

Synthesis Study of DFID's Strategic Evaluations 2005 – 2010

A report produced for the Independent Commission for Aid Impact

by

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Summary

- S1. This report examined **central evaluations of DFID's work** published from 2006 to 2010. This included:
- 41 reports of the International Development Committee (IDC)
 - Two Development Assistance Committee (DAC) peer reviews
 - 10 National Audit Office (NAO) reports
 - 63 reports of evaluations from DFID's Evaluation Department (EVD)
- S2. These evaluations consisted of **various types**:
- Studies of DFID's work overall (16%)
 - Studies with a geographic focus (46%)
 - Studies of themes or sectors (19%)
 - Studies of how aid is delivered (19%) (see Figure 1)
- S3. During this period, DFID's business model involved allocating funds through divisional programmes. **Analysis of these evaluation studies according to this business model** shows that:
- Across regional divisions, the amount of money covered per study varied from £63 million in Europe and Central Asia to £427 million in East and Central Africa.
 - Across non-regional divisions, the amount of money covered per study varied from £84 million in Policy Division to £5,305 million in Europe and Donor Relations (see Figure 2).
- S4. Part of the explanation of these differences is that **the evaluations studied form only part of the overall scrutiny of DFID's work**. In particular, its policy on evaluation commits DFID to rely on the evaluation systems of partner multilateral organisations for assessment of the effectiveness and efficiency of multilateral aid. No central reviews of data generated through those systems were included in the documents reviewed for this study. The impact of DFID's Bilateral and Multilateral Aid Reviews was not considered, as the Reviews had not been completed by the time this study was undertaken.
- S5. The evaluations reviewed had a **strong focus on DFID's bilateral aid programmes at country level**. There was a good match overall between the frequency of studying countries and the amount of DFID bilateral aid received (see Table 4). Despite the growing focus on fragile states, such countries were still less likely to be studied than non-fragile countries. Countries that received large amounts of DFID bilateral aid not evaluated in the last five years included Tanzania, Iraq and Somalia (see Table 5). Regional programmes in Africa also received large amounts of DFID bilateral aid but were not centrally evaluated. Country programme evaluations did not consider DFID's multilateral aid specifically. None of the evaluations reviewed considered why the distribution of DFID's multilateral aid by country differs so significantly from its bilateral aid.

For example, Turkey is the single largest recipient of DFID multilateral aid but receives almost nothing bilaterally (see Table 7).

- S6. The evaluations reviewed covered a **wide range of thematic, sectoral and policy issues** (see Figure 3). These evaluations were, however, largely stand-alone exercises rather than drawing either retrospectively on data gathered in other evaluations or prospectively including questions into proposed evaluations. More use could have been made of syntheses of country programme evaluations for this purpose.
- S7. The evaluations explored in detail **the delivery of DFID's bilateral aid and issues of how aid could be delivered more effectively**. The evaluations covered the provision of multilateral aid in much less detail (see paragraph S4). One area not covered in the evaluations is the increasing use of multilateral organisations to deliver bilateral aid programmes. This more than trebled from £389 million in 2005/6 to £1.3 billion in 2009/10 and, by 2009/10, was more than double the amount being provided as financial aid through both general and sectoral budget support combined.

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Glossary

ADB	Asian Development Bank
AfDB	African Development Bank
AIDS	Acquired Immunodeficiency Syndrome
ARIES	DFID's programme management system
ARTF	Afghanistan Reconstruction Trust Fund
BAR	Bilateral Aid Review
CAP	Country Assistance Plan
CASCM	Central Asia, South Caucasus and Moldova
CDC Group	The UK's development finance institution
CHASE	Conflict, Humanitarian and Security Department
CV&A	Citizens' Voice and Accountability
DAC	Development Assistance Committee
DFI	Development Finance Institution
DFID	Department for International Development
DRC	Democratic Republic of Congo
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EF	Evaluation Framework
EMAD	Europe, Middle East and Americas Division
EU	European Union
EVD	Evaluation Department
FAO	Food and Agriculture Organization
FCO	Foreign and Commonwealth Office
GNI	Gross National Income
GTZ	German governmental development agency
HIPC	Heavily-Indebted Poor Countries
HIV	Human Immunodeficiency Virus
IACDI	Independent Advisory Committee on Development Impact
ICAI	Independent Commission on Aid Impact
IDC	International Development Committee
IDP	Internally-displaced People
IFI	International Finance Institution
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MEFF	Multilateral Effectiveness Framework
MOD	Ministry of Defence
MOPAN	Multilateral Organisation Performance Assessment Network
NAO	National Audit Office
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OPR	Output to Purpose Review
OPT	Occupied Palestinian Territories
OT	Overseas Territories
PGBS	Partnership General Budget Support
PIP	Policy Implementation Plan
PLC	Public Limited Company
PSA	Public Service Agreement
PRISM	DFID's former programme management system (see ARIES)
PSI	Private Sector Infrastructure
QUEST	DFID's document and record management system
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV and AIDS
UNCD	United Nations and Commonwealth Department
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development

WFP
ZANU-PF

World Food Programme
Governing political party in Zimbabwe

Introduction and Background

1. The UK's Coalition Government is committed to spend 0.7% of Gross National Income (GNI) on Official Development Assistance (ODA) from 2013, and to ensure that this spending and the results it produces are independently evaluated. To guarantee this, the Government has established the Independent Commission on Aid Impact (ICAI). ICAI's Chief Commissioner will report directly to the Chair of the International Development Select Committee (IDC).
2. ICAI's Board of Commissioners will take strategic decisions on what should be evaluated, reviewed and investigated. To inform that decision-making, ICAI has commissioned this study which aims to map DFID's centrally-commissioned evaluations over the past 5 years in order to pull out common lessons and recommendations.

