2015*
Ghana, Kenya, India, Mozambique, Occupied Palestinian Territories, Tanzania	Bangladesh, Ethiopia, Malawi, Nepal, Nigeria, Pakistan, Rwanda, South Sudan, Uganda, Zambia, Zimbabwe	Afghanistan, Burma, DRC

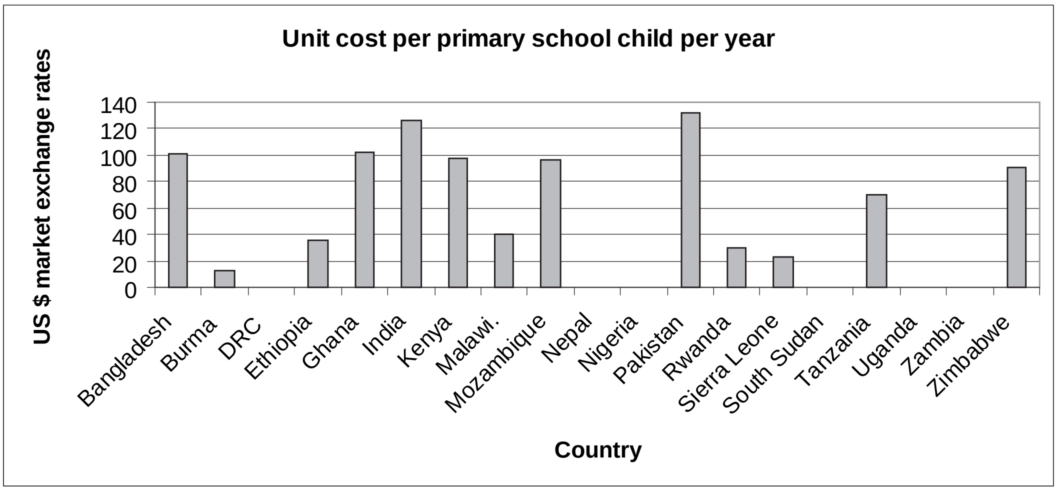
Measures of Education Economy

10. Cost to per year per child supported in primary school is a DFID Business Plan indicator and reported to Treasury on an annual basis. Data are available for all countries except DRC, Nepal, Nigeria, South Sudan, Uganda and Zambia. By end 2012 it is expected that this metric will be available for all countries:

11 To support country based Advisors, Policy Division has developed standardised methodologies for calculating cost per child and guidance on calculating unit costs and assessing VfM of education programmes.

12 With exception of Burma. DFID may also decide not to support EMIS in countries where another Agency is doing this (eg UNICEF in Sierra Leone).

Figure A



Note: Data are not directly comparable as are drawn from calculations from both local (Ministry of Education) and international (UNESCO Institute of Statistics) sources, from different years. The majority of countries are from last three years, with exception of Ethiopia (2007–08) or Ghana (2006). All prices are reported in current US $, converted at market exchange rates. Costs are not converted to "Purchasing Power Parity", due to difficulties in applying the metric to inputs such as teacher salaries, which are the main component of recurrent education expenditure. Excludes Occupied Palestinian Terretories ($720–820) for display purposes. Costs are drawn from government expenditure and do not include household contributions, which may be non-negligible.

11. Presently, in countries where DFID provides general or sector budget support, the unit cost per DFID supported child is calculated by taking the total government spending on education at the primary level, and dividing this by the number of children enrolled in the primary school system. This measure gives a rough aggregate cost, but costs will vary even within countries—for example the cost of provision in rural areas may be significantly higher if targeting marginalised populations. We are working to improve this metric to capture intra-country variations, by strengthening disaggregated data. In countries where we support private sector education, such as Kenya, data are also monitored on the unit cost per child of private schooling.[13]

12. The Department is also developing a measure of "cost per child per achievement level"[14] to improve transparency and accountability. This measure will go beyond "cost per child per year" to incorporate cost inefficiencies in the education system—such as pupil drop out and repetition, and learning achievement. This metric will be piloted in at least five DFID supported countries before end 2012.

13. The largest component of recurrent education expenditure is teacher salaries, which are currently being monitored in 14 countries. Data are presented at market exchange rates to show the in-country cost of the average teacher. Salaries vary across our target countries for a wide range of reasons,[15] preventing international comparisons, but we are working with governments to ensure that teacher salaries are structured to ensure skilled workers are attracted and retained.

