DFID's work through UNICEF

Independent
Commission
for Aid Impact

Report 21 – March 2013

Contents

The Independent Commission for Aid Impact (ICAI) is the independent body responsible for scrutinising UK aid. We focus on maximising the effectiveness of the UK aid budget for intended beneficiaries and on delivering value for money for UK taxpayers. We carry out independent reviews of aid programmes and of issues affecting the delivery of UK aid. We publish transparent, impartial and objective reports to provide evidence and clear recommendations to support UK Government decision-making and to strengthen the accountability of the aid programme. Our reports are written to be accessible to a general readership and we use a simple 'traffic light' system to report our judgement on each programme or topic we review.

G	**Green:** The programme performs well overall against ICAI's criteria for effectiveness and value for money. Some improvements are needed.
G A	**Green-Amber:** The programme performs relatively well overall against ICAI's criteria for effectiveness and value for money. Improvements should be made.
A R	**Amber-Red:** The programme performs relatively poorly overall against ICAI's criteria for effectiveness and value for money. Significant improvements should be made.
R	**Red:** The programme performs poorly overall against ICAI's criteria for effectiveness and value for money. Immediate and major changes need to be made.

Executive Summary

The United Nations Children's Fund (UNICEF) works for children's rights, delivering programmes on child survival, development and protection in over 150 countries. Over the period 2007-11, the UK Government was the second-largest donor to UNICEF after the United States, contributing £690 million. This review looks at the impact and effectiveness of DFID's partnership with UNICEF. It focusses on UNICEF's work on the ground, implementing programmes part-funded by DFID country offices. We examined a complex water and sanitation programme in the Democratic Republic of the Congo, two complex health programmes in Sierra Leone and single-focus malaria bed net programmes in Sierra Leone and Ghana. In each case, DFID was the major donor.

Overall *Assessment: Green-Amber* 

DFID trusts UNICEF to deliver programmes and achieve results in support of the Millennium Development Goals. DFID relies on UNICEF to work in difficult environments, manage multiple delivery partners and carry out large-scale procurements. DFID does not manage this important relationship in a systematic manner and uses a relatively light touch with UNICEF compared to other delivery partners. Programmes are delivering results but there is evidence of delays and shortfalls, with some questionable value for money. DFID needs to provide greater clarity to UNICEF with regard to the expectations of its role in each programme. DFID is now focussing more on results and value for money, maintaining closer control where justified by budgets or risk levels and it should continue this improvement.

Objectives *Assessment: Amber-Red* 

Whilst programme objectives align with the Millennium Development Goals and the agendas of national governments and DFID, they can be over-optimistic. In each of the five programmes we reviewed, we saw a lack of realistic appreciation of possible risks and constraints as well as a lack of clarity about what DFID is buying from UNICEF, which blurs accountability for results. There should always be detailed scrutiny of plans and budgets. Recent examples do show that DFID is making improvements but particular care needs to be taken with large complex programmes.

Delivery *Assessment: Amber-Red* 

DFID does not, as standard practice, systematically consider alternatives to UNICEF for programme delivery or procurement. DFID has very recently begun to undertake due diligence of UNICEF's local financial and technical capacity before committing funds. There are instances where DFID has not achieved the best price in procurement from UNICEF and where results have been delayed due to capacity issues. There are, however, examples of good practice in partnership management by DFID country offices. The Framework Arrangement used to govern the global relationship between DFID and UNICEF does not reflect current best practice and requires significant updating. It is currently under review by DFID and UNICEF and DFID hopes to have an updated Framework Arrangement in place by the end of 2013.

Impact *Assessment: Green-Amber* 

Our review visits suggest that the DFID-supported programmes are delivering tangible benefits for communities and generally are delivering against expected results. Longer-term impacts are more difficult to measure as DFID and UNICEF are primarily relying on forthcoming periodic national surveys for data, rather than undertaking any programme-level evaluations, as standard practice. The prospects for sustainability of benefits are encouraging but further donor support will be required in some cases.

Learning *Assessment: Green-Amber* 

DFID and UNICEF incorporate some good practice and innovation into the design and implementation of programmes. DFID shares technical knowledge but is less effective at learning from and sharing its experience of managing its relationship with UNICEF in different countries. DFID is not pushing UNICEF hard enough to undertake robust monitoring and independent evaluation of each programme. DFID is now changing the way it manages its relationships with UNICEF, through guidance from the centre to country offices, to assure better oversight of results and value for money.

Key recommendations

Recommendation 1: DFID should manage its relationship with UNICEF as a strategic delivery partner, by maintaining regular oversight of its UNICEF portfolio as a whole and managing UNICEF relationships with a greater focus on results and value for money.

Recommendation 2: DFID should negotiate an updated global Framework Arrangement with UNICEF, which reflects current best practice in management of the partnership, clarifies procurement charges and is aligned more closely with DFID's approach to managing commercial contractors.

Recommendation 3: DFID should strengthen its management of UNICEF's local programme delivery, building on good practice seen in some DFID country offices and reflecting approaches used to manage other types of service delivery partner.

1 Introduction

Purpose of the review

1.1 Over the period 2007-11, the UK Government has contributed £690 million[1] to the United Nations Children's Fund (UNICEF). The purpose of this review is to assess the impact and effectiveness of the Department for International Development's (DFID's) partnership with UNICEF. In particular, we have focussed on UNICEF's role as a DFID delivery partner in the Democratic Republic of the Congo (DRC), Ghana and Sierra Leone, implementing programmes funded in part by DFID. Our review evaluates in particular the effectiveness of DFID's management of its relationship with UNICEF.

UNICEF's mandate and capabilities

UNICEF's mandate aligns with DFID's focus on poverty relief to achieve the Millennium Development Goals

1.2 UNICEF's mandate is 'to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential'.[2] Its focus areas are: child survival and development; basic education and gender equality; HIV/AIDS and children; child protection; and policy advocacy and partnerships. These areas fit well with DFID's priorities for the Millennium Development Goals (MDGs).

1.3 UNICEF delivers development and humanitarian assistance (including programme management and delivery, large-scale procurement and logistics management) in developing countries. It also supports the development of national plans, building capacity and influencing policies of recipient governments. It has a global reach and delivers programmes in over 150 countries, including fragile and post-conflict zones.

1.4 DFID primarily funds UNICEF to deliver programmes on the ground. When delivering these programmes, UNICEF typically uses partners to work directly with intended beneficiaries. These partners include governments, civil society organisations (CSOs) and commercial organisations. UNICEF engages with these partners, provides capacity-building support and supervises implementation.

UK Government funding of UNICEF

1.5 UNICEF is not funded from the United Nations (UN) budget, instead raising income through voluntary grant contributions from governments, charitable foundations, corporations and private sources. In 2011, 61% of its global income came from governments, 29% from the private sector and non-governmental sources and 10% from other UN agencies and other sources.[3] 36 National Committees support UNICEF's fundraising, mainly from private sources. In 2011, UNICEF received £26 million from the UK National Committee, which was 3.8% of UNICEF's total income from private and non-governmental sources.[4]

1.6 UNICEF's income is of two main types: unrestricted (called 'Regular Resources') and restricted (called 'Other Resources'). Unrestricted funds can be used for any purpose, including management and administration. Restricted funds must be used for specific programmes or strategic priorities as determined by the donor.

1.7 UNICEF's income has grown in recent years, reaching £2.31 billion in 2011. Underlying this increase was a fall in Regular Resources (from 37% of income in 2007 to 29% in 2011) and a corresponding rise in Other Resources (i.e. funds earmarked for particular programmes).

1.8 Over the period 2007-11, the UK Government (through DFID) was the second-largest donor to UNICEF, after the Government of the United States. Annual UK contributions have more than doubled in this time; from £93 million in 2007 to £195 million in 2011 (see Figure 1 on page 3). In 2011, DFID contributed 7.8% of UNICEF's income

[1] In this report, we have used pounds sterling figures provided by DFID wherever possible. Where figures are only available in US dollars, we have converted into pounds sterling using the applicable average annual exchange rate (see: http://www.oanda.com/currency/average). UNICEF's financial year is the calendar year whilst DFID's is April to March. All data sourced from UNICEF are for calendar years and all data sourced from DFID are for its financial years, apart from the DFID contribution to UNICEF figures, which are for calendar years (for example the £690 million given between 2007 and 2011).

[2] From the UNICEF website, http://www.unicef.org/about/who/index_mission.html.

[3] *Annual Report 2011*, UNICEF, June 2012, http://www.unicef.org/publications/files/UNICEF_Annual_Report_2011_EN_06012012.pdf.

[4] The UK National Committee provided £26 million in 2011 (*Annual Report 2011*, UNICEF, June 2012, http://www.unicef.org/publications/files/UNICEF_Annual_Report_2011_EN_06012012.pdf).

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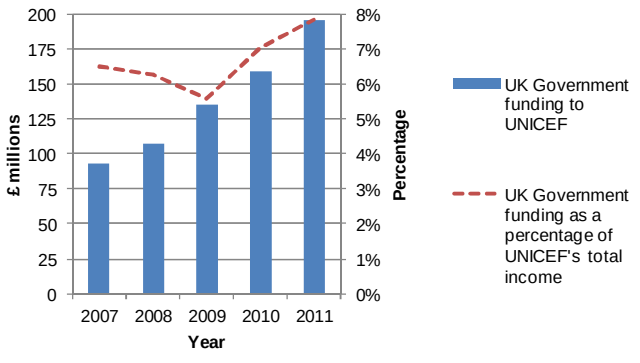
(the Government of the United States contributed 9.3%).

Most of DFID's contribution is given at country office level

1.9 The UK Government provides funds to UNICEF in three ways:

- core funding, given by DFID headquarters towards UNICEF's Regular Resources, currently through a four-year agreement, 2011-12 to 2014-15. The total agreement is for £160 million: £40 million has been committed per year in 2011-12 and 2012-13; £40 million per year has been put aside for 2013-14 and 2014-15, with the Multilateral Aid Review (MAR) update (to be carried out by DFID in 2013) to inform the actual commitment to be made in the period 2013-15;
- humanitarian thematic funding, given by DFID headquarters towards UNICEF's Other Resources, currently through a three-year agreement, 2012-13 to 2014-15 (£18 million total; £4 million in 2011-12); and
- funding given by DFID country offices towards UNICEF's Other Resources, for specific programmes including emergencies (£146 million in 2010).[5]

Figure 1: UK Government contributions to UNICEF, 2007-11

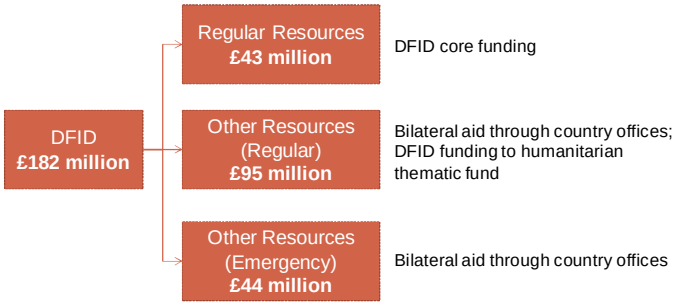


Source: 'UK Government funding to UNICEF' pound sterling figures sourced from DFID United Nations and Commonwealth Department; 'UK Government funding as a percentage of UNICEF's total income' calculated using US dollar figures sourced from UNICEF Annual Reports 2007 to 2011

1.10 In 2011, approximately three quarters of DFID's support to UNICEF was given by DFID country offices (see Figure 2).

1.11 Between 2008 and 2011, DFID's country office funding to UNICEF was given in 32 countries: the two largest recipients were Zimbabwe and Somalia (30% of country funding). Over the same period, DFID's country office contributions were spent on UNICEF programmes in the following sectors: health (28% of spending); humanitarian (17%); education (14%); and water and sanitation (9%).[6]

Figure 2: UK Government contributions to UNICEF, 2011



Source: UNICEF Annual Report, 2011

DFID's strategy for its UNICEF partnership

1.12 In 2000 DFID published an Institutional Strategy Paper for working in partnership with UNICEF for the period 2000-04.[7] Another strategy was launched in 2006, this time in conjunction with the Governments of Canada and Sweden.[8] DFID's engagement with UNICEF is now guided by the MAR (2011), supported by a separate engagement strategy (and action plan).[9]

1.13 The MAR gave UNICEF an overall rating of 'very good value for money'.[10] This score is based on a 'strong' contribution to UK development objectives and a 'satisfactory' assessment of its

[5] *Intervention Summary: Voluntary Core Funding Support to UNICEF, 2011-15*, DFID, 2011, http://projects.dfid.gov.uk/IATI/document/3718844.

[6] Information provided by DFID from Activities Reporting Information E-System.

[7] *Working in Partnership with the United Nations Children's Fund (UNICEF)*, DFID, November 2000, http://webarchive.nationalarchives.gov.uk/+/http:/www.dfid.gov.uk/Documents/publications/unicef-isp.pdf.

[8] *New Partnership and Funding Boost for UNICEF*, DFID press release, September 2006, http://webarchive.nationalarchives.gov.uk/+/http://www.dfid.gov.uk/Media-Room/Press-releases/2006-completed/New-partnership-and-funding-boost-for-UNICEF/.

[9] *DFID's Engagement Strategy with UNICEF*, DFID, 2012, unpublished.

[10] *Multilateral Aid Review*, DFID, March 2011, http://www.dfid.gov.uk/Documents/publications1/mar/multilateral_aid_review.pdf.

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organisational strengths. UNICEF is DFID's most highly rated UN agency partner.

1.14 Following the MAR, DFID increased its core funding to UNICEF. The current four-year core funding agreement asks UNICEF to address weaknesses identified in the MAR. Progress will be reviewed in the MAR update review that is due to be completed by November 2013. Core funding commitments for 2013-15 will be made contingent upon the review outcome. Similarly, the core humanitarian agreement asks UNICEF to address weaknesses in humanitarian areas that were identified in the MAR.

1.15 The engagement strategy sets out four priorities for UNICEF, based on the MAR:

- improved leadership and delivery in rapid-onset humanitarian emergencies and protracted crises;
- strengthened monitoring and reporting of results at the organisational level;
- action by UNICEF to drive down costs, achieve value for money and increase transparency;[11] and
- greater leadership and more strategic partnerships in the UN system.