Method

3. The methods to be used in this study are described in detail in the terms of reference (see Annex 1, p1). Essentially, this involved reviewing four groups of documents:
 - Development Assistance Committee (DAC) Peer Review reports
 - National Audit Office (NAO) reports of DFID
 - International Development Committee (IDC) reports
 - DFID's centrally-commissioned evaluations through DFID's Evaluation Department (EVD)
4. All reports published after 1st January 2006 were included in the study. These reports were identified by ICAI and DFID staff and were provided to the reviewer. In most cases, they were provided by means of a web link. In a few cases, electronic copies of particular documents not easily accessible online were provided by email.
5. A total of 149 documents were reviewed consisting of 2 DAC peer review reports, 10 NAO reports, 74 IDC reports and 63¹ DFID centrally-commissioned evaluations. Of the 74 IDC reports, 33 were special reports, consisting of government responses to previous IDC reports. Excluding these, there were a total of 41 original IDC reports. DFID's centrally-commissioned evaluations include those conducted jointly with other donors. Full details of all documents reviewed are provided in Annex 2 (p36).
6. In reviewing these documents, they were interrogated to:

¹ In some cases, a single evaluation may be reported more than once because it consisted of more than one product, e.g. a literature review and a synthesis study. EVD practice varied over this period. In some cases, such interim products were published as separate evaluation reports. More commonly, they were published as working papers, which were excluded from the scope of this study. Similar inconsistencies relate to the treatment of case studies. In a few cases, e.g. the evaluation of budget support, the case studies were published as separate evaluation reports. In most cases, they were not. In general, this study has tried to exclude such duplications by considering published case studies and literature reviews as part of a main report.

- Identify main recommendations and lessons
- Map the document to DFID's spending
- Identify the countries and regions covered
- Identify the areas of policy and issues covered

7. Figures on financial expenditure were provided by DFID². Comparisons were made with available data³ from 2005/6 to 2009/10⁴.

Limitations

8. Although the four groups of documents reviewed represents a considerable body of work related to evaluations of DFID's funding and activities from 2006, they do not represent all evaluative scrutiny of UK ODA for that period because:

- Some UK ODA goes through channels other than DFID⁵.
- Decentralised evaluations, e.g. those commissioned by DFID country offices⁶ or other parts of DFID⁷ were not included.
- Some evaluative activities are not referred to as evaluations. These include working papers commissioned by DFID's Evaluation Department, some forms of audit⁸ and some forms of research⁹. These elements of work were not included within the scope of this review.
- Some evaluations of DFID-funded multilateral organisations¹⁰ were managed by those organisations themselves and did not involve significant management input from DFID's Evaluation Department. This is in line with DFID's policy on evaluation which commits DFID to relying as much as possible on the evaluation systems of partner multilateral organisations and on multi-donor peer reviews.
- Some evaluative work was conducted under the auspices of the Independent Advisory Committee on Development Impact (IACDI). Their documents were not specifically covered by this review. One document, a review of the quality of DFID evaluations, was reviewed and has been referred to in this study.

² Some errors were identified in the figures provided. These have been noted with footnotes at relevant points of this report.

³ Disaggregated multilateral data was only available to 2008/9.

⁴ Time frame for financial data does not overlap completely with the periods studied. Because of the retrospective nature of evaluations, many considered periods prior to financial year 2005/6.

⁵ In 2009/10, DFID's aid programme accounted for 85% of the UK's Gross Public Expenditure on Development

⁶ Two evaluations which appear to have been commissioned by DFID offices in India and Uganda were included because they were supplied by DFID's Evaluation Department as part of the set of documents provided for this study.

⁷ For example, evaluations of DFID's institutional strategies with multilateral agencies. Such evaluations would be managed by DFID's United Nations and Commonwealth Department (UNCD) and would not appear in the documents reviewed for this study.

⁸ For example, the work of DFID's internal audit department and an audit of DFID's monitoring and evaluation systems which the reviewer conducted.

⁹ Particularly experimental and quasi-experimental studies which might be termed impact evaluation.

¹⁰ For example, the Joint UN Programme on HIV/AIDS (UNAIDS) and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

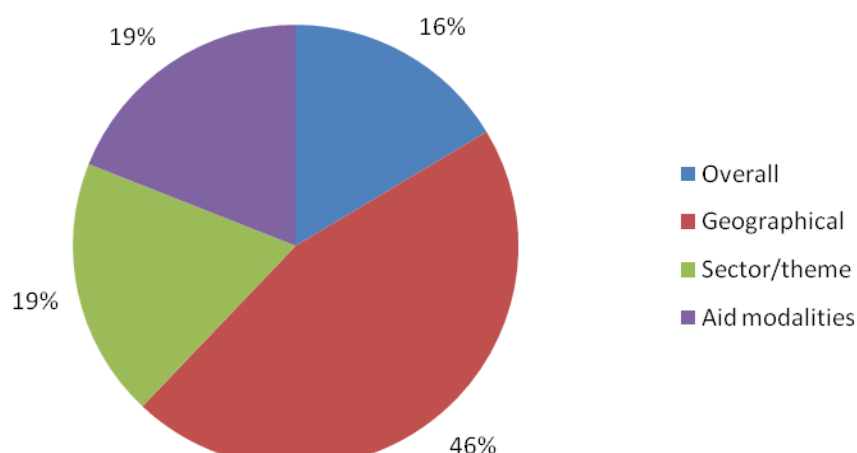
9. Because of these limitations, some caution is needed in using data from this study to draw conclusions, particularly in relation to gaps in evaluation of DFID's overall portfolio.