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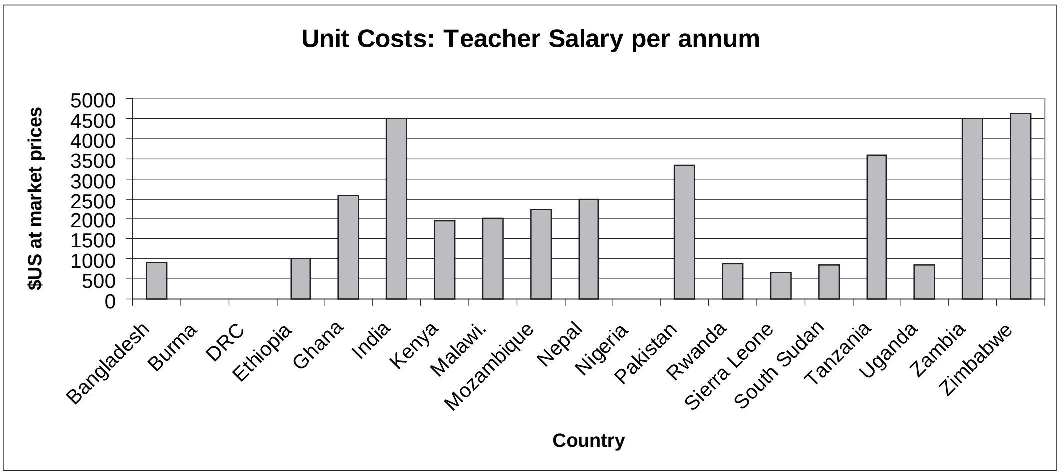
[13] This is found to be $48, compared to $98 in government schools in Kenya, largely due to lower salaries in the private sector.

[14] "Achievement level"may be grade completion or a target level of cognitive ability. Data are already available for Bangladesh, Pakistan and Tanzania. For example, in Bangladesh, while it costs $101 to put a child into school for a year, the average cost per child completing the five year cycle with a minimum learning level is $1456.

[15] One of the key determinants of differences in teacher salaries is the relative scarcity of skilled labour (teachers are often required to be graduates or at least secondary school completers). In countries where the numbers of graduates are low, teacher salaries will have to be commiseratively higher or the target group for teachers will not be hired or retained. Other determining factors include the age of the teaching population and length of the school year.

Figure B



Note: Figures reported are average government teacher salaries across countries, but are not strictly comparable due to differences in average qualifications and relative scarcity of skilled labour within country. Also do not include community contributions to salary, which may be non-negligible. Excludes Occupied Palestinian Territories ($10–17k) for display purposes.

14. Data on teacher salaries is available in all countries where DFID supports recurrent education costs through general or sector budget support. In fragile states, such data is often not reliably available, but through prioritising the strengthening of statistical capacity, we expect these figures to be available by end of 2015.

15. In some countries low cost private schools are providing more cost effective education by paying their teachers lower wages than the public sector. DFID is increasing support to these schools where they provide a viable alternative option for children to access quality education. In other countries (eg Rwanda) low teacher wages are an obstacle to improving teacher retention and quality, and we will be working with the Government to support an increase in salaries through the sector budget support programme.

16. Data on costs of classroom construction, textbooks and pre-service teacher training are available end 2011 for a number of countries (Table 3). By end 2012 data will be available for all countries except Afghanistan and DRC. To note that the costs in some cases are higher than average because of particular local circumstances (eg transport challenges in South Sudan).

Table 3

UNIT COSTS ($ MARKET EXCHANGE RATES)

	Average Cost of Primary School Textbook	*Classroom construction**	*Pre-service primary school teacher training (per year)*
DRC			
Ethiopia	1.7	1,400	120
Ghana	5.6	17,397	1,490
Kenya	2.5	8,000	800
Malawi	1.5	14,500	3,000
Mozambique	1.23	18,466	136
Nigeria			
Rwanda	3.31	8,278	
Sierra Leone	1.5	19,500	
South Sudan	1.5	30,400	4,000
Tanzania	2.5	6,700	1,032
Uganda			
Zambia	5		1,000
Zimbabwe	1		
Burma	a		
Bangladesh		5,000	50–150
India	0.6–2.3		150

	Average Cost of Primary School Textbook	*Classroom construction**	*Pre-service primary school teacher training (per year)*
Nepal			
OPT			
Pakistan	0.7*	10,228**	

All unit cost data are from last three years and are nationally representative, with the exception of Pakistan, where costs are provincial: * Cost for Punjab province ** Cost for Sindh province. a: data are available for cost of "input" pack, at $10, which includes textbooks and other learning materials.