1.16 DFID's country-level support to UNICEF is based on business cases for each programme that should reflect DFID Country Operational Plan priorities.

DFID's governance of its UNICEF relationship

1.17 At an organisational level, UNICEF's Economic and Social Council elects UN Member States to serve as members of its Executive Board. The UK was a member of the Board from 2010 to 2012 but is not a member in 2013, because membership of the Board is limited to a three-year term. The UK is represented by the UK Mission to the UN in New York. Core funding is agreed between the UK Government and UNICEF bilaterally. This governance approach requires the UK to use its influence with UNICEF executives and with like-minded donors, for example in developing the next UNICEF Medium Term Strategic Plan (2014-17).

1.18 DFID manages its programme-level partnerships with UNICEF through a standard global Framework Arrangement dated 9 June 2003.[12] This sets out the obligations of both parties. It specifies – amongst other things – annual reporting, payments 12 months in advance and adherence to the UN single audit principle.[13] Each programme is governed by this Framework Arrangement, together with a locally negotiated Contribution Arrangement that gives specific details of the programme.

1.19 As described later in our report, DFID country offices have negotiated local amendments to aspects of the Framework Arrangement. DFID is currently reviewing the Framework Arrangement with a view to negotiating changes during 2013.

Approach to this review

The review looked at five programmes related to health and to water and sanitation in three countries

1.20 We carried out four streams of work:

- we mapped DFID's funding to UNICEF over the period 2007-11;
- we reviewed documents provided by DFID and UNICEF about the relationship and programmes;
- we visited three countries to review programmes, visit delivery locations and meet beneficiaries and programme staff; and
- we interviewed key personnel in DFID centrally, including the United Nations and Commonwealth Department (UNCD), the Procurement Group and specialist advisers.

1.21 The review team visited the DRC, Ghana and Sierra Leone. An ICAI Commissioner was a

[11] According to the House of Commons International Development Committee's Report on DFID's Annual Report and Accounts 2011-12, UNICEF's administration costs as a percentage of its total expenditure in 2011 were 8.1%. DFID can only influence this corporate expenditure through the UNICEF Executive Board, as a major contributor. Through the Board, DFID is pushing UNICEF (and other UN agencies) to be more transparent about their costs. See *Department for International Development's Annual Report and Accounts 2011-12 (Ninth Report of Session 2012-13)*, House of Commons International Development Committee, January 2013, http://www.publications.parliament.uk/pa/cm201213/cmselect/cmintdev/751/751.pdf.

[12] *DFID/UNICEF Framework Arrangement for DFID Contributions to UNICEF Other Resources*, DFID, June 2003, unpublished.

[13] Under which external audits of UNICEF are carried out exclusively by the UN Board of Auditors, see: http://www.unicef.org/auditandinvestigation/index_65753.html.

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member of the team that visited the DRC. These countries were selected for the following reasons:

- the UNICEF country offices were significant recipients of DFID funds over the review period;[14]
- two of the countries (Ghana and Sierra Leone) had similar programmes which were funded by DFID and implemented by UNICEF, thus enabling us to undertake a comparison; and
- these countries had not featured prominently in previous ICAI reviews.

1.22 The three countries have contrasting levels of development with Gross National Income per person in 2011 of £119 in the DRC, £212 in Sierra Leone and £882 in Ghana.[15] The DRC remains in conflict in the east of the country; Sierra Leone is in a post-conflict phase and had peaceful elections in November 2012; and Ghana is classified by the World Bank as a lower middle-income country and is in transition to middle-income status following peaceful elections in December 2012.

1.23 The five case study programmes for this review were selected to show the variation in size and scope of partnerships between DFID and UNICEF. The programmes were:

- DRC: Healthy Villages and Schools (which we will refer to as **DRC Water and Sanitation**) – this involves protecting drinking water sources, providing healthy latrines and providing hygiene education to people in rural villages;[16]
- Ghana: Procurement and Distribution of Long Lasting Insecticide Treated Bed Nets (which we will refer to as **Ghana Bed Nets**) – this involved procuring and distributing mosquito bed nets to all homes in a national campaign;[17] and
- Sierra Leone:
  - support to the Government of Sierra Leone's National Reproductive and Child Health Strategy (which we will refer to as **Sierra Leone Health 1**) – this involves upgrading health facilities to provide a basic level of service, especially for women and children, supported by strengthening health services management;[18]
  - Improving Reproductive, Maternal and Newborn Health (which we will refer to as **Sierra Leone Health 2**) – this involves improving the uptake of family planning, reproductive and newborn health services, especially by young people;[19] and
  - support to the Government of Sierra Leone's Malaria Prevention Programme: supply of long-lasting insecticide-treated bed nets (which we will refer to as **Sierra Leone Bed Nets**) – this involved procuring and distributing mosquito bed nets to all homes in a national campaign.[20]

1.24 Summary information for each programme is provided in Figures 3 and 4 on page 6 and in Figures A1 (individual scoring of each programme) and A2 (summary of each programme's funding, targets and results) in the Annex. Between January 2009 and October 2012, DFID contributed £48.4 million to UNICEF for these programmes. DFID has also committed a further £107.9 million (including £84.6 million for a second phase of the DRC Water and Sanitation programme, which is due to begin in 2013 and run to 2019, subject to business case approval).

1.25 DFID was the major donor in most of the case study programmes. The share of inputs claimed by DFID, as noted in the programme plans and based on size of grant given by DFID as a proportion of total funding, is shown in Figure 4 on page 6.

[14] UNICEF Sierra Leone, DRC and Ghana were respectively the 5th, 6th and 11th largest recipients of UK aid money between 2008-11, out of 32 countries. (Information provided by DFID from Activities Reporting Information E-System.)
[15] From the World Bank website, 16 January 2013, http://data.worldbank.org/country/.
[16] In French, this programme is called 'Village et Ecole Assaini'. Some programme documents are available at: http://projects.dfid.gov.uk/project.aspx?Project=200196.
[17] Some programme documents are available at: http://projects.dfid.gov.uk/project.aspx?Project=202474.
[18] Programme plan available at: http://projects.dfid.gov.uk/project.aspx?Project=200344.
[19] Programme plan available at: http://projects.dfid.gov.uk/project.aspx?Project=202721.
[20] Programme plan available at: http://projects.dfid.gov.uk/project.aspx?Project=202063.

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Figure 3: DFID funding of UNICEF case study programmes

Programme	Timing	Funding to October 2012 (£ million)	Future allocation (£ million)	Total planned funding (£ million)
DRC				
Water and Sanitation (Phase 1)	2009-12	25.0	0.0	25.0
Water and Sanitation (Phase 1 extension)	2012-13	0.0	11.6	11.6
Water and Sanitation (Phase 2)	2013-19	0.0	84.6	84.6
Ghana				
Bed Nets (Phase 1)	2010-12	10.0	0.0	10.0
Bed Nets (Phase 2)	2010-12	1.5	0.4	1.9
Sierra Leone				
Health 1	2009-13	5.6	0.0	5.6
Bed Nets	2010-11	4.9	0.0	4.9
Health 2	2012-16	1.4	11.3	12.7
Grand total		**48.4**	**107.9**	**156.3**

Source: DFID

Note: Under the 2012-13 extension phase in the DRC, funds are being given predominantly for Healthy Villages, with a small pilot built in to test changes to the Healthy Schools component. DFID has also committed a further £17.5 million towards the Healthy Villages and Schools programme as part of its new 'Access to Health Care' programme. These funds will not be given to UNICEF.

The case study programmes ranged in complexity, in terms of scope, size and number of donors

1.26 The Sierra Leone Health 1 programme was a multi-activity, multi-donor programme that supported the Government of Sierra Leone's National Reproductive and Child Health Strategy (2008-10) and subsequently its Free Health Care Initiative (launched in April 2010) for pregnant women, lactating mothers and children under five. The latest estimated implementation cost of the Free Health Care Initiative, shared between the Government of Sierra Leone and multiple donors, is £298 million. Government and donors have committed £176 million between 2012 and 2014 (of which DFID is the largest donor, providing 32% of this sum).[21] The other Sierra Leone case study programmes are also part of the Free Health Care Initiative.

1.27 In contrast, the Ghana Bed Nets and Sierra Leone Bed Nets programmes were concerned with only one activity (bed net distribution and hang up).

1.28 Over the period 2008-11, DFID has provided funds to UNICEF in 32 countries. Whilst we have concentrated our review on three countries and five programmes, our approach allows conclusions to be drawn about how DFID, at a corporate level, is managing its UNICEF relationship. In addition, our focus was on DFID's support to UNICEF's development programming, rather than its humanitarian assistance.

1.29 While our traffic light ratings are based solely on the programmes we examined in this review, our overall assessment also took account of other ICAI reviews that have considered UNICEF as a DFID delivery partner. A summary of key recommendations from those reviews is provided in the Annex.

Figure 4: DFID's share of inputs in the case study programmes

Programme	Timing	DFID's claimed share of programme inputs
DRC Water and Sanitation (Phase 1 and extension)	2009-13	68%
Ghana Bed Nets	2010-12	97%
Sierra Leone Health 1	2009-13	32%
Sierra Leone Bed Nets	2010-11	58%
Sierra Leone Health 2	2012-16	100%

Source: DFID

[21] *National Health Sector Strategic Plan 2010-2015, Joint Programme of Work and Funding 2012-2014*, Ministry of Health and Sanitation, Government of Sierra Leone, January 2012, http://www.whosierraleone.org/1_docs/mohspartnersdocs/jpwf_final.pdf.

2 Findings

Objectives

Assessment: Amber-Red

2.1 In this section, we consider what the case study programmes are trying to achieve. We look at the programme objectives and plans to see whether they are relevant, realistic and clear.

Programme objectives

Programme objectives are consistent with government priorities and with DFID country strategies

2.2 UNICEF's strategy is to support recipient governments in the delivery of their programmes aimed at reaching MDG targets on child survival and development. By following this approach, UNICEF is able to channel its resources towards relevant programmes, whilst supporting governments to build internal capacity in service delivery. Its proximity to governments and its global presence are major reasons why DFID chooses to partner with UNICEF.

2.3 UNICEF's strategy is reflected in our case study programmes. All five are government programmes focussed on the MDGs in which UNICEF has supported implementation. Taking the example of the DRC Water and Sanitation programme, this is jointly led by the Ministries of Health and Education and implemented at the village level through their respective local government departments. With DFID funds, UNICEF is supporting programme delivery by:

- providing funds to CSOs to work alongside local government in villages and to buy materials to construct latrines and protect water points;
- providing performance-based incentives to local government staff;
- providing technical training to staff in government and CSOs; and
- providing its own staff to monitor programme implementation.

2.4 DFID's engagement with UNICEF aligns closely with DFID's country priorities. The anticipated benefits from the case study programmes are reflected in the headline results in DFID's Operational Plans in each country:

- **DRC (water and sanitation):** number of people who have access to a healthy environment, as defined by access to clean water, adequate sanitation and hygiene education;[22]
- **Ghana (health):** number of bed nets distributed to help prevent malaria;[23] and
- **Sierra Leone (health):** maternal mortality ratio and number and percentage of births delivered by skilled health personnel.[24]

2.5 DFID and UNICEF are addressing critical problems in each of these countries. In the DRC, only 4% of the rural population use an improved sanitation facility and 69% do not have access to clean water. As a result, there is a high incidence of diarrhoea, which is a significant contributor to child death, particularly in children under five.[25] In Ghana, malaria is a leading cause of sickness in children under five and accounts for a quarter of deaths among that group.[26] In Sierra Leone, child and maternal mortality rates are amongst the highest in the world; malaria-related illnesses account for 40% of all deaths among those under five.[27]

2.6 In some of the case study programmes, DFID has played the role of programme designer and funder. In others, it is only the funder, responding to requests for support from UNICEF and governments. For example, in the Ghana and Sierra Leone Bed Nets programmes, DFID was responding to government and UNICEF requests for funding when there was a shortfall in the availability of nets. In the Sierra Leone Health 1 programme, DFID was responding to government and UNICEF requests for support; in the Health 2 programme, DFID was much more proactive and changed the focus of its support. In the DRC, DFID took part in design missions for an inactive government programme that UNICEF was reactivating. DFID should tailor its relationship with

[22] *Operational Plan 2011-2015*, DFID Democratic Republic of Congo, March 2011, http://www.dfid.gov.uk/Documents/publications1/op/drc-2011.pdf.
[23] *Operational Plan 2011-2015*, DFID Ghana, updated June 2012, http://www.dfid.gov.uk/Documents/publications1/op/ghana-2011.pdf.
[24] *Operational Plan 2011-2015*, DFID Sierra Leone, updated June 2012, http://www.dfid.gov.uk/Documents/publications1/op/sierra-leone-2011.pdf.
[25] *Multiple Indicator Cluster Survey 2010*, Government of DRC with UNICEF, September 2010, http://www.childinfo.org/files/MICS-RDC_2010_Preliminary_Results_final_EN_imprime.pdf.
[26] *Business Case and Intervention Summary for Prevention of Malaria through Procurement and Distribution of Long Lasting Insecticide Treated Nets*, DFID, July 2011, http://projects.dfid.gov.uk/project.aspx?Project=202474.
[27] *Business Case and Intervention Summary for Improving Reproductive, Maternal and Newborn Health in Sierra Leone*, DFID, January 2012, unpublished.

2 Findings

UNICEF to reflect the particular role that it is playing in any programme; it should be significantly more proactive where it is an initiator, influencing design.

2.7 The case study programmes did not duplicate the efforts of other aid providers. Both DFID and UNICEF recognise government as the main service delivery agent. They are working with the government in each of the three countries, with varying degrees of success, to promote donor co-ordination. For example, in Sierra Leone, key donors have signed up to a Health Compact, supported by a Joint Programme of Work and Financing. Donors to the Government of Ghana's malaria prevention and control programmes are co-ordinated through the National Malaria Control programme. In the DRC, however, donor co-ordination is more difficult because of a weak central government. The Water and Sanitation programme is overseen by both the Ministries of Health and Education at central level. A lack of co-ordination between the two Ministries is evident and has affected the integration of the village and school components of the programme by local government.