Findings

Types of Evaluation

10. During the review of documents, it became apparent that the evaluations could be divided into four main types (see Figure 1):
- Those that reviewed DFID's work overall (16%)
 - Those that looked at particular geographic areas, particularly countries (46%)
 - Those that reviewed a particular sector or theme (19%)
 - Those that looked at the ways in which aid is delivered (19%)
11. The work output of different bodies was distributed differently across these types (see Table 1). Both of the DAC peer reviews looked at DFID's work overall. NAO conducted one study into DFID's performance management systems overall, two thematic studies¹¹, three studies on how aid is delivered¹² and four focused on geographic areas¹³. The outputs of the IDC are spread fairly evenly across the four types of evaluation. The relatively high number of overall studies reflects that the IDC conducts a review of DFID's annual report each year and also publishes an annual report of its overall work. More than half (59%) of the outputs of EVD had a geographic focus, reflecting that department's production of a regular flow of country programme evaluations.

Figure 1: Percentage of evaluations reviewed of four different types



¹¹ Focused on primary education and rural poverty.

¹² Focused on budget support, support for civil society organisations and the work of CDC Group PLC.

¹³ These included one country study (Malawi), two studies focused on responses to particular geographic natural disasters (the Asian tsunami and the South Asian earthquake) and one study focused on DFID's work in 28 countries considered to have insecure environments.

Table 1: Types of evaluations covered in different types of documents

	Overall	Sector/Theme	Aid Modalities	Geographical
DAC (n=2)	2 (100%)	0 (0%)	0 (0%)	0 (0%)
NAO (n=10)	1 (10%)	2 (20%)	3 (30%)	4 (40%)
IDC (n=41)	11 (27%)	10 (24%)	8 (20%)	12 (29%)
EVD (n=63)	5 (8%)	10 (16%)	11 (18%)	37 (59%)
Total	19 (16%)	22 (19%)	22 (19%)	53 (46%)

Reviews of DFID's work overall

12. Documents that were considered to relate to DFID's work overall covered a wide range of different issues (see Box 1).

Box 1: Issues covered by evaluations looking at DFID's work overall

The 2010 IDC report on its enquiry into the Millennium Development Goals (MDGs) summit had as its focus the poverty goals towards which all of DFID's work is targeted.

The UK's level of financing for ODA was the focus of an IDC enquiry in 2009 focused on the likely effect of the economic downturn on financing for development.

A number of reports focus on the legal and policy framework for the UK providing ODA. These include IDC enquiries in 2010 into the draft international development assistance bill and the Government's white paper. EVD's policy statement could also be considered in this category.

Most of the reports in this category (14) constitute some kind of review of DFID's overall work. These include the DAC peer reviews (2), IDC enquiries into DFID annual reports (4), IDC annual reports (4), EVD annual reports (2) and EVD reviews of performance of projects/programmes through syntheses of Project Completion Reports (2).

Finally, in 2010, NAO conducted an assessment of DFID's progress in improving its performance management systems.

Coverage of Geographic Areas

13. Almost half (46%) of the evaluations reviewed relate to specific geographical areas. Of these, almost all (87%) relate to bilateral aid to country programmes. In most cases, the evaluations were focused on a country programme but in a few cases, there was a special focus. For example, the IDC published reports which focused on humanitarian aid in the Occupied Palestinian Territories, on reconstructing Afghanistan, on peace in Uganda and on internally-displaced people and refugees in Burma and on the Burma-Thai border. EVD produced reports focused on donor coordination in Bangladesh, private sector development in China and the performance of the Poverty Eradication Action Plan in Uganda.
14. A small number of evaluations of 'country' programmes (4) focused on part of a country. The reason for this focus was either related to a particular conflict, e.g. in Darfur, Sudan or in Northern Uganda, or because aid was being provided to a

state in a large federal country (India). In addition, a small number of evaluations of 'country' programmes (5) focused on more than one country. These 'regions' included Southern Africa, Western Balkans, the Caribbean and Central Asia, South Caucasus and Moldova (CASCM). There was also a report synthesising experience of 'country' programme evaluations focused on evaluations of these regional programmes.

15. In total, there were four EVD synthesis reports of country programme evaluations performed in a particular year. In the later years studied, these synthesis reports focused on specific topics, such as DFID's experience of regional programmes and work in fragile states.
16. In addition, NAO conducted geographic based studies of responses to two natural disasters (the Asian tsunami and the South Asian earthquake) that affected multiple countries. In addition, there were three studies focused on DFID's work in fragile states. One was conducted by NAO and two by EVD. Of the two studies conducted by EVD, one was a synthesis of a number of country programme evaluations in fragile states¹⁴.
17. There were no evaluation studies looking at larger geographic areas, such as the work or geographic areas covered by one or more of DFID's regional divisions. These divisions operate regional programmes in addition to country bilateral programmes. These regional programmes have significant financial expenditure (see Table 5).
18. Overall, the evaluation studies covered 44 countries and three regional groupings of countries¹⁵ in terms of either having the country as a focus of the evaluation or used as an illustrative case study. Table 2 presents details of the ten most-studied countries among this evaluation portfolio. Full details of all countries studied are provided in Annex 3 (p43).