Measures of Education Efficiency

17. Efficiency in education refers to how well inputs are converted into outputs. An efficient system is one in which: schools are open when they should be; students and teachers turn up regularly; time in school is spent on teaching and learning; and students complete the relevant cycle of schooling.

18. While enrolment, survival and completion data can be tracked through national Education Management Information Systems, indicators of systems efficiency, such as pupil and teacher absenteeism are more challenging. Sample surveys and school level monitoring are two approaches to capturing data on teacher absenteeism. Data on teacher is available in at seven out of 20 countries each (Table 4), and pupil absence for eight countries. A further five country programmes will conduct surveys of school closures and pupil and teacher absenteeism by end 2012. This will support the creation of an education system productivity indicator, intended to measure a child's "opportunity to learn".

Table 4

DATA AVAILABILITY—EFFICIENCY MEASURES

	Survival to Grade 5	*Pupil Attendance**	*Teacher Absence rates**
DRC	24.9%		
Ethiopia	55%		
Ghana	88.6%	82.5% (2004)	22.3% (2003)
Kenya	72.4%		13%
Malawi	52%		
Mozambique	59.2%	68%	12.5%
Nigeria	55.78%		
Rwanda	47%		
Sierra Leone			
South Sudan			70%
Tanzania	66%	80%	23%
Uganda			
Zambia	83%	60%	
Zimbabwe	74%	85% (2006)	
Burma	76%		
Bangladesh	59.7%		
India	78%	75%	25%
Nepal	66% to G8	78.7%	
Occupied Palestinian Territories	98.5%		
Pakistan	82.3%	80.3%	19.4%

All data are from last three years except Ghana attendance data (2003–04), India teacher attendance data (2004) and Zimbabwe pupil attendance data (2006). * Pupil and teacher attendance rates across countries are based on different methodologies, including sample surveys and may not be nationally representative.

19. In addition, by end 2012, the Department has committed to developing a comprehensive set of system diagnostics to assess the efficiency of a country's education system. To achieve this, the Department is part funding through the Partnership for Education Development (PFED)[16] the "Systems Assessment and Benchmarking for Education Results" (SABER) programme of the World Bank. The purpose of SABER is to develop benchmarking toolkits that will enable countries to systematically examine education policy and strengthen the performance of their education systems. The Department is funding work in a subset of five of the 15 policy domains addressed by the SABER programme. These are Education System Rebuilding in Fragile and Conflict affected Situations, Finance, Quality Assurance, Teachers, and Workforce Development.

20. Piloting the benchmarking toolkits is enabling countries to map their education policies in comparison with others, and to relate their educational inputs and processes to their education system performance. The

[16] Partnerships for Education Development (PFED) is a £4.5 million research partnership between DFID and the World Bank Human Development Network (2009–12). The DFID funding component is £3.35 million.

piloting of relevant benchmarking tools across the 15 policy domains is underway or planned by end 2012 in all countries with a DFID education programme, apart from Burma and the Occupied Palestinian Territories. The results will be used to inform the design of future DFID interventions. DFID Ghana, for example, intends to pilot the Teacher Policy toolkit to inform the design of a programme to improve teacher performance.

Measures of Education Effectiveness

21. An effective education system means children are not just enrolled, but learning while in school. If well designed and assessed in early grades, data on learning achievement can be used to improve teaching and learning practices, by informing teacher training, curriculum development and textbook design.

22. Data on end of cycle examinations is being tracked in all countries with DFID supported education programmes, except Bangladesh, Burma, Nigeria and the Occupied Palestinian Territories. Examinations data has limitations as a means of assessing learning achievement and informing improved teaching practices. The exam may test a curriculum which fails to impart relevant skills, or it may be designed so the pass rate is the same as the number of available places at the next level of education. In addition, many children have dropped out of education before the end of primary examinations.