Programme objectives are not always realistic

2.8 Programme objectives are generally relevant, supporting the achievement of the MDGs. The realism of these objectives, however, tends to reflect the complexity of the programmes. The simpler single activity programmes such as the Sierra Leone and Ghana Bed Nets, for example, have more realistic objectives than the multi-activity programmes (e.g. Sierra Leone Health 1).

2.9 In the Sierra Leone Health 1 programme, there have been significant delays in the upgrading of health facilities to the standard where they can provide emergency obstetric functions. This delay is due to changes by government in the standards being used to measure compliance and to difficulties in working with different government departments. By December 2012, 14 hospitals and 52 health centres should have been compliant with emergency obstetric and neonatal care standards. Progress has been made across the seven areas being assessed but only seven hospitals and five health centres were compliant with the standards at the end of September 2012.[28] This is an example where closer monitoring of progress and risks by DFID could have improved UNICEF's performance but in retrospect greater realism in setting objectives would have helped.

2.10 In contrast, under the DRC Water and Sanitation programme, DFID has had to scale back its ambition considerably. The target in the original DFID Programme Memorandum (2008), for a grant of £25 million to UNICEF, was to 'improve the health of 3.5 million people and 240,000 schoolchildren through water, sanitation and hygiene interventions in rural and peri-urban communities'.[29] This target was subsequently reduced to 1.68 million people for the same budget and time frame. The DFID country office in the DRC told us that the assumptions used in the original calculation of the number of beneficiaries from DFID's share of funding did not hold during implementation. DFID underestimated the unit costs of raw materials (particularly cement for toilet and water point construction) and there was a slower rate of delivery than expected.

Clarity of programme plans

DFID is not always clear what it is buying from UNICEF

2.11 Where DFID is one of multiple donors to a UNICEF programme and where DFID is funding a programme delivered by multiple UN agencies, the programme documentation and programme team sometimes lack clarity on what outputs and outcomes DFID is buying and from whom.

2.12 Both issues were apparent in the Sierra Leone Health 1 programme. DFID was one of multiple donors to the programme, which was delivered by four UN agencies – UNICEF, the World Food Programme (WFP), the World Health Organization (WHO) and the United Nations Population Fund (UNFPA). DFID gave funds to UNICEF to distribute on behalf of the three other UN agencies. The programme documentation did not specify what each agency was delivering with DFID funds. The

[28] Information provided by DFID via email, 13 December 2012.

[29] *Programme Memorandum, Village et Ecole Assaini, Rural Water Supply Sanitation and Hygiene Education*, DFID, September 2008, unpublished.

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DFID health advisers in Sierra Leone confirmed that no such documentation was available. We were unable to identify the specific indicators in the programme plans for which each agency is accountable. Also, DFID's plan for the programme[30] did not state the share of results attributable to DFID (it typically would).

2.13 In the case of the Sierra Leone Health 2 programme, the business case confirms that there will be four service providers (two are currently being procured). UNICEF is due to receive 51% of the funding (£12.7 million over four years). The objectives of the programme are clear and 28 performance indicators are specified. It is not immediately obvious, however, what UNICEF or other service providers are accountable for, making performance monitoring and evaluation difficult. In addition, there are no indicators specified for the service provider who will be responsible for partnership management, evaluation and learning. A separate plan, that specifies exactly what UNICEF is accountable for, was prepared by January 2013, ten months after the Contribution Arrangement was signed between DFID and UNICEF.

2.14 Original budgets submitted by UNICEF to DFID as part of funding proposals have often lacked detail, for example in the cases of the DRC Water and Sanitation (original budget), the Sierra Leone Health 1 and the Sierra Leone Bed Nets programmes.[31] UNICEF's Sierra Leone Bed Nets programme proposal budget for US$7.49 million included only six budget lines: bed nets; freight; clearing; distribution to end users; project monitoring; and UNICEF's cost recovery charge.[32] Further detail should have been provided by UNICEF, particularly in relation to on-the-ground activities (such as bed net distribution) to allow a proper evaluation of the proposed costs by DFID.

2.15 It should be normal practice for DFID to understand clearly what it is buying (where UNICEF has several programme donors) and from whom (in cases of joint UN programmes or programming). The lack of clarity we observed blurs accountability for results and makes judgements about benefits and value for money more difficult.

2.16 It should also be standard practice for DFID to carry out detailed scrutiny of UNICEF's plans and budgets before funds are given. This should be to a level where it has sufficient confidence in UNICEF delivering on its objectives. This is beginning to happen and was done in the recent cases of the Sierra Leone Health 2 programme and the DRC Water and Sanitation programme extension.

Delivery

Assessment: Amber-Red

2.17 In this section we consider the appropriateness of UNICEF as a delivery partner and as a procurement agent for DFID. We also consider the visibility of costs through the UNICEF delivery chain and the ways in which DFID manages its relationship with UNICEF.

Appropriateness of UNICEF as a delivery partner

DFID does not undertake options appraisal or local capacity assessment of UNICEF as standard procedure

2.18 UNICEF is frequently DFID's delivery partner of first recourse for reasons including: its global footprint; its proximity to communities and government; its significant local presence across conflict, fragile and post-conflict zones and its license to operate in these zones; its ability to manage delivery chains of both government and non-government partners and provide them with capacity-building support; and its procurement capability supported by its Supply Division in Copenhagen. Managing delivery chains is an important capability and Figure 5 on page 10 provides an example of a UNICEF delivery chain (the DRC Water and Sanitation programme), where 68% of UNICEF funds in 2011 were given to other organisations to deliver services. We were told by some DFID staff and other stakeholders that there is often 'no other option' to UNICEF when trying to deliver mother and child health-care programmes.

[30] The logical framework or logframe.
[31] *UNICEF Water, Sanitation and Hygiene 2007-2012 Programme Document, Democratic Republic of the Congo*, UNICEF, August 2008, unpublished.
[32] *UNICEF Funding Proposal to DFID: Scaling up LLINs Distribution to Reach Universal Coverage to Control Malaria in Sierra Leone*, not dated, unpublished.

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Figure 5: An example of a UNICEF delivery chain

The DRC Water and Sanitation programme is a national government programme, implemented by the Ministries of Health and Education of the Government of the DRC. It aims to improve the health of over 2,000 rural communities, across the 11 provinces of the DRC, by creating healthy environments where villages have protected springs and hygienic toilets and the people use good hygiene practices such as hand washing. The country is large (the distance from Kinshasa to Goma is almost 1,000 miles) and much of it is hard to reach.

Ten international organisations contributed to the programme in 2011: total donor funds were £16.4 million, of which DFID provided £9.8 million and UNICEF and its national committees provided £4.6 million. Other important donors included the United States Agency for International Development (USAID), the Government of Japan and the Government of Sweden.

UNICEF is implementing the programme through approximately 140 delivery partners. These are:

- provincial and district government health and education teams who supervise local activities and mobilise communities; and
- CSOs who work with villages and schools to protect or construct water sources and construct toilets (including buying materials such as cement) and train people in good hygiene practices (103 CSOs in 2011).

UNICEF also has a contract with a private company to drill wells and install hand pumps in areas where feasible.

UNICEF contracted the delivery partners and provides them with capacity-building support, through a dedicated 'Continuous Auditor'. UNICEF also employs local staff to support programme delivery. In 2011, 68% of the programme funds went to delivery partners. Only 5% was spent on UNICEF staff costs. DFID's money has paid for four positions at UNICEF Head Office: the Continuous Auditor, the Monitoring and Evaluation Adviser, the Institutional Policy Adviser and the Hygiene Promotion and Communications Specialist. About half of the programme's total costs were on materials and their transportation (which appears high but reflects the cost of locally bought cement and the challenges of distribution in a country the size of the DRC).

Source: Field visits to Bas-Congo and Bandundu provinces, DRC, October 2012, *Atlas 2011* and *UNICEF Funds Utilisation Report* [33]

2.19 Our visits to programme delivery locations and meetings with beneficiaries confirmed that UNICEF is working closely with communities and local government. For example, the Ghana and Sierra Leone Bed Nets programmes worked with local communities to understand their requirements and to mobilise volunteers to distribute and hang up the bed nets. This helped UNICEF and the respective governments to identify needs (for example, preferences in bed net types – material, size, shape and colour) and to mobilise communities around the potential benefits of taking part. It was also clear from our field visits in each of the three countries that UNICEF staff travelled outside the capital (typically monthly), visited communities and understood issues at a local level. UNICEF staff were flexible and during periods of intense programme delivery, field visits were more frequent (e.g. during the Ghana Bed Nets hang up campaign period).

2.20 Even with these strengths, a consideration by DFID of how UNICEF compares to other service providers would give a solid basis for ensuring transparency and value for money. Yet there were only two cases from the programmes we examined where DFID country offices formally considered an alternative to UNICEF (as they may do in the case of competitive tendering or even selection of non-profit delivery partners). These two cases were the second phases of the DRC Water and Sanitation programme and the Ghana Bed Nets programme.

2.21 Until very recently, DFID country offices did not undertake organisational due diligence of the financial and technical capacity of the local UNICEF office as standard practice and UNICEF's ability to deliver was taken largely on trust. As of 1 January 2013, DFID country offices are now required to undertake due diligence assessments of potential partners. Until this change, DFID did not fully understand at a local level whether UNICEF had the capacity and skills to manage a specific programme and multiple delivery partners. It is also unclear whether UNICEF is able to plan any required mitigation strategies at a local level. The success of programmes is often highly dependent on the individual capabilities of the UNICEF lead and key programme team members.

[33] *Atlas 2011, Ecole et Village Assainis*, Government of DRC, 2011; and *Funds Utilisation Report Village et Ecole Assaini*, UNICEF, February 2012, unpublished.

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There was little evidence to suggest that DFID plays an active role in the scrutiny and selection of UNICEF teams.

2.22 We note that some DFID advisers have undertaken some form of capacity assessment of UNICEF locally. For example, the DFID business case for the DRC Water and Sanitation programme's one-year funding extension did consider the risks involved in engaging UNICEF (although DFID relied on UNICEF's risk analysis, rather than carrying out its own). Recently, DFID has started to look at alternatives to UNICEF, to create more local delivery capacity as a way of spreading risk. In the DRC, DFID has facilitated the creation of a consortium of non-governmental organisations (NGOs) to deliver the DRC Water and Sanitation programme in parallel with UNICEF's delivery.

Oversight of UNICEF by DFID

DFID does not manage UNICEF robustly as a service delivery partner

2.23 DFID has been managing its relationship with UNICEF with a light touch, which is not always appropriate for the size of DFID's contribution, number of delivery partners contracted by UNICEF or risk involved in programme delivery. This means, for example, that risks are identified in programme business cases but are not used to anticipate or mitigate delivery problems and delays. DFID's approach to relationship management has been shaped by UNICEF's status as a UN agency and the constraints thereby imposed. It has also been shaped by the implicit trust DFID places in UNICEF, supported by the positive rating UNICEF received in the MAR.

2.24 DFID's light-touch approach is also not in line with the approach it generally follows to manage other service delivery partners, such as commercial organisations. UNICEF might think that a more involved relationship management approach by DFID is not appropriate where it itself has led programme design and is also providing funds from other sources. DFID, however, has a responsibility to ensure that its support is delivering results and value for money in all cases.

2.25 UNICEF's status as a UN agency means that DFID has to rely on the UN single audit process for financial assurance of UNICEF's programmes.[34] DFID is not able to employ an external programme auditor. In UNICEF, internal audit reports are typically completed at country office or thematic funding level (rather than programme level). Until recently, internal audit reports could only be seen by donors on request. UNICEF has, however, agreed to increase transparency by publishing all internal audit reports after 30 September 2012 on its website.

2.26 The primacy of the UN single audit principle is unlikely to change quickly. Instead, DFID country offices are negotiating one-off additional safeguards in programmes to provide increased assurance. One example is the appointment of a 'Continuous Auditor' to the DRC Water and Sanitation programme to build capacity and support delivery partners, at the request of DFID.[35]

2.27 The global Framework Arrangement forms the basis for all programme partnerships, regardless of the type of programme, fund size, implementation approaches or risk involved. This is supported by local Contribution Arrangements. Any changes or amendments to the global Framework Arrangement need to be approved by UNICEF centrally. The current Framework Arrangement is inadequate in relation to good management practice and is out of date, not yet reflecting amendments that DFID has been able to negotiate for individual programmes. For example, it specifies that UNICEF only needs to report every 12 months, although locally negotiated arrangements have reduced this to six months.

2.28 The Framework Arrangement also differs considerably from the stricter terms and conditions laid down in DFID's commercial service provider contracts. These typically stipulate payment in arrears against expenses incurred, quarterly reporting and other measures such as obtaining DFID approval on any changes in key staff,

[34] See: http://www.unicef.org/auditandinvestigation/index_65753.html.

[35] We also noted during our field visits that another UNICEF/DFID programme (Sierra Leone Medicines and Medical Supplies) was carrying out quarterly supply chain audits using an independent firm.

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employing an internal auditor and termination at any time without notice.

2.29 Good practice in supplier relationship management in the private sector also provides pointers for DFID and UNICEF to strengthen their working relationship with delivery partners. The private sector emphasises a collaborative approach with key strategic partners to improve quality and encourage innovation. This can be achieved through, for example, joint performance reviews and improvement initiatives. Collaboration is also improved by openness about performance, understanding and building on partners' strengths and having processes to escalate and resolve issues.[36] This emphasises the importance of close, two-way working relationships with key partners.

2.30 DFID is gradually shifting the terms of its relationship with UNICEF to include relevant good practice from its approach to managing commercial contractors. At a corporate level, DFID and other donors are applying pressure on UNICEF to make improvements, for example to UNICEF's organisation-level Results Framework.[37] More guidance is coming from DFID centrally on engaging with UNICEF, such as the *Commercial Considerations when Engaging with Multilateral Organisations* document, produced by the Procurement Group in October 2012.