Table 2: Ten most studied countries in DFID evaluations 2006-2010

Country	No. of studies
India	11
Ethiopia	9
Bangladesh	8
DRC	8
Ghana	8
Mozambique	8
Uganda	8
Vietnam	8
Zambia	8
Nepal	7

¹⁴ In general, this document treats 'fragile states' as a geographic grouping. However, there were a number of other documents related to fragile states which were classified differently (see Boxes 2 and 3). These included an EVD synthesis paper focused on governance and fragile states, an IDC enquiry focused on conflict and development and an EVD evaluation of the applicability of the Paris Declaration in fragile states.

¹⁵ The Caribbean, Western Balkans and CASCM

Coverage of Sectors and Themes.

19. Almost one fifth (19%) of the evaluations reviewed relate to particular themes or sectors. These issues included broad sectors, e.g. water and sanitation and more narrow sub-sectors, e.g. maternal health. They also covered cross-cutting thematic issues, such as gender equality and social exclusion. More detail of the sectors and themes covered is provided in Box 2. Although in a small number of cases the evaluation looked at bilateral spending only¹⁶, most of these thematic/sectoral evaluations looked at both bilateral and multilateral funding.

Box 2: Themes and sectors covered by DFID's evaluations

Several (5) of EVD's evaluations focus on issues related to governance. These include a literature review and synthesis report focused on citizen's voice and accountability conducted jointly with other DAC partners, a literature review of anti-corruption approaches, a review of public financial management reform literature and a synthesis paper focused on governance and fragile states. This latter paper sought to bring together the findings of four DFID-funded research centres focused on governance.

In 2006, the IDC conducted an enquiry on conflict and development. This enquiry focused on issues of peacebuilding and post-conflict resolution which are of particular relevance in fragile states (see paragraph 16 for details of other evaluations on fragile states).

The IDC conducted two enquiries focused on issues of trade. One conducted, in 2007, examined issues of fair trade and development. The other, in 2006, focused on issues relating to the World Trade Organization ministerial conference held in Hong Kong in December 2005. Two other IDC enquiries – focused on the EU and cross-departmental working within the UK Government – also relate to trade issues (see Box 3).

In 2007, EVD conducted an interim evaluation of DFID's agriculture policy.

Two evaluations were conducted related to rural and urban development. In 2007, NAO examined issues relating to tackling rural poverty in developing countries. In 2009, IDC conducted an enquiry on urbanisation and poverty.

In 2007, IDC conducted an enquiry related to water and sanitation. In 2008, IDC conducted an enquiry on maternal health.

In 2010, NAO examined issues relating to DFID's bilateral support for primary education.

In addition, a number of evaluations have been conducted on crosscutting themes within DFID.

There have been four evaluations focused on issues relating to HIV and AIDS. These include enquiries by IDC into DFID's HIV strategy (2008) and progress in implementing that strategy (2009). There was an earlier IDC enquiry, in 2006, focused on marginalised groups and emerging epidemics. In addition, EVD conducted an interim evaluation of an earlier UK strategy for tackling HIV and AIDS in the developing world.

There have been two evaluations focused on issues related to climate change. In 2009, IDC conducted an enquiry into sustainable development in a changing climate. In 2008, EVD also published a Strategic Environmental Impact Assessment of DFID's Private Sector Infrastructure Investment Facilities.

In 2006, EVD published an evaluation of DFID's policy and practice in support of gender equality and women's empowerment. In 2010, EVD published a stocktake report focused on social exclusion.

Issues about How Aid is Delivered

20. Almost one fifth (19%) of the evaluations reviewed relate to issues about how aid is delivered (see Box 3). These included evaluations of issues relating to aid effectiveness overall and evaluations of the use of specific aid instruments, such as budget support. There were also evaluations of support to civil society, specific multilateral agencies and specific components of the work of the private sector.

Box 3: Issues relating to how aid is delivered covered by DFID's evaluations

EVD published a number of evaluations (7) related to issues of aid effectiveness. These included three publications in 2006 of 'triple C' evaluations focused on coordination, complementarity and coherence among EU Member States. In addition, in 2008/9, EVD published four reports related to implementation of the Paris Declaration. These included consideration of DFID as a case study, an overall synthesis report, consideration of the applicability of the Paris Declaration in fragile states (see paragraph 16 for details of other evaluations on fragile states) and a thematic study of support to statistical capacity building. In addition, in 2008, IDC conducted an enquiry into working together to make aid effective.

In 2008, NAO examined issues relating to providing budget support to developing countries. This followed a major joint evaluation of budget support conducted by EVD and partners in 2006 which resulted in published case studies of experience in seven countries. A key requirement of budget support is effective national government financial systems. In 2006, EVD published an evaluation of technical cooperation for economic management in Sub-Saharan Africa.

Although there was no overall evaluation of DFID's multilateral support, IDC did conduct enquiries into a number of specific multilateral institutions including the World Bank (2008), World Food Programme (2008), African Development Bank (2008) and the European Union (2007). The enquiry into the World Food Programme was focused on the issue of global food security and the enquiry into the European Union focused on the interplay of development and trade policies (see Box 2). In addition, in 2009, EVD conducted an evaluation into the joint organisational strategy between Canada, Denmark, the UK and UNHCR.