Table 5

DATA AVAILABILITY—LEARNING OUTCOMES MEASURES

Country	*End of Primary Exam Pass Rate (%)*	*Other learning assessment data available?*
DRC	57	Early Grade Reading Assessment (EGRA)
Ethiopia	40.5*	EGRA
Ghana	41	EGRA
Kenya	27 (Grade 12)	Community based learning assessment (“UWEZO/ASER”)
Malawi	68.6	EGRA
Mozambique	66.6	EGRA
Nigeria		Learning Assessment (G2, G4)
Rwanda	82.7	EGRA
Sierra Leone	74.3	No
South Sudan	80	No
Tanzania	53.5	Community based learning assessment (“UWEZO/ASER”)
Uganda	48.1	No
Zambia	52 (Grade 9)	No
Zimbabwe	42	EGRA planned
Bangladesh		Community based learning assessment
Burma		Learning outcomes for project schools & EGRA planned
India	45% in low achievement level across 20 states	Community based learning assessment (“ASER”)
Nepal	56.6 (Grade 10)	EGRA and Community based learning assessment
Occupied Palestinian Territories		International Learning Assessment Data (TIMSS)
Pakistan	55.4 **	Community based learning assessment (“ASER”)

Notes: Length of primary cycle varies from five to eight years. Data are all from last three years, with exception of DRC (2007) and OPT (2007). % data not reported on “other learning data” due to large differences in metrics, target population and methodology. * Grade 4 national learning assessment data. ** Proficiency score against a competency benchmark. 55% relates to students achieving “basic” competence.

23. In 13 countries we have moved beyond these end of primary metrics and are also monitoring (and in some cases supporting) other forms of learning assessments, including Early Grade Reading Assessments (EGRA) and community based testing of children’s reading and mathematics at the household level. These measures allow us to improve the future learning trajectory of pupils and take remedial action before it is too late and expensive. By the end of 2012 this data will be available, or data collection planned, in all countries where DFID supports education.

24. The Department is working closely with the Global Programme of Education (GPE)[17] to develop international indicators for reading fluency. Prior to this there was no internationally agreed indicator for reading fluency. Two indicators of reading fluency have been included in the GPE Global Results Framework and should result in all 44 GPE endorsed countries agreeing to monitor early grade literacy by end 2012—of which 11 are also countries with DFID supported education programmes.

[17] Previously the Fast Track Initiative (FTI).

25. An indicator of learning achievement has been proposed for inclusion in DFIDs new results framework for which we are currently collecting data. The indicator captures the proportion of children able to read with sufficient fluency for comprehension in the early grades of primary. This reflects the importance the Department places on learning as an education outcome. A standardised methodology has been developed and country offices are being asked to report baseline data where available by end 2011.

Section Two: How DFID are Using these Data to Drive Results and VFM

Improving education quality

26. In March 2011, "UK Aid: Changing Lives, delivering results" set out the UK commitments on education. As a result of the Bilateral Aid Review, the Department is focusing on poor countries where most children are out of school and especially on unstable and conflict affected states. By 2014–15, the UK is committed to supporting 11 million children in school through the bilateral programme. Of these, 9 million will be in primary school and 2 million in secondary school.

27. We recognise that getting children into school is not enough. The Department is working to ensure that once there children are well taught and that what they learn improves their lives and economic opportunities. All new DFID education programmes support and monitor learning outcomes. This varies from improvements in national learning assessments (Ethiopia) to specific increases in literacy rates (Nigeria). Being able to read fluently and with comprehension in the early grades of primary is the foundation for all further learning. Interventions to support early grade reading (and mathematics) are being designed or implemented in 10 countries, with additional programmes to be reported by end 2012. Data on completion and learning outcomes for boys and girls will be reported under the DFID results framework by all countries with DFID education spend from 2011–12.

28. Evidence shows that investment in girls' education is excellent value for money due to the significant maternal and fertility benefits to girls that remain in school beyond primary. As an outcome of the BAR, all DFID bilateral programmes have prioritised support to girls' education. We will also support poor families to have more choice over their children's schooling—so it's closer to home, better quality and more affordable. We are working to increase the range of options for parents—designing programmes to expand access to low cost, local schools for the poorest children (Kenya, India, Nigeria, Pakistan).

29. Data are only useful in so far as they provide tools to improve decision making. The remainder of this section describes how data on education delivery, performance and cost are being used by the Department to improve the efficiency of our bilateral programme spend and, most importantly, to make a real difference in the quality of education.