2.31 At a country level, individual DFID advisers are negotiating new arrangements that hold UNICEF more accountable for delivering results and value. For example, in Sierra Leone the health adviser holds quarterly progress meetings with UNICEF and other health partners. At these meetings, each partner presents a short report outlining progress, results and issues for the programmes it manages. In the Water and Sanitation programme in the DRC, DFID has also established a process of quarterly progress meetings between itself, UNICEF and government partners and annual review recommendations are updated after each meeting.

2.32 The Framework Arrangement sets the tone for the relationship with UNICEF and provides the background for local, programme-specific agreements to be reached. The current Framework Arrangement needs to be updated to reflect the latest oversight practices in DFID country offices. DFID is aiming to have a new Framework Arrangement in place by the end of 2013. It states, however, that it could take longer to conclude the negotiations with UNICEF, based on previous experience. This time, DFID is collaborating with other donors on Framework Arrangement negotiations in order to have greater bargaining power.

Management of costs throughout the delivery chain

DFID is not clear on how UNICEF spends its cost recovery charge

2.33 UNICEF applies a 7% cost recovery charge on all funds given by DFID as Other Resources income.[38] The 2003 Framework Arrangement specifies that this is 'to assist in the recovery of indirect programme support costs incurred by UNICEF for the management of DFID contributions to UNICEF Other Resources'.[39] The money is retained by UNICEF to meet corporate costs (including a contribution towards the salaries of the few permanent staff in-country).

2.34 There is a lack of transparency about how this money is spent. The UNICEF Annual Report (2011) only confirmed that 2.8% of its expenditure was on the management and administration of the organisation and 5.6% of its expenditure was on programme support (at headquarters).[40] The 7% charge does not, therefore, currently cover all of UNICEF's overhead costs.

2.35 The UNICEF Executive Board has reviewed its approach to cost recovery, with encouragement

[36] Hughes, J. and Wadd, J., *Getting the Most out of SRM*, Supply Chain Management Review, January/February 2012, http://www.scmr.com/images/site/SCMR_JanFeb_2012_Getting_the_Most_Out_of_SRM_J420.pdf.

[37] Multilateral institutions report through 'Results Frameworks' where they define key performance indicators and monitor their progress against these. See for example the Asian Development Bank framework: *Development Effectiveness Review 2011 Report*, Asian Development Bank, April 2012, http://www.adb.org/sites/default/files/defr-2011.pdf.

[38] Note that 5% is charged on 'thematic expenditure' where funding supports one of the focus areas in UNICEF's Medium Term Strategic Plan (e.g. young child survival and development).

[39] *DFID/UNICEF Framework Arrangement for DFID Contributions to UNICEF Other Resources*, DFID, June 2003, unpublished.

[40] *Annual Report 2011*, UNICEF, June 2012, http://www.unicef.org/publications/files/UNICEF_Annual_Report_2011_EN_060112.pdf.

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from donors. In February 2013, it agreed that the cost recovery charge would increase to 8% for new projects starting from 2014. For its part, DFID continues to push for greater transparency and greater control of administrative costs.

2.36 UNICEF also incurs additional management and administration costs in-country on each programme (including such activities as monitoring and evaluation). Typically, each of the case study programmes has a small central team of advisory staff, plus central and regional administration.

UNICEF manages its partners' costs through its Harmonised Approach to Cash Transfer procedures

2.37 UNICEF and the other UN Development Group agencies (United Nations Development Programme (UNDP), UNFPA and WFP) use a standard set of procedures called Harmonised Approach to Cash Transfer (HACT) for their financial dealings with delivery partners. This is a risk-based approach to cash management where the level of risk determines the method of payment and the assurance activities required. Importantly, delivery partners are required to provide evidence of their expenditure before more funds are released (providing evidence of 80% of spending within three months and 100% within six months). Under HACT, delivery partners receiving more than US$500,000 during a country programme period (usually five years) should be audited at least once during that time by the UN agency concerned.

2.38 HACT gives comfort to DFID that its funds will be properly used. There was, however, evidence of delays in implementation caused by HACT, specifically in contracting with partners and authorising payments. This was most evident in the case of the DRC Water and Sanitation programme where UNICEF has more than 140 delivery partners, often small CSOs. In this programme, it has taken longer than anticipated to deliver programme activities to the villages, in part due to delays in UNICEF contracting with its delivery partners to provide services.[41] Whilst this reflects the low capacity of many of the partners, we believe that UNICEF could find ways to speed up its contracting procedures without increasing fiduciary risk.

2.39 Some issues on financial control are apparent. There was evidence from another DFID–UNICEF programme in Sierra Leone (Supply of Medicines and Medical Supplies[42]) of significant volumes of medicines going missing along the whole supply chain, from the port in Freetown down to local health facilities. With DFID pressure, UNICEF responded by appointing an international firm to carry out medicine supply chain reviews. It also introduced an accountability matrix to ensure that proper controls are in place when consignments are being opened and drugs are being distributed. UNICEF met the cost of the missing drugs from its own core resources.

2.40 Although UNICEF has fiduciary control of costs in its delivery chain, DFID typically does not have visibility of the costs, as a result of the light-touch management approach it follows. A large amount of DFID funds is passed by UNICEF to its delivery partners. Given this, DFID should maintain visibility further down the delivery chain and access information on the performance of high-value or high-risk UNICEF delivery partners when it is concerned about programme performance. UNICEF should provide DFID with management information that enables it to understand the performance issues of specific delivery partners.

Appropriateness of UNICEF for procurement

A significant proportion of DFID funds to UNICEF are used to procure medicines, equipment and supplies

2.41 Figure 6 on page 14 shows the composition of expenditure for the case study programmes. Significant proportions of programme expenditure have been spent on equipment and supplies. These include mosquito bed nets, cement and other inputs to construct toilets as well as some equipment and supplies related to UNICEF's programme operation. In the DRC Water and Sanitation programme, half of delivery partners' expenditure under 'Programme' is spent on

[41] Villages were taking between 18-24 months to achieve certification when our field visits suggested that 12 months should have been possible to achieve the participation of most of each community.

[42] Not considered in detail as part of this review.

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materials. The 'Programme' percentages also include indirect costs related to monitoring and evaluation.

Figure 6: Composition of programme expenditure

Programme	Period covered	Programme	Equipment/ supplies	Cost recovery
DRC Water and Sanitation	Phase 1 (to Feb 2012)	81%	12%	7%
SL Health 1	Phase 1	34%	59%	7%
SL Health 2	First four months	41%	52%	7%
SL Bed Nets	All	27%	66%	7%
Ghana Bed Nets	Phase 1	18%	75%	7%

Source: See Figure A2 in the Annex

2.42 One of UNICEF's strengths is its ability to manage large-scale procurement through its Supply Division, thereby providing an integrated service to donors. In our case study programmes, UNICEF undertook – or will undertake – procurement worth £21 million with DFID funds. Most money has been spent on procurement of long-lasting insecticide-treated mosquito bed nets (LLINs), as shown in Figure 7.

There was evidence that DFID could have made cost savings in the purchase of bed nets

2.43 DFID has the potential to make savings in large-scale procurements by comparing a UNICEF price estimate with information from other suppliers. UNICEF is not able to offer its procurement services as part of competitive procurement tendering exercises due to its privileges and immunities as a UN agency. Its own Supply Division website, however, provides price information. In Ghana, UNICEF provided price information that DFID was able to compare with another procurement agent.

2.44 UNICEF is a major buyer of bed nets and, over the last period 2007-11, delivered 110 million bed nets, representing 25% of global deliveries.[43] Even so, in 2011, DFID Ghana was able to get better prices for bed nets by using Crown Agents, its local procurement agent, rather than UNICEF, after Crown Agents approached DFID. According to DFID's Procurement Group, under Phase 2 of the Ghana Bed Nets programme, there was a saving of approximately £250,000 on the purchase of 2 million nets of the same type (a saving of 5.6% on the best UNICEF price and handling fee). The savings arose largely from a lower unit price for the nets (90% of the saving) and also from a slightly lower handling fee charged by Crown Agents.

Figure 7: Procurement undertaken by UNICEF in the case study countries

Programme	Expenditure on equipment and supplies		Main items procured
	Share of programme expenditure	Expenditure	
Ghana Bed Nets (Phase 1)	75%	£8.1 million	Long-lasting insecticide-treated bed nets
Sierra Leone Health 1	59%	£3.5 million	
Sierra Leone Bed Nets	66%	£3.5 million	
Sierra Leone Medicines and Medical Supplies	70%	£6.0 million	Drugs and medical supplies

Source: Estimated from UNICEF figures (see Figure A3 in the Annex), converted from US$ at £1 = $1.55

2.45 DFID can make savings when procuring through UNICEF by negotiating a lower cost recovery charge. We observed that in all case study programmes where UNICEF procured supplies with DFID money, a 7% cost recovery charge was applied by UNICEF and paid by DFID. If DFID procured directly from UNICEF Supply Division, however, a lower handling fee or charge would be applicable. Currently UNICEF charges 3% or 3.5% for bed nets and 4% or 4.5% for anti-malarial drugs for UN-designated Least Developed Countries[44] (LDCs) and non-LDCs respectively.[45] This handling fee covers procurement and delivery to port of entry only. It does not include clearance or any

[43] *Overview of UNICEF's Procurement of LLINs: Successes and Challenges*, UNICEF Supply Division, 1 February 2012, unpublished.

[44] Least Developed Countries (LDCs) are UN-defined low-income countries suffering from the most severe structural impediments to sustainable development, to which the UN provides special support. The UN uses criteria on gross national income, human assets, economic vulnerability and population size to define these countries.

[45] See UNICEF Supply Division website, http://www.unicef.org/supply/index_62330.html.

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onward distribution, so additional costs may be incurred. This does not, however, justify paying the higher cost recovery fee. Our concern is that the maximum resources should be spent on intended beneficiaries. DFID's Procurement Group informed us that engaging directly with UNICEF's Supply Division is feasible.

2.46 In Sierra Leone, neither DFID nor UNICEF were aware of the potential opportunity for saving on the cost recovery charge. In Ghana, DFID became aware of the savings opportunity only when it was approached by Crown Agents. This emphasises the importance of DFID country offices taking advice from the Procurement Group or a local commercial adviser when major procurements are being planned. This would ensure that options to secure the best prices are fully considered. This should include market testing prices from different suppliers. To ensure the best value through UNICEF, DFID should seek to negotiate, in the new Framework Arrangement, that the prevailing Supply Division handling fee will be charged on procurement, rather than the 7% cost recovery rate.

2.47 As an illustration, if the 5.6% reduction in price and handling fee (achieved in Phase 2 of the Ghana Bed Nets programme) had been replicated across the other bed net programmes in Figure 7 on page 14, this would have represented a saving of £850,000.

Impact

Assessment: Green-Amber 

2.48 This section considers whether DFID's assistance to UNICEF through the five case study programmes is delivering clear, significant and timely benefits for intended beneficiaries. We consider the intended and actual results of the programmes and give our assessment of impact and the sustainability of benefits delivered.

Expected and actual programme results

DFID assistance is delivering benefits but information to measure progress is patchy

2.49 We have compared each programme's actual performance against expected results as reported by UNICEF to DFID. From this, we can see that most programmes have progressed well to date on most measures (see Figure 8 on page 18 and Figure A2 in the Annex).[46]

2.50 **Sierra Leone Health 1:** there were significant delays in upgrading health facilities but the programme (being delivered by four UN agencies and other service providers) has achieved the following targets: deliveries by a skilled health provider; children under one year of age receiving all vaccinations; and children under five sleeping under a bed net. Information was not available about the incidence of fever amongst children under five.

2.51 Anecdotal evidence[47] from discussions with new mothers told us that they were willing to deliver their baby at the local health facility instead of at home, now that institutional deliveries were free of charge. Beneficiaries told us that they were given mosquito nets from UNICEF, which most claimed they were using. A handful of people in each village visited, including pregnant women who are at particular risk of malaria, admitted they were not using the nets.

2.52 **Sierra Leone Health 2:** in its first four months, the programme has achieved targets for women attending antenatal clinics, births attended by a skilled birth attendant and women attending post-natal clinics in a facility. The target for women having post-natal sessions at home was missed. Information is not yet available to measure targets for newborn lives saved and maternal death averted.

2.53 **Sierra Leone Bed Nets:** 2.78 million nets were procured by UNICEF and distributed by its partners and targets for pregnant women and children sleeping under a bed net were achieved. There

[46] DFID refers to the expected results in Figure 8 on page 18 as outcome indicators. In many cases we consider these to be outputs. For example, in the Sierra Leone Bed Nets programme, one of DFID's outcome indicators is '70% of pregnant women and 70% of children under five sleeping under a LLIN'. This is, in our view, an output, whereas the other outcome indicator ('18% of children under five with a fever in the last two weeks') does indeed constitute a desired outcome, that is, a real improvement for the intended beneficiaries of the programme.

[47] In Sierra Leone and the DRC, we visited three and nine villages respectively and discussed the programmes with both female and male community members at meetings held at village meeting places. In Ghana we visited two villages and met the community leaders and randomly selected bed net beneficiaries. In all three countries, we met local government officers at all the places we visited. We were accompanied by UNICEF staff at all times.

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was no information to measure the target for children under five having a fever in the last week.

2.54 **DRC Water and Sanitation:** the target for people having access to a healthy environment was scaled down to half the original target to reflect delays in the progress of the programme. This latest target has been met. In the DRC, we saw sanitary latrines and protected water sources that had been constructed with programme funds and were being maintained by community members. School children could demonstrate correct hand-washing practices, knew critical hand-washing times and could tell us why hand washing was important.

2.55 **Ghana Bed Nets:** 4.35 million bed nets were procured by UNICEF and Crown Agents and distributed by UNICEF and its partners. DFID had different results indicators for Phases 1 and 2 although it was a single campaign. Preliminary findings from an evaluation study covering three regions of the country show that usage of bed nets (people sleeping under bed nets) has increased after the bed net campaign. The globally-accepted targets of 80% usage amongst the general population (and 85% usage by pregnant women and children under five) which are used to indicate a likely decline in the incidence of malaria have not yet, however, been met.