In 2007, IDC conducted an enquiry into cross-departmental working within the UK Government on issues relating to development and trade (see Box 2).

Three evaluation reports relate to DFID's engagement with the private sector. These included a 2008 NAO report into the work of CDC Group Ltd., a 2006 IDC enquiry into private sector development and a 2008 EVD desk review of DFID's Private Sector Infrastructure Investment Facilities. In addition, EVD commissioned a specific study of lessons learned regarding private sector development in China (see paragraph 13). Also, in 2006, NAO explored DFID's work with civil society organisations to promote development.

In 2006, IDC conducted an enquiry into the UK's humanitarian aid in cases of natural disasters. In addition, NAO also conducted two enquiries into specific examples of provision of such humanitarian aid (see paragraph 16).

DFID Overall Spending

21. In the financial years 2005/6 to 2009/10, total DFID expenditure amounted to £25.2 billion (see Table 3). Overall expenditure rose by 57% from £4.1 billion in 2005/6 to £6.4 billion in 2009/10. Overall, multilateral spending amounts to just over one third (38%) of total expenditure. This figure varied on an annual basis from 35-40% over the five years but the trend was static over the last three years.

Table 3: Total DFID expenditure: 2005/6 to 2009/10 (£m)

	2005/6	2006/7	2007/8	2008/9	2009/10	5 yr total
Bilateral	2,650	2,779	2,958	3,284	3,958	15,629
Multilateral	1,430	1,827	1,837	2,008	2,436	9,538
Total	4,080	4,606	4,795	5,292	6,394	25,167
% as multilateral	35%	40%	38%	38%	38%	38%

DFID Business Model

22. In order to map DFID's evaluation activity against DFID expenditure, it is helpful to understand DFID's business model, i.e. how funding decisions are made and resources spent. The Coalition Government has introduced a new system for doing this (see paragraph 26) but the following approach was in use for the period of this study.
23. Resources available to DFID were agreed as part of Government's Comprehensive Spending Reviews. Resources were allocated by Ministers and DFID Management Board on a geographic and institutional basis rather than being determined by specific policies and strategies or allocated to particular instruments. Allocations to divisions within DFID were made on the basis of resource bids contained within Directors' Delivery Plans. Resource allocations were renewed annually with some flexibility for adjustment within the overall three year ceiling.
24. It is possible to map evaluative activity against spending 'with' the business model. This would primarily involve geographical allocations for bilateral spend and institutional allocations for multilateral spend. This would involve considering what evaluations had been conducted at the different levels of the model. For the purpose of this study, this exercise has been done using the 'old' business model (see paragraph 23), as this was the model being used during the time when these evaluations were conducted. Future exercises of this nature would need to use the new business model (see paragraph 26).
25. It is also possible to map evaluative activity against spending 'across' the business model. This would not involve assessing the degree of evaluative activity at different levels of the model but would look at different types of spending across the model. In the case of the old models, examples of such

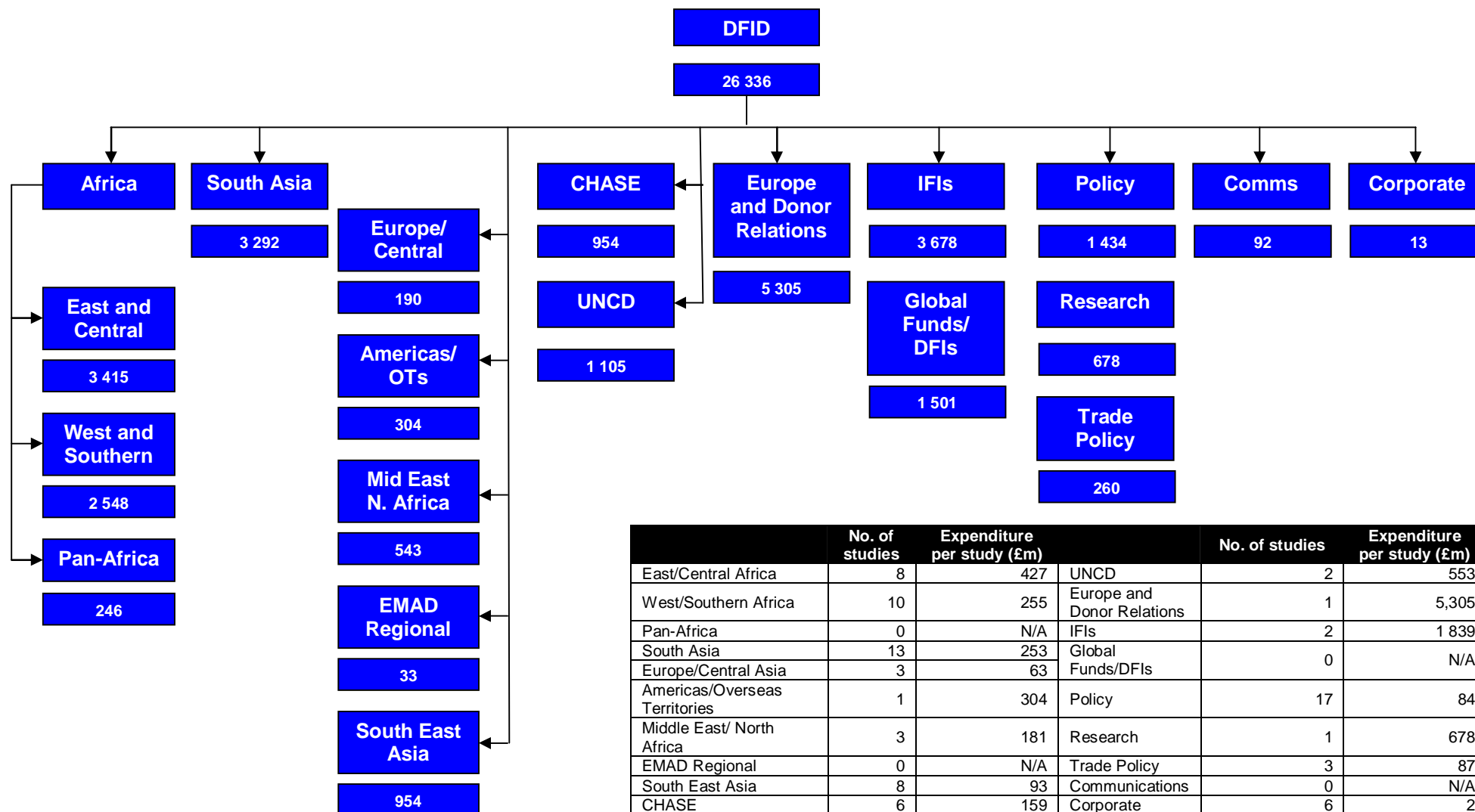
spending would include spending on a particular sector or through the use of a particular aid instrument. Such analysis is possible through the use of a series of codes contained within DFID's information management systems.