Firstly, all new DFID Education Programmes are allocated and based on strong programme design, demonstrate evidence of what works and evaluate innovative approaches

30. Seven new Education Business Cases have been approved by the Secretary of State since June 2011. Of these, five (Pakistan, Nigeria, Rwanda, Ethiopia and Bangladesh) are bilateral programmes and will support a total of 3.34 million children in primary and lower secondary school.[18] All these Business Cases are now published on the DFID website. A review of these Business Cases shows that value for money considerations are embedded in project designs. All cases are now based on evidence of what works (and where this is not available, have planned evaluations to increase the evidence base). Prior to investing, feasible options (including doing nothing) are now appraised. All projects are accompanied by specific baseline and target indicators, including increases in learning outcomes, to facilitate systematic monitoring and evaluation.

31. All Business Cases above £40 million are subjected to review by DFID's new central Quality Assurance (QA) Unit. Critical feedback from the QA Unit supports country offices to fully consider the value for money of proposed investments in education. As a result of the process of Business Case design, DFID Rwanda further strengthened the cost-benefit analysis of the £55 million "Rwanda Education Support Programme". This was to consider the non-economic and long term benefits of education—including benefits to health, lowering fertility and empowering women. A recent Business Case by DFID Ethiopia focused on improving the quality of basic education—with half the budget allocated for textbooks and the other half largely on teacher training and school improvement through strengthened accountability. The evidence for the effectiveness of these components was based on an assessment of existing research and careful deployment of data, thereby improving the targeting and impact of DFID spend.

32. The Bilateral Aid Review (BAR) of 2010–11 put value for money at the heart of the Spending Review. To facilitate comparison between the Results Offer (programme proposals) made by each Country Office, a core set of education indicators was agreed. These were; number of children supported by DFID in primary and lower secondary, number of children completing primary, and a measure of learning achievement. Guidance on how to improve value for money, was prepared, including the full recommendations made by the NAO, and was used by Education Advisors. Country Results Offers were considered by a technical panel against

[18] The remaining two Business Cases are the "Girls Education Challenge", which is a stand-alone fund, and support for the Commonwealth Scholarships Commission.

value for money measures such as results to be achieved, the cost per child supported, input unit costs, scalability, and cost benefit analysis.

33. The outcome of the BAR was the selection of 23 country programmes that would implement education programmes over SR10. In early 2011, Operational Plans for each DFID department, including country offices, were agreed and published on the DFID website. These set out headline results and key areas of spend to 2015. The subsequent development of new Business Cases enables Education Advisers to undertake detailed programme design. Measures of education economy, efficiency and effectiveness—as reported in this update—are therefore not intended to drive allocation decisions between countries, but to facilitate improved decision making within country—for example in choosing between different delivery channels or aid modalities.

Secondly, data on unit costs are being used to improve economy of in-country education programme decision making

34. Where appropriate, Education Advisors are identifying opportunities to reduce unit costs, without compromising quality. To support this process, the Department has produced guidance to enable DFID Advisors to better understand unit cost drivers in the procurement of school infrastructure, and learning and teaching materials.[19] In addition, specific guidance on addressing corruption in education has led to scrutinising textbook procurement strategies more closely to ensure that they are competitive, with clear criteria for selection.

35. The Department is actively using data on unit costs to improve results and value for money in a number of ways. This includes (1) comparing the costs across government, private and/or NGO providers and (2) engaging in the design of tendering processes to ensure that quality textbooks are procured at the optimum price.[20]

36. The need to drive improvements in value for money is firmly embedded into new Business Cases which require all new programmes to consider measures of value for money, such as the unit costs of key inputs, and justify the choice of funding mechanism. For example, in its recent Business Case for the “General Education Quality Improvement Programme”, DFID Ethiopia compared the cost of delivering though Government with the cost of delivering through private contractors. Government channels were considered more cost effective, largely due to lower overheads.

37. All countries are adapting and pursuing value for money within their local context. An example of this is DFID Rwanda, where engagement with the Ministry of Education has led to a 45% reduction in classroom costs. In Pakistan, comparison of construction costs highlighted possible cost saving through non-government provision and led to a shift in funding away from government providers to utilise these savings.[21]

Thirdly, Education Advisers are making steps to improve the efficiency of schooling

38. To improve efficiency, DFID is funding a systematic review of evidence of “what works” in improving teacher attendance. The review, to be completed early next year, will inform the design of new programmes to reduce absenteeism.