2.56 The Ghana Bed Nets programme results were delivered late in both phases. In Phase 1, this was due to two polio immunisation campaigns which took priority. In Phase 2, delays were due to a rescheduling of the campaign activities in other regions (which DFID was not funding) as requested by the National Malaria Control Programme staff.

Assessment of programme impact

No conclusions can yet be drawn on the highest-level impact of the Ghana Bed Nets and Sierra Leone health programmes

2.57 DFID expects each of the case study programmes in Ghana and Sierra Leone to contribute towards improvements in maternal and under-five mortality rates (in other words, to contribute towards MDG 4 and MDG 5).[48] Indicators and targets are attached to each goal to determine progress (see Figure A2 in the Annex).

2.58 In Ghana, government health service staff told us that cases of suspected malaria presenting at health facilities were increasing. This is likely to be due mainly to the Government of Ghana's new National Health Insurance Scheme that provides free treatment and care, encouraging more people to seek diagnosis and treatment. Staff reported that the severity of malaria cases, however, was falling.

2.59 Whilst routine data on disease and mortality rates are available from the Governments of Ghana and Sierra Leone, DFID and UNICEF do not believe that they are sufficiently robust. Instead, in both countries, DFID and UNICEF are relying on the results of the periodic, national Multiple Indicator Cluster Survey (MICS, which is a UNICEF-promoted household survey) and the Demographic and Health Survey (DHS).[49] These provide disease rates and mortality data.[50] The national-level MICS and DHS data will reflect the impact of socio-economic changes over time and all programmes being implemented to reduce disease and mortality rates and not just the DFID–UNICEF programmes.

2.60 Both surveys are undertaken on a periodic basis. The MICS has been carried out every five years since 1995, although it will now be moving to a three-year frequency. The DHS is typically carried out every five years. The next cycle is due to be carried out in 2012-14 (MICS) and 2013 (DHS).

The DRC Water and Sanitation programme appears to be having positive results at community level

2.61 In the DRC Water and Sanitation programme, DFID and UNICEF are relying on ongoing

[48] In the case of the Sierra Leone Health 2 programme, it is too soon to assess impact as the programme only started in 2012. MDG 4: reduce child mortality rates; MDG 5: improve maternal health.

[49] More information on MICS is available at: http://www.unicef.org/statistics/index_24302.html and DHS at: http://www.measuredhs.com.

[50] It should be noted that there have been concerns raised by the academic community about the quality of data reported by UNICEF. For example: *Neonatal, Post Neonatal, Childhood and Under-Five Mortality for 187 countries, 1970-2010: A Systematic Analysis of Progress towards Millennium Development Goal 4*, The Lancet, 2010, 375 (9730), 1988 and *Rapid Scaling up of Insecticide-Treated Bed Net Coverage in Africa and Its Relationship with Development Assistance for Health: A Systematic Synthesis of Supply, Distribution and Household Survey Data*, PLoS Medicine, 2010, 7(8), e1000328.

programme-specific surveys and independent programme evaluations to provide impact data. They are not relying solely on the results of the next MICS or DHS surveys. According to the original Programme Memorandum, DFID and UNICEF anticipated that, in the target communities, the programme would result in 25% fewer cases of sickness due to diarrhoea in children under five.

2.62 In 2012, the results of the community-level knowledge, attitudes and practice (KAP) surveys, completed as part of the Healthy Village certification process, show an 82% reduction in diarrhoea incidence rate since the start of the programme.[51] This improvement is greater than expected.

2.63 We note that DFID and UNICEF have expressed concerns over the lack of evidence to demonstrate whether results are being sustained over time. In the DRC Water and Sanitation programme's Annual Review 2011, DFID noted the achievement of good results but recommended that UNICEF reviews diarrhoea incidence rates over time. This is in order to understand whether results are being sustained.[52] This was restated in the Annual Review 2012, which also identified the need to collect more robust proof of impact on health, through triangulation of KAP data with that of the local government health zone. The UNICEF team also told us that the timing of the KAP survey needs to be changed, to get a more accurate understanding of changes in diarrhoea incidence rates over time.

[51] *Annual Review 2012 Village et Ecole Assaini Programme*, DFID, October 2012, http://projects.dfid.gov.uk/project.aspx?Project=200196.
[52] *Annual Review of the Village et Ecole Assaini Programme (Healthy Village and Healthy School)*, DFID, October 2011, unpublished.

2 Findings

Figure 8: Case study programmes – expected and achieved results, based on DFID and UNICEF reports

Country and programme	Main results expected[53]	Main results delivered[54]
Sierra Leone Reproductive and Child Health (Health 1) We are highlighting only those results delivered by UNICEF	By April 2012: ■ 56% of babies delivered by skilled health provider	By 2012: ■ 62% of baby deliveries attended by skilled health provider
	■ 68% of children receiving all basic vaccinations before 12 months of age	■ 85% of children under one receive pentavalent vaccination (a combination of five vaccines in one)
Sierra Leone Improving Reproductive, Maternal and Newborn Health (Health 2) We are highlighting only those results delivered by UNICEF	By 2012-13: ■ 159,200 women attending four or more antenatal care sessions	By June 2012: ■ 96,100 women attended four or more antenatal care sessions
	■ 132,700 facility-based births attended by a skilled birth attendant	■ 50,300 facility-based births attended by a skilled birth attendant
	■ 65% of women receive one or more post-natal care session one to two days after birth	■ 27% of women received one or more post-natal care sessions one to two days after birth, at home ■ 67%[55] of women received one or more post-natal care sessions one to two days after birth, in a facility
Sierra Leone Bed Nets	By 2011: ■ 70% of pregnant women and 70% of children under five sleeping under a LLIN	By June 2011: ■ 77% of pregnant women and 73% of children under five sleeping under a LLIN
	■ 18% of children under five with a fever in the last two weeks	■ Fever data not available
DRC Water and Sanitation	By September 2012: ■ 1.68 million people have access to a healthy environment in 2,248 villages	By September 2012: ■ 1.72 million people have access to a healthy environment in 2,478 villages
	■ 240,000 students have access to a healthy environment in 600 schools	■ 332,300 students have access to a healthy environment in 841 schools
Ghana Bed Nets	Phase 1 – by April 2011: ■ 70% of households have at least one LLIN ■ 60% of households have at least one LLIN per two people ■ 24% of districts have completed training on volunteer hang up	Phase 1 – by December 2011 (for both regions, preliminary results): ■ 79% of households have at least one LLIN and 43% have one LLIN per two people ■ 54% of children under five and 48% of pregnant women sleeping under a bed net
	Phase 2 – by April 2012: ■ 70% of pregnant women sleeping under a LLIN ■ 70% of under fives sleeping under a LLIN	Phase 2 – by June 2012 (preliminary figures): ■ In Brong Ahafo region, 95% of households have at least one LLIN and 69% of households have one LLIN for every two people, with 2 million nets supplied in three regions ■ 75% of children under five and 70% of pregnant women are sleeping under bed nets[56]

Note: (1) These results are as given in UNICEF and DFID reports. We did not independently verify the validity of the data in these reports. It is being presented to provide an indication of programme progress against objectives. (2) The results are shown for the whole programme rather than for just the DFID share. For the DFID share, see Figure A2 in the Annex. In the case of the Sierra Leone Health 2 programme, some output targets are quoted as these give absolute numbers of people to benefit (which is reported by UNICEF) rather than a percentage (which is how the DFID outcome target is specified).

[53] Targets and achievements as set out in DFID–UNICEF programme plans, except for the Sierra Leone Health 2 programme, where the targets are taken from *IRMNH Progress Report 1 March-30 September 2012*, UNICEF, unpublished.

[54] All the data quoted is drawn from government or UNICEF routine monitoring or programme evaluation sources with one exception (Sierra Leone Health 1 – skilled births) which is taken from the national MICS for 2010. Data sources: Sierra Leone Health 1: from *Fourth Annual Progress Report, UN Joint Programme in Support of the National Reproductive and Child Health Strategic Plan*, UNICEF, 2012, unpublished; Sierra Leone Health 2: from *IRMNH Progress Report 1 March-30 September 2012*, UNICEF, unpublished; Sierra Leone Bed Nets from presentation made to ICAI team by UNICEF, *Achieving Universal Coverage of LLINs in Sierra Leone: Integrated Distribution Campaign Nov-Dec 2010*, UNICEF, unpublished; DRC Water and Sanitation: from *Annual Review 2012 Village et Ecole Assaini Programme*, DFID, October 2012, available at: http://projects.dfid.gov.uk/project.aspx?Project=200196; Ghana Bed Nets Phase 1 from *Progress Report: Support for Universal Access to Long Lasting Insecticide Treated Nets in Ghana*, UNICEF, April 2012, unpublished; Ghana Bed Nets Phase 2 from *Annual Review of Prevention of Malaria through Procurement and Distribution of Long Lasting Insecticide Treated Nets (Malaria 2) June 2012*, DFID, unpublished. Preliminary results from the Hang-Up Campaign Evaluation in Central, Western and Brong Ahafo regions, UNICEF, unpublished.

[55] 122% was reported in the UNICEF IRMNH Progress Report 1 March-30 September 2012. DFID has advised that a recent review of the data collection approach for the indicator reduced the figure to 67%.

[56] Figures are for Brong Ahafo region.

2 Findings

Long-term sustainability

There are positive indications of sustainability of benefits

2.64 Overall, current prospects for the sustainability of benefits delivered appear relatively positive. DFID supports UNICEF in the implementation of programmes that are owned and driven by recipient governments, recognising government as the main service provider. Prospects for sustainability are enhanced where governments have – or are building – their own capacity to deliver services.

2.65 Put another way, DFID is not supporting short-term donor-owned programmes which require transfer of ownership to government. Unfortunately, limited budgets and capacity gaps within government, particularly in the DRC and Sierra Leone which are fragile and post-conflict countries, mean that continuing donor funding and technical assistance will be required. In most cases, DFID has already committed to this.

2.66 The case study programmes recognise the importance of encouraging community ownership of programmes – a key factor positively influencing sustainability of benefits. The DRC Water and Sanitation programme establishes community committees to drive forward programme implementation. The Ghana and Sierra Leone Bed Nets programmes involve community volunteers for campaigning and monitoring. These have not, however, always been effectively implemented. For example, our field visits highlighted that women's participation on the DRC Water and Sanitation programme committees was not always strong. Also, communities were not always clear on roles and responsibilities for the operation and maintenance of water assets created under the programme.

2.67 With the bed net programmes, the current nets last for an average of three years. The main challenge is ensuring continued ownership and use of nets into the future, so that the benefits of the recent universal campaigns can be maintained. For example, in Ghana, additional replacement nets are being provided through routine visits to health clinics, particularly for high-risk groups such as pregnant mothers. There is a wider question about how to maintain bed net ownership throughout the population, where the eventual aim needs to be to encourage people to purchase their own replacement nets wherever possible. Sustained behaviour change is also important to ensure that people continue to sleep under the nets. This is being encouraged by Ghana health service staff, through its regular health clinics.

2.68 UNICEF usually engages with governments on a sector- or issue-wide basis (e.g. mother and child health including immunisation programmes), providing a holistic package of support. It is therefore likely to continue to provide support to recipient governments over the medium to long term, provided it can secure funding from donors. This means that it is likely to continue to be present within communities after specific DFID-funded programmes have been completed.

Further programme investments are sometimes being made on the basis of an unproven theory of change

2.69 The case study programmes include those with a proven theory of change[57] supported by a strong global evidence base (the bed net distribution programmes). They also include those with an unproven programme theory of change for which the global evidence base is weaker (the Sierra Leone Health 1, Sierra Leone Health 2 and to some extent, the DRC Water and Sanitation programmes). Measuring impact is especially critical for the latter, particularly when making further investments in these programmes.

2.70 DFID has already made significant commitments to the Sierra Leone Health 2 programme (£12.7 million). In the absence of adequate data about the impact of its predecessor, the Sierra Leone Health 1 programme, funding of the Health 2 programme was made on the assumption that the theory of change is working. The Health 2 programme was approved and started before impact data on the Health 1 programme were known. We acknowledge that DFID's continued support to the government's Free Health Care Initiative would have made any break in funding between the

[57] A theory of change is a model which sets out how a planned intervention will work and have the intended impact. The assessment of a programme will typically look at this rationale and undertake work to understand what happened and why, so as to test whether the theory of change underlying the aid project has proved to be valid.

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Health 1 and Health 2 programmes difficult. Yet DFID's reliance on periodic surveys for results highlights the lack of alternative sources of indicative data over the short term. Finding or commissioning robust independent evaluations is a priority.

2.71 UNICEF received an additional £11.6 million from DFID for a one-year extension (2012-13) to the DRC Water and Sanitation programme.[58] DFID is preparing a business case for a second phase of the programme (£84.6 million, 2013-19). To support its decision-making, DFID has limited impact data, an independent evaluation study and reports from third party monitoring that was undertaken in five out of 11 provinces in 2011. DFID and UNICEF staff both stated that the independent evaluation study was of poor quality, although DFID did consider the third party monitoring to be valuable.[59] The experience of the first phase suggests that significant undertakings should be sought before this scale of additional funding is approved. For example, every effort should be made by UNICEF and its partners to reduce delivery costs through smarter procurement of materials.

Learning

Assessment: Green-Amber 

2.72 This section considers whether there are appropriate reporting and monitoring arrangements in place, at the levels of the DFID–UNICEF global relationship and individual programmes. It also assesses how DFID learns lessons about managing its relationship with UNICEF and incorporates those into programme design and delivery.

Reporting and monitoring

Centrally, DFID has limited oversight of its overall relationship with UNICEF

2.73 The United Nations and Commonwealth Department in DFID leads the global relationship with UNICEF, working with the UK Mission to the UN in New York.[60] The UNCD focusses on managing DFID's core contributions to UN agencies and the Board-level agency relationships (including UNICEF). DFID does not maintain readily accessible, detailed information on DFID's bilateral funding of UNICEF through country programmes. DFID does not have oversight of the total portfolio of activities that UNICEF undertakes on behalf of DFID or the total contribution that UNICEF makes to DFID's global targets in its key results areas. Initial work, published in 2012, shows the contribution of multilateral core funding and the bilateral programme to achieving DFID's key indicators. DFID, however, has not aggregated its UNICEF-delivered results to establish their total contribution separately.[61]

2.74 This situation reflects the devolved nature of activity in DFID and that DFID's financial management system is not designed to produce this type of aggregate information. The consequence may be that DFID is not fully able to maximise its influence with UNICEF.