26. The process being adopted for allocating resources in DFID in the 2010 spending review, i.e. for the period 2011/12 to 2014/15 differs from the model used previously. It consists of the following steps:
- Total funds available to DFID determined through the spending review. This process has already been completed. It highlighted priority policy areas, i.e. International Climate Finance; malaria; and maternal and child health. It also specified that 30% of ODA should be spent in conflict-affected and fragile states.
 - Generating bottom-up 'offers' across the whole of DFID through a process of Bilateral Aid Reviews (BAR), Multilateral Aid Reviews, Emergency Response Reviews and processes within other divisions. Regional divisions are submitting BAR offers in the same way as country offices.
 - Offers will then be aggregated by pillar and compared against policy priorities and financial constraints.
 - There will then be a process of operational planning by divisions based on indicative budgets for programme delivery, front-line delivery and core administration costs.
 - Budgets will then be finalised.
27. DFID's Resource Accounts contain a table which considers expenditure by divisional programme. Figures from this table are presented in Figure 2¹⁷. Attempts to allocate studies across division are presented as a table as part of Figure 2¹⁸. It is apparent that many of the central evaluations considered relate either to the work of the geographic divisions or Policy Division. Within the geographic divisions, the amount of financial allocation 'covered' per study ranges from £63 million in Europe and Central Asia to £427 million in East and Central Africa. No central evaluations appear to have been conducted of the work of Pan-Africa Strategy and Programmes. In the non-geographic divisions, the amount of financial allocation 'covered' per study ranges from £84 million in Policy Division to £5,305 million in Europe and Donor Relations.

¹⁷ The total allocation by programme from 2005/6 to 2009/10 is £26.3 billion which is higher than the total figure of £25.2 billion for combined bilateral and multilateral expenditure for the same period (See Table 3). In addition, the total given in the table of the resource accounts for 2005/6 of £3.3 billion is incorrect. The total of the sub-totals is £4.3 billion and has been confirmed by DFID. This higher figure has been used.

¹⁸ It was not possible to allocate 32 studies which included all those which referred to DFID's work overall.

Figure 2: DFID Allocation by Programme from 2005/6 to 2009/10 (Figures are £m)



Geographic Mapping of DFID Evaluations to Spend

28. This section focuses largely on DFID bilateral spend. This is because the country evaluations reviewed focus exclusively on consideration of DFID's activities as a result of its bilateral spending. They do consider the work of multilaterals in many cases but this usually refers to their role in conducting activities for the DFID country office¹⁹ or as partner agencies with which DFID seeks to collaborate and harmonise. Little if any consideration is given in these country evaluations to the way DFID multilateral funds are being used. A brief analysis of these multilateral funds is presented in paragraph 35.
29. During the five year period, DFID's total bilateral expenditure was £15.6 billion (see Table 3). Of this, £12.3 billion (79%) was spent in a specific country or region^{20,21}. DFID bilateral expenditure in countries evaluated during this period amounted to £10.0 billion. This represented 81% of DFID's bilateral expenditure in specific countries or regions and 64% of DFID's total bilateral expenditure. If expenditure in countries included as illustrative case studies is also counted, DFID bilateral expenditure amounted to £11.2 billion. This represented 91% of DFID's bilateral expenditure in specific countries or regions and 72% of DFID's total bilateral expenditure.
30. Table 4 compares the top 10 recipients²² of DFID bilateral aid with the top 10 most studied countries (see Table 2)²³. Together, these 10 countries received £6.4 billion during the five year period studied. This represents more than half (52%) of DFID's bilateral expenditure in specific countries or regions. Overall, there was a strong match between level of spend and frequency of study. For example, the three top recipients of aid (India, Ethiopia and Bangladesh) were the three most commonly-studied countries. Although some of the top 10 DFID aid recipients were not in the top 10 studied countries, all were studied during the five year period. The number of studies documented was as follows – Tanzania (6), Sudan (3), Afghanistan (6), Pakistan (5) and Nigeria (4). Similarly, although some countries in the top 10 studied countries were not in the top 10 DFID bilateral aid recipients, they were all recipients of significant amounts of DFID aid during the five year period. The amounts of DFID bilateral aid received were as follows - Mozambique (£314m), Uganda (£357m), Vietnam (£270m), Zambia (£246m) and Nepal (£257m).