39. In 18 out of 20 countries, DFID is planning or already supporting initiatives to raise public awareness of student’s learning achievement or increase community engagement in school level decision making. This gives more opportunity for parents to hold schools and teachers to account. Interventions include school report cards (Ethiopia, Ghana, Mozambique, Nigeria, India and Sierra Leone), creation of school management committees (Bangladesh, Ghana, Nigeria, India, Sierra Leone) and community assessment of student learning (Tanzania, Pakistan, Kenya). A specific example of this is Malawi, where up to 10% of the funding for the Education Sector Reform Programme is allocated through civil society organisations for activities to promote transparency and accountability.

40. These accountability programs have the aim of improving efficiency in the education system, by lowering teacher absence or highlighting a lack of student learning. They also help mitigate the risk of larger scale corruption, and are being used to improve the efficiency of the education system alongside initiatives such as publication of school level financial transfers, financial management capacity building, and anti-fraud measures for vouchers using simple technologies (Pakistan). New guidance has been produced by the Department on “Addressing corruption in the Education sector” and disseminated to Country Offices in order to improve knowledge of how to identify and prevent corruption.[22]

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[19] (1) Delivering Cost Effective and Sustainable School Infrastructure, Guidance Note, DFID 2010; (2) Learning and Teaching Materials: policy and practice for provision, Guidance Note, DFID 2010.

[20] Country offices which are doing this are, in order: (1) Bangladesh, India, Malawi, Pakistan, South Sudan; (2) Ethiopia; Nepal, Rwanda, Tanzania, Zimbabwe.

[21] DFID Pakistan has allocated £60m of funding for school construction outside the government system. This decision was based on a comparison of government and non-government unit costs. Government costs benchmarked poorly for comparable quality. There was also concern regarding procurement weakness and fiduciary risk of government managed construction.

[22] Addressing corruption in the Education sector, Guidance Note, DFID 2010.

Fourthly, we are making steps to improve the effectiveness of schooling

41. Data on learning achievement is a measure of the effectiveness of an education system. All new Business Cases specify learning outcomes as a key log frame indicator, alongside evidence as to how these will be improved. This varies from improvements in national learning assessments (Ethiopia, India) to specific increases in literacy rates (Nigeria). Being able to read fluently and with comprehension in the early grades of primary is the foundation for all further learning. Interventions to support and monitor early grade reading (and mathematics) are being designed or implemented in 10 countries, with additional programmes to be reported by end 2012.[23]

42. The Department is investing in new research to generate evidence of "what works" in education, including a series of eight systematic reviews—the majority to be available by mid 2012. These studies address topics including contract teachers, vouchers and teacher absence. Joint research partnerships are being developed with international institutions to promote new research on quality, pedagogy and learning outcomes.

43. Innovative programmes are being designed by DFID that engage the non-state sector in education delivery in India, Pakistan, Kenya and Nigeria. The existing evidence base is limited, but suggests that utilising non-government providers could improve education outcomes at a lower cost than the state. Rigorous evaluation will be built in to programme design to generate much needed evidence on the effectiveness of low income private schools.

Fifthly, to improve the efficiency of spend, all frontline Education Programmes will now be supported by experienced Education advisers

44. The Department is recruiting new Education Advisers in response to demand from country offices and DFID's strategic workforce planning. By spring 2012 there should be 42 education advisers in post, including a dedicated Results and Value for Money adviser, about 35 of whom will be based in overseas offices. This compares to 34 and 20 respectively at the time of the NAO report (June 2010). In January 2011 five new Advisers were identified for the Pakistan office; in May 2011 a further six advisers were identified, two of whom are now in post (October 2011) and a further four due to be in post by January 2012. A further recruitment round was held in November to fill an anticipated three new posts and create a pool of deployable Advisers should further need arise. An induction programme has been rolled out for all new advisory staff. The five-day induction programme includes one full day on DFID's strengthened approach to results and value for money and how to apply this in programme design and management.

45. Over the past 12 months there has been an increase in the number of results posts and results related work across DFID. Results posts are usually filled by a Statistician or Economist and assist programme teams to use evidence to inform policies and programmes, develop credible results chains, identify appropriate indicators to track progress and develop robust evaluation strategies. 15 out of 20 countries with DFID supported education programmes have the support of an in-country results advisors, with 11 of these posts created in the past 12 months.