2.75 Three quarters of DFID's support to UNICEF flows from country offices. Improved information on the whole relationship would therefore help the UNCD to represent the UK better in negotiations with UNICEF headquarters. It would also support country offices to secure better terms in their local negotiations. The situation is changing and the UNCD is now working more closely with country offices to improve the flow of information about UNICEF.

UNICEF's monitoring and evaluation varies in quality and DFID is not pushing UNICEF hard enough to act on recommendations

2.76 UNICEF's process of monitoring programme-level results varies in quality and DFID does not appear to hold UNICEF sufficiently to account. Often, UNICEF's narrative reports do not include updates against the main indicators from the programme plan (e.g. the Sierra Leone Health 1 programme).

[58] The extension funds were primarily for the Healthy Villages component of the programme.
[59] *Evaluation of the School Sanitation and Village Sanitation Programme*, carried out by Eau et Assainissement pour l'Afrique (EEA) for UNICEF, 2012, unpublished.
[60] DFID's Conflict Humanitarian and Security Department (CHASE) manages the central contributions to UNICEF's Humanitarian Thematic Fund.
[61] *Annual Report and Accounts 2011-12*, DFID, July 2012, http://www.dfid.gov.uk/Documents/publications1/departmental-report/2012/Annual-report-accounts-2011-12.pdf.

2 Findings

This makes it difficult to assess actual progress against the planned objectives.

2.77 With DFID and UNICEF support, the Government of the DRC has established an online database to track progress and make up-to-date programme data on the Water and Sanitation programme publicly available.[62] The status of participating villages is monitored by district supervisors, using mobile phone messaging to transmit data to the central database. The database and a supporting 'atlas' that is published annually are good examples of enhanced transparency by UNICEF. DFID and UNICEF are also developing and sharing a balanced scorecard, monitoring delivery partner performance.

2.78 In the DRC programme, diarrhoeal morbidity rates are the critical goal-level indicator. The 2011 Annual Review completed by DFID recommended that UNICEF consider how to build in mechanisms to review these rates over time. This was restated in the 2012 Annual Review.[63] UNICEF agreed with this requirement and together with DFID, decided to address the issue using funding provided during the extension phase in 2012-13. While recognising the value of maintaining momentum in the programme, this delay represents a lost opportunity to understand at an early stage the sustainability of programme results.

2.79 Effective evaluation is an important part of organisational learning. DFID, however, is not pushing UNICEF hard enough to ensure that robust, high quality, independent programme evaluations take place. DFID commissioned an independent evaluation of both phases of the Ghana Bed Nets programme – the full evaluation reports will be available in early 2013. UNICEF commissioned an independent evaluation of the Water and Sanitation programme in the DRC. This was not thought by DFID or UNICEF to be particularly valuable. No such evaluations have so far been carried out into the UNICEF-delivered part of the Sierra Leone Health 1 programme. Local independent monitoring has, however, been carried out by the Health for All Coalition (a local CSO) and Save the Children. DFID and UNICEF should continue to invest in evaluation and in particular should be more cautious with attribution of results from DFID support and UNICEF activity.

Sharing lessons and managing knowledge

DFID shares technical knowledge and is improving the way it shares its experience of managing UNICEF

2.80 DFID shares technical information internally, through its professional network of advisers. For example, it has compiled and shared research into malaria and water and sanitation.[64] There is also evidence that UNICEF's programmes are using global best practice. For example, the bed net programmes follow WHO guidelines and research evidence on the advantages of the free issue of bed nets.[65]

2.81 DFID is less effective at sharing its experience of managing its UNICEF relationships. There are examples of individual DFID advisers developing new approaches to working with UNICEF in order to manage results better. This knowledge is not yet being shared effectively within DFID for other country offices to benefit. The visible impacts of poor knowledge transfer range from poor value for money (for example, in procurement), to loss of opportunity for risk reduction in other DFID–UNICEF partnerships. An example of this is making advisers aware of such initiatives as the DRC continuous auditor or the Sierra Leone quarterly progress meetings.

2.82 As an example of local learning, in Sierra Leone, DFID has changed its mode of partnership with UNICEF between the Health 1 and Health 2 programmes. Under the Health 1 programme, DFID funded a UN 'joint programme' approach. Here UNICEF was the administrative agent receiving, allocating and managing funds on behalf of the other UN agencies (UNFPA, WHO and WFP). In the Health 2 programme, DFID has

[62] Available at: http://www.ecole-village-assainis-bdd.cd/va/.
[63] *Annual Review 2012 Village et Ecole Assaini Programme*, DFID, October 2012, http://projects.dfid.gov.uk/project.aspx?Project=200196.

[64] *Malaria: Burden and Interventions, Evidence Overview*, DFID, December 2010, http://www.dfid.gov.uk/Documents/prd/malaria-evidence-paper.pdf;
DFID Evidence Paper: Water, Sanitation and Hygiene, DFID, September 2011, http://mcedc.colorado.edu/sites/default/files/DFIDevidencepaperWASH.pdf.
[65] *Malaria, Fact Sheet No. 94*, World Health Organization, April 2012, http://www.who.int/mediacentre/factsheets/fs094/en/index.html; *The Price Is Wrong*, Abdul Latif Jameel Poverty Action Lab (J-PAL) Bulletin, April 2011, http://www.povertyactionlab.org/publication/the-price-is-wrong.

stipulated a 'joint programming' approach, the difference being that DFID will contract separately with UNICEF and UNFPA, rather than UNICEF acting as a pass-through agency for UNFPA. Discussions with DFID staff revealed that this related to its lack of satisfaction with UNICEF's ability to co-ordinate and manage activities on behalf of other UN agencies.

2.83 DFID centrally, in particular the UNCD team and Procurement Group, is now increasing its focus on supporting country offices to manage their UN relationships better. The Procurement Group has issued guidance on procurement and on commercial considerations when dealing with multilateral organisations. The Procurement Group document provides good practice advice on project design and management and this advice needs to be reinforced and implemented at country office level. It does not include guidance on the models of engagement that DFID has with UNICEF at country level or identify the different competencies available from UNICEF (e.g. programme delivery, procurement and/or advocacy). We are not aware that guidance of this kind exists anywhere within DFID.

2.84 The UNCD has put in place mechanisms to improve information flows on managing UN partners. This includes the creation of a new post of Country Engagement Manager in the UNCD which was filled in 2012, with an additional Country Engagement Manager to be appointed in 2013. These people will work with country offices to support them in managing their UN relationships better, whilst sharing best practice across countries. This should provide DFID with a strong knowledge base to support negotiations with UNICEF headquarters.

Future design and delivery challenges

2.85 The ongoing UNICEF programmes that we reviewed face design and delivery challenges, which are being addressed by UNICEF and DFID.

2.86 For example, the DRC Water and Sanitation programme faces several challenges, the most important of which is how to scale up faster. We believe that the certification of villages could be achieved more quickly by speeding up UNICEF contracting and financial management procedures for its delivery partners. It would also be worth considering how to involve motivated villages, for example by providing hygiene education, before the other elements of the programme. The programme is also working to sustain results post-certification and DFID and UNICEF are planning a post-certification phase that should help with this. Finally, DFID needs to resolve quickly how the new NGO consortium will work alongside UNICEF without detracting from what is already being achieved.

2.87 In Sierra Leone, the main challenge facing the Health 1 programme is how to upgrade health facilities faster to achieve the standards for emergency obstetric care. One of the standards that most community health centres are struggling to reach is the availability of laboratory facilities able to carry out haematology, microscopy and biochemistry.[66] Government hospitals face issues with availability of tracer drugs and consumables, which is an issue that DFID and UNICEF should be able to address through the Medicines and Medical Supplies programme (which is due to finish in 2013).[67]

[66] *Progress of Selected Community Health Centres in Achieving Emergency Obstetric and Neonatal Care Status*, UNICEF, September 2012, unpublished.
[67] *Progress of Selected Government Hospitals in Achieving Emergency Obstetric and Neonatal Care Status*, UNICEF, September 2012, unpublished.

3 Conclusions and Recommendations

Conclusions

3.1 DFID and UNICEF have a mutually beneficial and trusting relationship. Globally, DFID sees UNICEF as a credible delivery partner and an effective vehicle to disburse aid and deliver results on the ground in MDG priority areas. DFID relies heavily on UNICEF to take on the challenge and risk of working in difficult environments, often where few others will work, as well as managing multiple delivery partners. UNICEF relies heavily on DFID for core and non-core funding and, alongside that, recognises the quality of technical input that DFID advisers are able to give. DFID should, however, be more sceptical and challenging in managing this relationship to ensure that UNICEF focusses more intently on delivering results through a robust value for money approach.

3.2 DFID's funding to UNICEF has more than doubled over the period 2007-11. Today, it is the second-largest funder of UNICEF, providing £195 million in 2011, of which three quarters was given by country offices. As noted by DFID staff at central and country office level, the positive rating given to UNICEF in the MAR (2011) has given impetus to the relationship. It is being used by DFID to justify increased funding at central and country levels.

3.3 DFID supports UNICEF in delivering against the MDGs. Programme objectives are generally relevant and support government priorities, although they are not always realistic in more complex programmes. With the five case study programmes, engagement documents such as plans, budgets and reports were not always produced in sufficient detail or clear about what UNICEF was being asked to deliver. The case study programmes are, on balance, delivering against their targets although information is not always available to make this assessment.

3.4 The importance that DFID places on UNICEF, as indicated by the increasing size of funds given, needs to be matched by strengthened management of its relationship with UNICEF. Whilst DFID manages its core funding relationship closely, focussing on agreed key reform priorities, it does not yet have the same oversight of the whole of its bilateral UNICEF portfolio, which comprises some three quarters of its total commitments to UNICEF. DFID is able to collate basic financial data on its total portfolio with UNICEF but these need to be more detailed and readily accessible so that they can be analysed and used by DFID to strengthen its relationship and improve programme performance. Most critically, DFID – at the headquarters level – does not know what overall contribution UNICEF makes to achieving the key results in the DFID Results Framework. DFID has not aggregated its UNICEF-delivered results to establish their total contribution separately. It also lacks a full appreciation of the issues and good practice in DFID's country office relationships with UNICEF.

3.5 Whilst technical information is generally being shared, best practice in managing its relationship with UNICEF is not being shared effectively between DFID country offices. The partnerships DFID has with UNICEF are multi-dimensional, with DFID requesting UNICEF to play different roles, requiring different competencies. For example, UNICEF may play the role of programme implementer, procurement agent or programme co-ordinator (in the case of a Joint UN programme where multiple UN agencies are involved). It is critical that DFID shares guidance on recommended models of engagement with UNICEF reflecting these different roles.

3.6 This situation is compounded by the out-of-date global Framework Arrangement that is being used to govern country-level decision-making and is applied uniformly to all models of engagement with UNICEF. The need for a global Framework Arrangement that sets out the minimum globally applicable terms and conditions of a DFID–UNICEF partnership is clear. Sufficient flexibility and decision-making authority should, however, be left with DFID and UNICEF country offices in order to tailor a set of terms and conditions of partnership that suits the particular context. This would be fulfilled by a basic global Framework Arrangement supported by country-level Contribution Arrangements.

3 Conclusions and Recommendations

3.7 Stronger oversight of its UNICEF portfolio at both central and country office levels, governed by a more favourable Framework Arrangement, should generate benefits for DFID in terms of results delivery and value for money. It should also enable it to maximise its influence with UNICEF by having a stronger evidence base. These benefits should outweigh any additional costs incurred in carrying out the oversight. In particular, such a clear view of the UNICEF portfolio should lead to:

- more impactful representation for the UK Government at UNICEF Board level;
- greater ability for DFID to negotiate improvements and changes to its engagement arrangements with UNICEF; and
- better project management by DFID country offices of its relationship with UNICEF, as best practice and lessons learned are disseminated.

3.8 DFID has a high degree of trust in UNICEF as a service delivery partner. We believe that this, together with UNICEF's positive rating in the MAR, has led to DFID managing UNICEF with a light touch. DFID does not treat UNICEF with the same degree of commercial scepticism that it has for its other service providers, for example in terms of payment, monitoring and evaluation and staffing arrangements.

3.9 We recognise that DFID's approach to managing its relationship with UNICEF is partly shaped by the privileges, immunities and financial rules and regulations which apply to the UN.[68] We believe, however, that there is a need for stronger engagement and management procedures, which DFID itself is starting to recognise. Experience from this review shows that some one-off as well as some systematic efforts are being made within DFID to move the relationship with UNICEF onto a more commercial basis. Our recommendations are designed to reinforce this approach.

Recommendations

Recommendation 1: DFID should manage its relationship with UNICEF as a strategic delivery partner, by maintaining regular oversight of its UNICEF portfolio as a whole and managing UNICEF relationships with a greater focus on results and value for money.

3.10 This will involve, for example:

- understanding the contribution that UNICEF is making to the DFID Results Framework, through its activities as a multilateral agency and as a bilateral programme delivery partner;
- monitoring the portfolio of programmes being managed by UNICEF and collating evidence to ensure that DFID is able to secure as much influence as possible in its negotiations with UNICEF; and
- developing and distributing guidance on its different models of engagement with UNICEF, particularly reinforcing current best practice in oversight, procurement and general commercial issues and ensuring that these are adopted at country office level.

3.11 We recognise that, over the last 12-18 months, the UNCD has made progress towards this. It has, for example, appointed a Country Engagement Manager (for all UN agency relationships), published guidance documentation on engaging with multilateral organisations and moved to update the global Framework Arrangement. We hope to see this momentum sustained.

Recommendation 2: DFID should negotiate an updated global Framework Arrangement with UNICEF, which reflects current best practice in management of the partnership, clarifies procurement charges and is aligned more closely with DFID's approach to managing commercial contractors.