¹⁹ Such spending by country offices through multilateral agencies is classified as bilateral. This is a significant and increasing funding stream – see Figure 5.

²⁰ The remainder is coded as 'non-specific country' or 'unallocated'.

²¹ The term 'region' is used for different purposes within DFID. There are a number of regional programmes which are managed by regional divisions, e.g. Africa Regional, Asia Regional etc. DFID's financial records track spending by these programmes. There are a number of other 'regions' which are treated as regions administratively and for evaluation purposes, e.g. the Caribbean, Western Balkans and CASC. However, these are not treated as regions in DFID's financial records which track spending by individual country. For the purpose of this study figures for relevant countries have been aggregated to produce regional figures for these regions.

²² Countries and regions

²³ Full details of all countries and regions receiving DFID bilateral and multilateral aid are provided in Annex 4 (p45).

Table 4: Top 10 most studied countries and recipients of DFID bilateral aid from 2006 to 2010

Top 10 most studied countries	No. of studies	Top 10 recipients of DFID bilateral aid ²⁴	£m
India	11	India	1,354
Ethiopia	9	Ethiopia	672
Bangladesh	8	Bangladesh	644
DRC	8	Tanzania	622
Ghana	8	Sudan	613
Mozambique	8	Afghanistan	587
Uganda	8	Pakistan	546
Vietnam	8	Nigeria	468
Zambia	8	Ghana	458
Nepal	7	DRC	420

31. Some fragile states and countries affected by conflict, such as Sudan, Afghanistan, Pakistan and Nigeria, ranked more highly as recipients of DFID bilateral aid than as studied countries. Tanzania is an exception. It ranked more highly as a recipient of DFID bilateral aid than as a studied country but it is not a fragile state. The likely reason for this reduced frequency of studies is DFID Tanzania's strong commitment to principles of aid effectiveness and its preference for evaluations which are harmonised with other donors through joint work not considered in this review.
32. Table 5 shows the top 10 recipients of DFID bilateral aid not evaluated during the five year period. It also shows the top 10 recipients of DFID bilateral aid not studied, i.e. as an evaluation or illustrative case study during that period. Three possible gap areas are identified by this analysis²⁵:
- Countries that are major recipients of DFID bilateral aid that were not evaluated between 2006-2010, such as, Tanzania, Iraq and Somalia
 - Major regional programmes, such as Africa and South of Sahara
 - British Overseas Territories that receive significant levels of DFID bilateral aid, such as St Helena.

Table 5: Top 10 recipients of DFID bilateral aid not evaluated or studied from 2006 to 2010

Countries/regions not evaluated	£m	Countries/regions not studied	£m
Tanzania	622	Africa Regional	293
Africa Regional	293	South of Sahara Regional	234
South of Sahara Regional	234	Somalia	139
Iraq	229	St Helena	105
Somalia	139	Asia Regional	62
St Helena	105	Angola	27
Asia Regional	62	Latin America Regional	23
Liberia	51	Chad	19
Burundi	50	Europe Regional	19
Sri Lanka	35	Haiti	17

²⁴ In period 2005/6 to 2009/10

²⁵ The figures used in this analysis should be interpreted with caution particularly if they are to be used for planning future evaluations. They are historic figures and may not reflect future spending, e.g. over the next five to 10 years.

33. Calculations were made of the amount of bilateral aid ‘covered’ per study for each country/region. The mean amount was £56.9m, which equates to just over £11m per year. Table 6 shows countries where significantly larger or significantly lower amounts of bilateral aid were ‘covered’ by each study. Countries/regions with higher amounts of bilateral aid per study included:

- Countries receiving the largest amount of DFID bilateral aid. For example, India was the most studied country but had high amounts of bilateral aid per study because of the very large amounts of DFID bilateral aid it receives (see Table 4).
- Regions²¹ such as the Caribbean and CASCAM which were each the subject of one evaluation during the study period.

Table 6: Countries with higher or lower bilateral aid volumes ‘covered’ per study from 2006 to 2010

Higher amounts of aid per study	£m	Lower amounts of aid per study	£m
Iraq	229	Malaysia	0
Sudan	204	Thailand	0.1
Caribbean	172	Maldives	0.6
India	123	Benin	1
Nigeria	117	Burkina Faso	1
Pakistan	106	Senegal	4
CASCAM	105	Philippines	5
Tanzania	104	Nicaragua	6
Afghanistan	98	Russia	7
Malawi	88	Bolivia	8

34. Countries/regions with lower amounts of bilateral aid per study included:

- Countries affected by the Asian tsunami and included in the NAO review of this, e.g. Malaysia, Thailand and Maldives.
- Countries included as case studies in joint evaluations, e.g. of budget support and aid effectiveness, with other donors. Examples include Benin, Burkina Faso, Senegal, Philippines, Nicaragua and Bolivia.
- Countries in which DFID was closing an office/programme during this period, e.g. Russia. Of countries with very low amounts of aid per study, Russia was the only one that was the subject of an evaluation. All others were included as illustrative case studies only.