46. The Department is also strengthening its approach to continuous professional development in order to ensure DFID has access to high quality technical advice in all disciplines and has strong guidance on value for money issues. Education Advisers have access to a variety of knowledge resources to support them in delivering world class advice: access to peer reviewed journals, an Evidence Site, a Resource Centre (including a Helpdesk) and an interactive knowledge platform providing guidance on education results and value for money. Over the past 12 months, DFID Education Advisers from headquarters and 9 country programmes have commissioned 23 literature reviews from the Resource Centre Helpdesk to inform the design of Business Cases.

47. In July 2010, an internal website was launched by Policy Division that provided Education Advisers with access to a comprehensive package of Results and Value for Money guidance. This supported Advisers during the BAR process and subsequent design of Operational Plans. In May 2011 the site was updated to share guidance across the Education Cadre to ensure better results and value for money in the design of Business Cases for programme spend. Data on usage of the website show that Advisers in the majority of country offices are accessing the site each month.

Conclusions and Next Steps

48. This Memorandum has provided a one-year update to the Committee of Public Accounts on the commitments the Department has made to drive improvements in education results and value for money. The Department is on track to have these measures in place, in all but three education focus countries, by end 2012. The outliers, Afghanistan and the DRC, will put strong measures in place to access data by end 2012 and should have full data coverage by the end of the Spending Review period.

49. Twelve months on, the Department is in a strong position to demonstrate that our investment in education is making a difference and that the value for money of our programmes is being increased. Data on key unit costs, measures of education system efficiency, and learning achievement have been presented. This data is being actively used by the Department to inform decision making and the design of programmes. As a result, UK aid is taking action to improve the quality of basic education—which will be monitored through learning

[23] Bangladesh, Nigeria, DRC, Tanzania, Mozambique, Pakistan, Rwanda, Ethiopia, Nepal, Zimbabwe.

outcomes data and support for early grade reading. Over the coming years, the impact of our aid on children's learning outcomes will be visibly demonstrated through changes in the proportion of children able to read in the early grades of primary in our focus countries.

50. A further report will be submitted to the Committee at end 2012, alongside the Annual Update to the Treasury.

APPENDIX 1

DEFINITION OF "FULL DATA COVERAGE" AND HOW WE ARE MOVING BEYOND THIS

By end 2012, the Department has committed to having a better set of measures in countries with DFID supported education programmes. To achieve this, data will be collated against the following set of indicators.

* denotes that the indicator is included in the set of measures to be reported to the PAC and collectively comprise the Department's definition of "full data coverage" for VfM decisions in the education sector;

** denotes that the indicator is deemed to add relevant information, but that the exclusion of data will not undermine the ability of a DFID Country Office to make informed decisions on programme design or implementation.

Measures of Economy of Education System

1. Cost per child per school year*
2. Average teacher salary per year*
3. Unit cost of average primary school text book*
4. Unit cost of classroom construction*
5. Cost per child per achievement level**

Key Measures of Efficiency of Education System.

6. Primary completion rate or primary school survival rate*
7. Pupil attendance**
8. Teacher attendance**
9. Opportunity to learn measure**

Measures of Effectiveness of Education System

10. Learning outcomes—end of cycle exam pass rate or other nationally representative learning assessment*
11. Measure of reading fluency in early grades of primary**

APPENDIX 2

EXPLANATORY NOTES ON EDUCATION INDICATORS IN TABLE 5

Table 5

PERCENTAGE OF THE 20 DFID COUNTRY OFFICES WITH EDUCATION SPEND THAT REPORTED DATA ON KEY VFM INDICATORS (DECEMBER 2011)

Learning Outcomes	*Unit cost per child per year at primary level*	*Teacher Salary*	*Average Cost of Primary School Textbook*	*Classroom Construction*	*Survival to Grade 5*
20 (100%)	14 (70%)	17 (85%)	13 (65%)	11 (55%)	17 (85%)

(1) *Learning outcomes* data may consist of end of cycle exams (16 countries) or additional learning assessments such as early grade reading assessments, community testing projects or internationally comparable tests. These additional learning data are available for 14 countries.

(2) *Unit cost per child per year* are calculated by dividing total government spending on primary education by the number of children enrolled in government primary schools. Data are reported from this year where possible, though in certain countries, lags with data may result in costs being from previous years.