3.12 The new Framework Arrangement should provide sufficient scope to DFID country offices to put in place programme-specific terms and conditions through local Contribution Arrangements, without requiring additional approvals from UNICEF centrally. These negotiations should be completed by the end of 2013 at the latest and should, for example, include:

- tightened minimum standards for reporting (increased to at least six monthly from annually);

[68] *Convention on the Privileges and Immunities of the United Nations*, United Nations, 1946, http://www.undp.org.vn/digitalAssets/29/29151_UN_Convention_on_Priviledges_and_Immunities.pdf.

3 Conclusions and Recommendations

- frequency of advance payments changed from annual to six monthly; and
- the applicability of UNICEF's different cost recovery and handling fee rates, particularly relating to procurement.

3.13 DFID should negotiate an arrangement whereby its use of UNICEF to procure supplies and equipment should be subject to the prevailing handling fees charged by UNICEF's Supply Division rather than any higher cost recovery charge.

Recommendation 3: DFID should strengthen its management of UNICEF's local programme delivery, building on good practice seen in some DFID country offices and reflecting approaches used to manage other types of service delivery partner.

3.14 Examples of good practice include but are not limited to:

- undertaking an options analysis, where practicable, before engagement with UNICEF to ensure it is the best value for money partner both on implementation and procurement;
- carrying out due diligence of local UNICEF office capacity and risks, extending to critical local delivery partners;
- putting in place additional safeguards for financial management (based on existing practices) where the programme size or risk merits it;
- developing a unique plan for the UNICEF component of each programme;
- ensuring that appropriate indicators are used at impact, outcome and output levels as the basis for programme monitoring and evaluation;
- carrying out detailed reviews of programme budgets, work plans and staffing plans;
- requiring UNICEF to report progress against all of its outcome and output indicators on a regular basis;
- holding quarterly progress review meetings, where warranted by the size of the programme and risks involved;
- having sufficient oversight of UNICEF's local delivery partners, where programme risks warrant this; and
- evaluating more robustly the impact of programmes.

3.15 Detailed guidance will need to be provided to country offices by DFID's United Nations and Commonwealth Department about these new working practices.

3.16 A small number of programme-level recommendations is given in the Annex.

Annex

1. This Annex provides more detailed background information to the review. This includes a summary of the traffic light scores of the five case study programmes (Figure A1); profiles of the five case study programmes (Figure A2); details of the programme-level recommendations made as a result of our visits (Figure A3); and a summary of recommendations from other ICAI reports that affect UNICEF.

Figure A1: Summary of scoring by project

2. This table provides a breakdown of our scoring for each of the five case study programmes, against our four criteria of objectives, delivery, impact and learning.

Share of case study funding to date	Objectives	Delivery	Impact	Learning	Overall
DRC Water and Sanitation					
52%					
	Objectives are relevant and align closely with those of the Government of the DRC. Assumptions that were made at the outset of the programme on unit cost, rate of delivery and DFID attribution did not hold over time. This led to DFID having to halve the number of beneficiaries it can reach with its grant to UNICEF, in the same time scale.	Over 140 delivery partners are being used. Positive efforts have been made to monitor project costs, including the employment of an auditor to monitor and support delivery partners. Delivery has been behind schedule, in part due to UNICEF's procedures.	According to DFID and UNICEF data, the programme is delivering positive health outcomes, although the data do not currently demonstrate whether these results are being sustained over time. Arrangements to ensure sustainability of community assets are not strong.	The programme's monitoring and evaluation arrangements need strengthening. An external evaluation was completed in 2011 but is not very insightful. Arrangements to monitor change in illness due to diarrhoea must be strengthened to ensure that results are being sustained over time. This has not yet been acted upon by UNICEF even though DFID has raised it as an issue in its last two Annual Reviews. There are some innovative practices in place including the online database of progress and the use of mobile phone messaging to collect progress data.	This is a relevant and ambitious programme. Anecdotally, it is delivering positive health outcomes to villages. DFID and UNICEF now need to understand fully the long-term impact of the programme.

Annex

Share of case study funding to date	Objectives	Delivery	Impact	Learning	Overall
Ghana Bed Nets					
23%	G	G A	G	G	G
	The programme had clear, relevant and realistic objectives, supported by a clear plan of work. It was part of the Government of Ghana's Universal Access to Bed Nets campaign.	There was a delay in programme delivery, largely due to circumstances outside the control of UNICEF and DFID. DFID has sought to improve value for money in bed net procurement in Phase 2 by undertaking market testing. DFID did not do this in Phase 1.	Targets for distribution and hang up of bed nets have been met. Data on usage of nets and impact on change in malaria prevalence were collected by independent evaluations at the end of 2012, the reports of which are due to be available in 2013.	The programme methodology is built on global good practice of what works in bed net distribution and usage.	This was a relatively straightforward programme to procure and deliver bed nets to people in five regions. It has proceeded largely as planned, with some delays outside DFID's and UNICEF's control. The impact on malaria prevalence is still to be seen.
Sierra Leone Health 1					
12%	A R	A R	G A	G A	A R
	This was an ambitious programme with relevant objectives but which lacked clear plans to hold UNICEF and the other UN partners fully accountable. From the plans, it was difficult to determine what DFID is getting from UNICEF for the funds granted.	There was no real alternative to UNICEF but no risk analysis of this approach was carried out by DFID. The programme became part of a multi-donor, Government of Sierra Leone Free Health Care Initiative for pregnant and lactating women and children under 5 years of age. Donor co-ordination was effective. UNICEF was not wholly effective in managing other UN delivery partners.	According to DFID–UNICEF data, the programme has achieved some key results, e.g. deliveries attended by a skilled health provider and immunisation of children under one year of age. The programme has not achieved its targets on upgrading health facilities, partly due to factors outside DFID's and UNICEF's control.	Given the complexity of the programme in terms of number of delivery partners (and number of funders), DFID's oversight of the programme was too light. Stronger results monitoring could have filedl in the time gaps between MICS and DHS surveys.	Whilst a highly relevant programme, DFID has not managed it well. The absence of clear roles and responsibilities is problematic. It is difficult to attribute specific benefits to DFID's support.

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Share of case study funding to date	Objectives	Delivery	Impact	Learning	Overall
Sierra Leone Health 2					
3%					
	This programme has relevant and realistic objectives, building on the experience of the Sierra Leone Health 1 programme, to support the Government of Sierra Leone's health service delivery. The programme still lacks a specific plan and objectives for UNICEF but DFID is working on this.	There is no evidence that DFID negotiated with UNICEF to ensure that it is getting the best price in procurement of bed nets and other supplies from UNICEF, including the handling fee. There has been a delay in appointing two of the four delivery partners.	According to initial data, UNICEF is mostly on track in meeting its objectives.	DFID has learned lessons from the experience of the Sierra Leone Health 1 programme, to design this programme. The local DFID Health Adviser has implemented a system of quarterly review meetings with the major DFID health partners, in order to keep a close eye on programme performance.	The programme only began in 2012 and initial indications are that, with the exception of procurement issues, it is progressing well against targets.
Sierra Leone Bed Nets					
10%					
	The programme had clear, relevant and realistic objectives, supported by a clear plan of work. This programme was part of the Government of Sierra Leone's malaria prevention and control programme.	UNICEF managed the procurement and distribution of bed nets, although DFID did not market test prices. Community volunteers were used for the hang up campaign.	According to DFID and UNICEF data, targets for distribution and hang up of bed nets and for pregnant women and children under five sleeping under a bed net have been met. Data on changes in malaria-related illness and death are not yet available.	The bed net distribution methodology is built on global good practice of what works in terms of bed net distribution and usage. .	This was a relatively straightforward programme to procure and deliver bed nets in Sierra Leone. It proceeded as planned. The impact of it on malaria-related illness and death is still to be seen.
Overall					
100%					

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The case study programmes

3. The review considered in detail five programmes as case studies. The following table provides a summary of their main features. Indicators are set out as per DFID's classification, although we view many of the outcome indicators to be outputs.

Figure A2: Profiles of our case study programmes

Programme description	Programme purpose, key activities and key targets	Programme results achieved as per DFID and UNICEF reports
Sierra Leone Health 1: support to the Government of Sierra Leone's Reproductive and Child Health Strategy (2009-13). DFID funds to UN agencies: £12.7 million. (UNICEF as agent for UNFPA, WFP and WHO; included 44% or £5.6 million for delivery by UNICEF itself). Original budget £6.5 million to UN agencies (2009). DFID disbursement to date: 100%. Expenditure:[69] ■ Programme = 34%; ■ Equipment, supplies = 59%; ■ Cost recovery = 7%. (at 31 December 2010)	Outcome: to strengthen health systems to increase utilisation of quality basic health services by people, especially the poorest. Key activities: strengthen health-services management, budgeting and staffing; upgrade facilities to a basic package of services especially for women and children. A complex, multi-donor programme that evolved into support for the Government of Sierra Leone's Free Health Care Initiative, introduced in April 2010. 26 indicators are specified for the whole programme. Outcome indicators for 2012 are: ■ 56% of deliveries by skilled health provider; ■ 68% of children receiving all basic vaccinations before 12 months of age; ■ 21% of women aged 15-49 using modern contraception; ■ 48% of children under five sleeping under a LLIN; and ■ 39% of children under five with a fever in the last two weeks treated with anti-malarial drugs. DFID's share of programme inputs is not stated in the logical framework; we estimate that its share was 32%, based on the cost of the programme.	By 2012 achieved: • 62% of baby deliveries attended by skilled health provider; and • 85% of pentavalent vaccine coverage of children under one (five vaccinations in one including diphtheria and tetanus). Contraceptive coverage unknown (delivered by UNFPA). Use of bed nets and incidence of fever unknown (see also the Sierra Leone Health 2 programme). Major delays in upgrading health facilities. At the end of September 2012, seven hospitals and five community health centres were compliant with the standards (target for December 2012 was 14 hospitals and 52 health centres to be compliant).[70] There is no separate logical framework for the UNICEF component, only a narrative report for the whole programme.
Sierra Leone Health 2: improving Reproductive, Maternal and Newborn Health (2012-16). DFID funds to UNICEF: £12.7 million. Total programme budget for all service providers: £25 million. DFID disbursement to date: 11% (£1.4 million). Expenditure:[71] ■ Programme = 41%;	Outcome: to improve awareness of, access to and uptake of family planning, reproductive, maternal (including sexually transmitted infection and malaria treatment) and newborn health services with a focus on young people. Key activities: increase demand for family planning and maternal/newborn health services, including antenatal clinic visits, facility-based deliveries and post-natal clinic visits. Four providers will eventually be involved including UNICEF (two were in the process of being appointed in December 2012). 28 indicators are specified. UNICEF is accountable for outputs three, four and five (11 indicators). A unique UNICEF logical framework was prepared in January 2013.	Results for the first four months (March to June 2012).[73] UNICEF report only on Output indicators (several are similar to the Outcome indicators): ■ 96,100 women attending four or more antenatal clinic sessions (output target by end of 2012-13 of 159,200); ■ 50,300 facility-based births attended by a skilled birth attendant (output target by end of 2012-13 of 132,700); and ■ 27% of women receive one or more post-natal home-based clinic sessions one to two days after

[69] *Certified Financial Statement of Accounts December 2010, Reproductive and Child Health*, UNICEF, 2011, unpublished.
[70] From unpublished progress reports from DFID, September 2012.
[71] *Funds Utilisation Report*, Improving Reproductive, Maternal and Newborn Health, UNICEF, 2012, unpublished.

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Programme description	Programme purpose, key activities and key targets	Programme results achieved as per DFID and UNICEF reports
■ Equipment, supplies = 52%; ■ Cost recovery = 7%. (at 31 September 2012)	Outcome indicators for 2012-13 include:[72] ■ 60% of pregnant women receive at least four antenatal care sessions; ■ 50% of births are attended by a skilled birth attendant; and ■ 65% of women receive one or more post-natal care session one to two days after birth. DFID's share of the programme inputs = 100%.	birth; and 67% in a health facility (performance unclear as target not specified by location of post-natal care session).
Sierra Leone Bed Nets: scaling up long-lasting insecticide-treated bed net distribution to reach universal coverage (2010-11). DFID funds to UNICEF: £4.9 million. DFID disbursement to date: 100%. Expenditure:[74] ■ Programme = 27%; ■ Equipment, supplies = 66%; ■ Cost recovery = 7%. (at 27 June 2011)	Outcome: to reduce malaria in pregnant and nursing women and children under five. Key activities: procure and distribute bed nets to every household in a national campaign during a maternal and child health week, including visiting each household to hang up the nets. DFID paid for 1 million nets. Outcome indicators – by 2011: ■ 70% of pregnant women and children under five sleeping under a LLIN; and ■ 18% of children under five had a fever in the last week. DFID's initial claimed share of programme inputs = 58% (although it only contributed 34% of the resources eventually mobilised by UNICEF, indicating that any estimates of attributed benefits by DFID should be revised downwards).	2.78 million bed nets were procured by UNICEF and distributed by its partners. Its partner, the International Federation of Red Cross and Red Crescent Societies, bought and distributed another 0.24 million nets. By June 2011 achieved: ■ 77% of pregnant women and 73% of children under five sleeping under a LLIN; and ■ fever data are not available.
DRC Water and Sanitation: Village et Ecole Assaini or Healthy Villages and Schools (2009-12, plus one year extension, 2012-13). DFID funds to UNICEF: £25 million for Phase 1 plus £11.6 million for extension (predominantly for Healthy Villages, with a small pilot built in to test changes to the Healthy Schools component). DFID disbursement to date: 100% Phase 1, 57% Extension. Expenditure (Phase 1): ■ Programme = 81%; ■ Equipment, supplies = 12%; ■ Cost recovery = 7%. (at 29 February 2012)[75] Note that programme	Outcome: to support the Government of the DRC sustainably to improve the health of 3.5 million people and 240,000 school children through water, sanitation and hygiene interventions in rural and peri-urban communities. Key activities: through a process of community engagement, help rural villages to protect their water springs, build hygienic toilets and then educate people on hygienic practices including hand washing. Villages are certified as 'healthy' once the process is complete. The programme also funds limited drilling of bore holes and the installation of hand pumps. Outcome indicators: by 2012, the morbidity rate of diarrhoea is reduced by 25% in targeted schools and communities. Selected Output indicators: ■ by September 2012 (original): 3.5 million people have access to a healthy environment in 4,375 villages; ■ by September 2012 (revised): 1.68 million people have access to a healthy environment in 2,248 villages (target revised downwards to reflect speed of implementation); and ■ by September 2012: 240,000 students have access to	Original targets were over-ambitious and were only revised late on in programme implementation. Unit costs increased from an estimated $11 per person at the start to $33 per person. This reflects rising materials costs, as well as difficulties in accessing many provinces. By September 2012 achieved: ■ 1.72 million people have access to a healthy environment in 2,478 villages; and ■ 332,300 students have access to a healthy environment in 841 schools. DFID's Annual Review (October 2011) assessed the programme as 'likely to partly achieve its objectives'. Concern was expressed about initially over-ambitious targets. Issues include weak local capacity, regional disparities and a slow process. Concerns also expressed about the sustainability of

[73] *Progress Report, Improving Reproductive, Maternal and Newborn Health in Sierra Leone, March to September 2012*, UNICEF, 2012, unpublished.
[72] From the latest logical framework (DFID, January 2013).
[74] *Final Report: Scaling up Long Lasting Insecticide Treated Nets (LLINs) Distribution to Reach Universal Coverage in Sierra Leone*, UNICEF, June 2011, unpublished.
[75] *Funds Utilisation Report Village et Ecole Assaini*, UNICEF, February 2012, unpublished.