(3) *Teacher salaries* are the average salary for a government school teacher. This does not take into account inter or intra-country differences due to (a) qualifications, (b) experience and (c) scarcity of skilled labour. It does not reflect salaries of private school teachers (often substantially lower) or "contract" teachers (again, substantially lower).

(4) *Average cost of primary school textbook* does not take into account differences in the quality of textbooks, nor the target grade of the text, nor the language.

(5) *Classroom construction* data are available on a "per metre squared" metric for a subset of countries, and we are working to adopt this as a standard metric across countries.

(6) *Completion* is defined following UNESCO Statistical guidelines as the "Percentage of children in final grade of primary out of the total population of children of appropriate age for that grade". *Survival rate to Grade 5* is the percentage of children entering grade one that enter Grade 5.

APPENDIX 3

DFID EDUCATION PROGRAMME SPEND (2011–15) BY COUNTRY

Final Budget Allocations for SR10 (2011–15)

DFID Country Programme	*Total programme spend*	*Total education spend*	*Education programme as % of total programme spend*	*Education programme as % of bilateral education spend*	*Headline Results from Operational Plans*
	£'000	*£'000*			*Children supported in 2014–15*
Afghanistan	712,000	133,160	19	4.8	211,900 in primary
Bangladesh	1,000,000	172,000	17	6.2	1,500,000 in primary
Burma	185,000	10,000	5	0.4	227,000 in primary
Burundi (2011–12)	10,000	3,500	35	0.1	68,000 in primary
DRC	790,000	54,500	7	2.0	372,000 in primary
Ethiopia	1,325,000	343,300	26	12.4	1,940,000 in primary school
Ghana	375,000	115,000	31	4.2	118,000 in primary
India	1,120,000	214,000	19	7.8	1,260,000 in secondary school
Kenya	510,000	63,000	12	2.3	300,000 in primary
Malawi	373,000	111,720	30	4.0	427,000 in primary
Mozambique	329,500	80,000	24	2.9	18,000 in primary; 35,000 in secondary
Nepal	331,000	8,620	3	0.3	n/a
Nigeria	1,000,000	143,070	14	5.2	800,000 in primary
OPTs	348,643	112,126	32	4.1	36,216 in primary
Pakistan	1,392,000	645,500	46	23.4	4,000,000 in primary
Rwanda	330,000	91,150	28	3.3	29,000 in primary; 40,900 in secondary
Sierra Leone	270,000	33,500	12	1.2	24,200 in primary; 36,300 in secondary
Sudan	560,000	119,000	21	4.3	240,000 in primary
Tanzania	643,000	222,000	35	8.0	400,000 in primary and lower secondary
Uganda	390,000	16,950	4	0.6	102,850 in primary
Vietnam (incorp Cambodia)	93,499	9,703	10	0.4	n/a
Zambia	235,000	25,000	11	0.9	n/a
Zimbabwe	353,000	32,000	9	1.2	420,000 in primary

Notes: Headline results as published in Operational Plans. In Vietnam the headline result is not children supported but percentage of poorest students completing primary. Nepal and Zambia do not have a Headline Result for education in the Operational Plan

20 December 2011

Further written evidence from Department for International Development

DFID undertook to write to members of the Public Accounts Committee in response to a number of the questions raised at the oral evidence session on delivering aid and transferring cash and assets to the poor on the 7 December 2011.

We offered to provide the new guidance we have developed on measuring and maximising value for money in cash transfer programmes (Q80).[24]

On DFID funding for the BBC World Service Trust which you raised (Q99–101), I attach the business case we prepared which sets out the value for money case (see pages 35–42 in particular).[25] The analysis suggests that, at £0.45 per person reached, the World Service Trust offers a cost-effective way of reaching a large number of vulnerable people with important development messages. We have found a good success rate in terms of these messages changing the behaviour of poor people by eg helping them hold their government to account for public service delivery; increasing their knowledge of reproductive, maternal, neonatal and child health issues; or giving them life-saving information about what to do in a humanitarian crisis.

On the use of cost-plus contracts which Stephen Barclay MP raised (Q89–90), we can confirm that this is not a practice DFID uses.

20 December 2011

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[24] http://www.dfid.gov.uk/What-we-do/Key-issues/Food-and-nutrition
[25] http://projects.dfid.gov.uk/project.aspx?project=202629

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