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Programme description	Programme purpose, key activities and key targets	Programme results achieved as per DFID and UNICEF reports
expenditure includes equipment and supplies bought by implementation partners.	a healthy environment in 600 schools. DFID's share of the programme inputs was originally 100%. This was revised down to a 68% share (2008-13) to reflect initial over-ambition in programme targets. Phase 2 planned (2013-19), DFID plans to commit £84.6 million, subject to the business case and dependent on performance. This could be revised downwards to £64 million in 2015 if the programme is not reaching its predicted targets.	the results, reflecting poor quality implementation and certification.[76]
Ghana Bed Nets: procurement and distribution of long-lasting insecticide-treated bed nets (2010-12). DFID funds to UNICEF: £10 million (Phase 1) plus £1.95 million (Phase 2). DFID disbursement to date: 100% Phase 1, 78% Phase 2. Expenditure (Phase 1): ■ Programme = 18%; ■ Equipment, supplies = 75%; ■ Cost recovery = 7%. (at 31 March 2012)[77]	Outcome: to increase coverage of LLINs in five regions. Key activities: procure bed nets, train volunteers, mobilise communities, distribute bed nets and visit each household to hang up the nets. Phase 1 bed nets bought and distributed by UNICEF and Phase 2 bed nets bought by Crown Agents and distributed by UNICEF. Outcome indicators for Phase 1 (by April 2011): ■ 70% of households have at least one LLIN; ■ 60% of households have at least one LLIN per two people; and ■ 24% of districts have completed training on volunteer hang up. Outcome indicators for Phase 2 (by April 2012): ■ 70% of pregnant women sleeping under a LLIN; and ■ 70% of under fives sleeping under a LLIN. DFID share of programme inputs = 97% (Phase 1).	Phase 1 – by December 2011 (for both regions, preliminary results): ■ 79% of households have at least one LLIN and 43% have one LLIN per two people; and ■ 54% of children under five and 48% of pregnant women sleeping under bed nets. Phase 2 – by June 2012 (preliminary figures): ■ In Brong Ahafo region, 95% of households have at least one LLIN (and 69% of households have one LLIN for every two people, with 2 million nets supplied in three regions); and ■ 75% of children under five and 70% of pregnant women are sleeping under bed nets.

[76] *Annual Review of the Village et Ecole Assaini Programme*, DFID, October 2011, unpublished.
[77] *Progress Report: Support for Universal Access to Long Lasting Insecticide Treated Nets in Ghana*, UNICEF, April 2012, unpublished.

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Programme-level recommendations

4. Figure A3 contains more detailed and operational recommendations on the case study programmes examined as part of the review. We do not expect DFID to provide a formal management response to these recommendations.

Figure A3: Additional programme-level recommendations

Issue	Recommendation
DRC Water and Sanitation	
1. **Data collection:** we agree with the 2011 and 2012 DFID Annual Reviews that the current system of generating data on diarrhoeal morbidity (using the final KAP survey) needs to be improved: a) through collection of further data on diarrhoeal morbidity some time post-certification; and b) through triangulation of KAP survey data with other locally available data. We question the current validity of data being produced through the final KAP survey.	UNICEF and DFID should support the Government of the DRC to put in place a robust system of data collection on diarrhoeal morbidity post-certification of villages. If the Government of the DRC is not able to do this, UNICEF should put such a system in place. Implementation of this recommendation should be a pre-condition of further funding from DFID for Phase 2.
2. **NGO WASH (Water, Sanitation and Hygiene) Consortium's synergy with UNICEF:** UNICEF expressed concerns over how the new NGO Consortium will deliver the programme alongside UNICEF. In particular, concerns were raised that the Consortium should generate more skills and experience in the sector (i.e. additional capacity) rather than displace capacity from the ongoing UNICEF programme.	DFID should be responsible for ensuring that the NGO WASH Consortium works together with UNICEF and the Government of the DRC to deliver results without hindering the progress of the programme. DFID should also work out a clear plan for dividing the areas where UNICEF and the Consortium will implement the programme.
3. **Avenues Assainis:** DFID and UNICEF want to start the programme in peri-urban areas (i.e. in those areas immediately adjoining urban centres). This approach would be called 'Avenues Assainis'.	We question the move to expand the programme into peri-urban areas, when the need in rural DRC is still hugely unmet. Also, we question the applicability of the DRC Water and Sanitation process in a peri-urban area where community characteristics as well as natural resource characteristics are different.
4. **Implementing partners:** the administrative burden on UNICEF and its partners in contracting and management processes is a major factor contributing to programme delays.	DFID should push UNICEF to sign **longer-term agreements** with its implementing partners, in order to speed up the progress of implementation. DFID should encourage UNICEF to build on its current practice of recruiting 'mother NGOs' to work with smaller NGOs as a means of speeding up programme implementation. Duties for contracting and managing smaller NGOs should fall to these mother NGOs rather than to UNICEF directly.
5. **Operation and maintenance of assets:** we question whether sufficient mobilisation has been undertaken at community level to ensure the continued operation and maintenance of both community-level assets (water sources) and household-level assets (latrines). Communities were not always able to identify who would be responsible for the repairs and maintenance of the community assets in particular.	DFID and UNICEF should review this issue to understand whether operation and maintenance arrangements are working sufficiently well to ensure the sustainability and use of assets.

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Issue	Recommendation
6. **Building on momentum created:** we noted that, in some of the certified villages we visited, whilst new residents in the village had built a latrine, they had done so out of local materials (bamboo) rather than an impermeable concrete slab. This latrine would therefore not officially count as an improved facility. We also noted instances where neighbouring uncertified villages had visited villages which were certified or in the process of getting certified but were not able to access the programme officially.	DFID and UNICEF should understand what needs to be done to facilitate new latrine construction using an impermeable slab (concrete or otherwise), once a village has been deemed certified. DFID and UNICEF should understand how to satisfy unmet demand in villages which will not be able to access the programme at a time of their choosing.
Ghana – Bed Nets	
7. **Monitoring of malaria parasite prevalence:** the Multiple Indicator Cluster Survey (MICS) provides vital information about the incidence of malaria. The last MICS in Ghana included a malaria module and a malaria parasitemia test (2011). We note through our discussions with the National Malaria Control Programme that this is something the Government of Ghana would like to see done again during the next MICS.	DFID should explore with UNICEF the feasibility of including a malaria module and malaria parasitemia test in the next MICS and, if feasible, facilitate the inclusion of the same.
Sierra Leone Health 2	
8. **Cost recovery on bed net procurement:** this is currently charged at 7% when Supply Division make a lower handling fee (e.g. currently 3.5% on bed nets).	DFID Sierra Leone should work with the DFID Procurement Group and UNICEF to understand whether UNICEF's standard handling fee of 3.5% on procurement of LLINs can be applied to the Sierra Leone Health 2 programme's contract (and similarly to UNFPA's contract with DFID for the same programme, if drugs and supplies are being procured under it).

Annex

Summary of recommendations from other ICAI reports involving UNICEF

5. We have previously carried out reviews that have involved UNICEF. The most relevant are:

   - a review of DFID's support to the health sector in Zimbabwe, where UNICEF was delivering a component of the DFID-funded Expanded Support Programme for HIV/AIDS and managed a fund to supply primary health-care kits to district health facilities;[78]
   - a review of DFID-funded education programmes in Nigeria, where UNICEF is delivering the Girls' Education Programme (GEP);[79]
   - a review of peace and security programmes in Nepal, where UNICEF is delivering a programme to provide community dispute resolution via mediation for women and children;[80] and
   - a review of water, sanitation and hygiene programming in Sudan, where UNICEF is an implementing partner within the UN Common Humanitarian Fund.[81]

6. The main recommendations of these reports as they affected UNICEF are summarised below. DFID's responses to these recommendations are available on its website.[82]

Zimbabwe

7. The ICAI review considered DFID's support to the health sector in Zimbabwe, including support via UN agencies. Since 2004, DFID has spent over £100 million in health, mainly on the prevention and treatment of HIV/AIDS, support to maternal health and the supply of essential medicines. UNICEF's role was to manage a fund for the supply of primary health kits to district health facilities.

8. Two of the five recommendations have implications for UNICEF:

   - Recommendation 4: DFID should ensure more comprehensive reporting across the delivery chains, with clearer linking of funds provided with performance delivered; and
   - Recommendation 5: DFID should take the lead in the donor community to agree a common definition of administrative costs and require implementing partners to report administrative costs on that basis.

Nigeria

9. The ICAI review considered two education programmes, one of which, the GEP, was run by UNICEF. The purpose of the GEP is to improve girls' access to education and learning in four northern states. DFID funding began in 2005 and its support is due to finish in 2019. By June 2012, DFID had spent £41 million and had committed another £102 million. The ICAI traffic light rating for the GEP was Amber/Red.

10. Each of the four main recommendations affects UNICEF.

    - Recommendation 1: DFID should create a single education programme out of the two programmes in 2014 focussing rigorously on basic reading, writing and arithmetic in the early years of primary schooling and building on the lessons learned with aligned initiatives for teacher training and infrastructure;
    - Recommendation 2: DFID should work with its partners (including UNICEF) and each participating State to secure a clear agreement about the policy changes and financial contributions required to improve enrolment and learning and to introduce effective financial management and resource planning into education. There should be regular reviews of performance with States, based on school-level data;

[78] *The Department for International Development's Support to the Health Sector in Zimbabwe*, Report 4, ICAI, November 2011, http://icai.independent.gov.uk/wp-content/uploads/2010/11/DFIDs-Support-to-the-Health-Sector-in-Zimbabwe.pdf.
[79] *DFID's Education Programmes in Nigeria*, Report 16, ICAI, November 2012, http://icai.independent.gov.uk/wp-content/uploads/2012/11/ICAI-Nigeria-Education-report2.pdf.
[80] *The Effectiveness of DFID's Peace and Security Programme in Nepal*, ICAI, publication pending, 2013.
[81] *DFID's Water, Sanitation and Hygiene Programming in Sudan*, ICAI, publication pending, 2013.
[82] http://www.dfid.gov.uk/What-we-do/How-UK-aid-is-spent/Evaluation/DFID-management-responses-to-ICAI-recommendations/

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- Recommendation 3: DFID should work with UNICEF to achieve significant improvement in the performance of the Girls' Education Programme (Phase 3) over the next 12 months (to November 2013) against agreed targets, with a review of progress by DFID after six months; and
- Recommendation 4: DFID should address implementation issues that are limiting the impact of the two programmes reviewed (including UNICEF's Girls' Education Programme) in relation to the Female Trainee Teachers Scholarship Scheme, School-Based Management Committees and Qur'anic schools.

Nepal

11. The review considered various peace and security programmes, including the Women's Empowerment for the Promotion of Rights through Paralegal Committees (run by UNICEF). The focus of this programme is on mediation to protect women and children, particularly those from poor and socially excluded groups, from violence, exploitation and discrimination. The project has been funded by DFID since 2010. DFID committed £6.5 million and, by July 2012, expenditure had reached £4.7 million.

12. There were no general recommendations that affected UNICEF, although a specific operational recommendation was made about its project, namely: DFID is to prioritise engagement with this project to understand its transition and take an active role in recommending how context, lessons and beneficiary views be considered and communicated to the Government of Nepal and stakeholders. ICAI was concerned that the good impact achieved could be lost or set back if UNICEF and DFID failed to learn lessons from what has worked well and from the risks of inadequate communication with intended beneficiaries as responsibility for the programme moves to the Government of Nepal.

Sudan

13. DFID has been supporting a major humanitarian response in Darfur since 2003. DFID has provided support through the UN Common Humanitarian Fund, including £36 million for water, sanitation and hygiene programming between 2006 and 2012. UNICEF is one of the implementing partners within this fund. DFID helped to strengthen UN leadership of the emergency response at the outset but the fund has failed to adapt to the changing strategic context as the crisis has become chronic and support has created dependency. None of the recommendations are directed at UNICEF specifically, although as a delivery partner it is affected indirectly by general recommendations.

Abbreviations

CSO	Civil Society Organisation
DFID	Department for International Development
DHS	Demographic and Health Survey
DRC	Democratic Republic of the Congo
GEP	Girls' Education Programme
HACT	Harmonised Approach to Cash Transfer
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICAI	Independent Commission for Aid Impact
KAP	Knowledge, attitudes and practice survey
LDC	Least developed country
LLIN	Long-lasting insecticide-treated (mosquito) bed net
MAR	Multilateral Aid Review
MDG	Millennium Development Goal
MICS	Multiple Indicator Cluster Survey (a UNICEF-promoted household-level survey)
NGO	Non-governmental organisation
UN	United Nations
UNCD	United Nations and Commonwealth Department
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WASH	Water, sanitation and hygiene
WFP	World Food Programme
WHO	World Health Organization

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