35. DFID’s total multilateral aid from 2005/6 to 2009/10 amounted to £9.5 billion (see Table 3). Of this, an estimated²⁶ £8.3 billion (87%) was spent in specific countries/regions. Based on this, DFID’s total aid provision to countries and regions during the five years studies was £20.6 billion, of which 40% was

²⁶ DFID did not supply disaggregated data for multilateral spending for 2009/10. This has been estimated based on total multilateral spending in 2009/10 and disaggregated spending ratios for 2008/9.

provided as multilateral aid. This percentage is slightly higher than for DFID's overall aid.

36. Table 7 presents comparative data for the top 10 countries/regions supported by DFID with combined bilateral and multilateral aid; bilateral aid only and multilateral aid only²⁷. The top 10 recipients of total DFID aid are the same²⁸ as the top 10 recipients of DFID bilateral aid, because of the large amount of DFID bilateral aid focused on these countries. In these countries, bilateral aid accounts for between 67% and 83% of total DFID aid.
37. There are some similarities between the countries and regions receiving DFID bilateral and multilateral aid. For example, India, Ethiopia, Bangladesh, Tanzania and Nigeria are all in the top 10 recipients of both bilateral and multilateral aid. However, there are a number of differences:
- Countries/regions which appear in the top 10 of DFID's multilateral aid recipients but do not appear in the similar list relating to DFID's bilateral aid include Turkey, Vietnam, Western Balkans, the Occupied Palestinian Territories and countries of the CASC 'region'. These countries largely reflect the development priorities of the European Commission, which is the largest recipient of DFID multilateral funds.
 - Countries/regions which appear in the top 10 of DFID's bilateral aid recipients but do not appear in the similar list relating to DFID's multilateral aid include Sudan, Afghanistan, Pakistan, Ghana and DRC. Fragile states are more likely to receive funding from DFID bilateral funds rather than through multilateral funds. Again, this largely reflects the development priorities of the European Commission.

²⁷ Full details of all countries and regions receiving DFID bilateral and multilateral aid are provided in Annex 4 (p45).

²⁸ There is only one change in order with Sudan receiving less total aid than Afghanistan because, although it receives more bilateral aid, it receives less multilateral aid.

Table 7: Top 10 recipients of DFID aid from 2006 to 2010

Total aid (bi- and multilateral)	£m	Bilateral aid	£m	%²⁹	Multilateral aid	£m	%³⁰
India	1,728	India	1,354	78%	Turkey	422	99%
Ethiopia	992	Ethiopia	672	68%	India	374	22%
Bangladesh	961	Bangladesh	644	67%	Ethiopia	320	32%
Tanzania	871	Tanzania	622	71%	Bangladesh	317	33%
Afghanistan	745	Sudan	613	83%	Vietnam	258	49%
Sudan	742	Afghanistan	587	79%	Western Balkans	251	79%
Pakistan	729	Pakistan	546	75%	Occupied Palestinian Territories	231	57%
Nigeria	690	Nigeria	468	68%	Tanzania	249	29%
Ghana	648	Ghana	458	71%	Nigeria	222	32%
DRC	606	DRC	420	69%	CASCM	192	65%

²⁹ Of total aid that is bilateral

³⁰ Of total aid that is multilateral

Thematic/Sectoral Mapping of DFID Evaluations to Spend

38. Financial data concerning the themes and sectors supported by DFID is provided through a series of sector codes³¹ which identify broad sectors, such as health and education, and more specific sectors such as primary education and maternal/neonatal health.
39. Table 8 presents data on DFID spending, both bilateral and multilateral³² across broad sectors for 2006 to 2010. Governance and state building accounts for 19% of DFID's total aid. Other strongly-funded sectors include health (16%), economic infrastructure (11%) and education (10%). The split between bilateral and multilateral aid varies across sector. For example, bilateral aid provides high proportions of support for research (94%); education (79%); development planning (79%); humanitarian assistance (75%); government and state building (75%); and health (73%). Multilateral aid provides high proportions of support for economic infrastructure (62%); water and sanitation (57%); and environmental protection. More than one fifth (21%) of DFID's multilateral aid cannot be allocated to a specific sector. Multilateral aid accounts for almost three quarters (71%) of DFID aid that cannot be allocated to a specific sector.

Table 8: DFID spending across broad sectors: 2005/6 to 2009/10³²

	Multilateral		Bilateral		% as multilateral ³³
	Spend (£m)	% ³⁴	Spend (£m)	% ³⁵	
Education	500	5	1,912	12	21
Health	1,093	11	2,891	18	27
Water and Sanitation	501	5	375	2	57
Social Infrastructure and Services	505	5	768	5	40
Government and State Building	1,187	12	3,509	22	25
Economic Infrastructure	1,736	18	1,071	7	62
Production Sectors	829	9	990	6	46
Development Planning	188	2	714	5	21
Environmental Protection	336	4	258	2	57
Humanitarian Assistance	595	6	1,762	11	25
Research	37	0	563	4	6
Non-Sector Allocable	2,030	21	818	5	71
Totals	9,537	100	15,629	100	38

40. Figure 3 presents a diagrammatic representation of how evaluations during the study period map on to DFID's sectoral spend.

³¹ These are applied by programme staff to project documentation based on estimates of the sectors in which a particular project/programme will operate. The accuracy and reliability of this data depends on the accuracy and reliability of this coding process. For example, one explanation for the high level of funding for governance is that this is used by some staff as a 'default' entry for some programmes, e.g. budget support

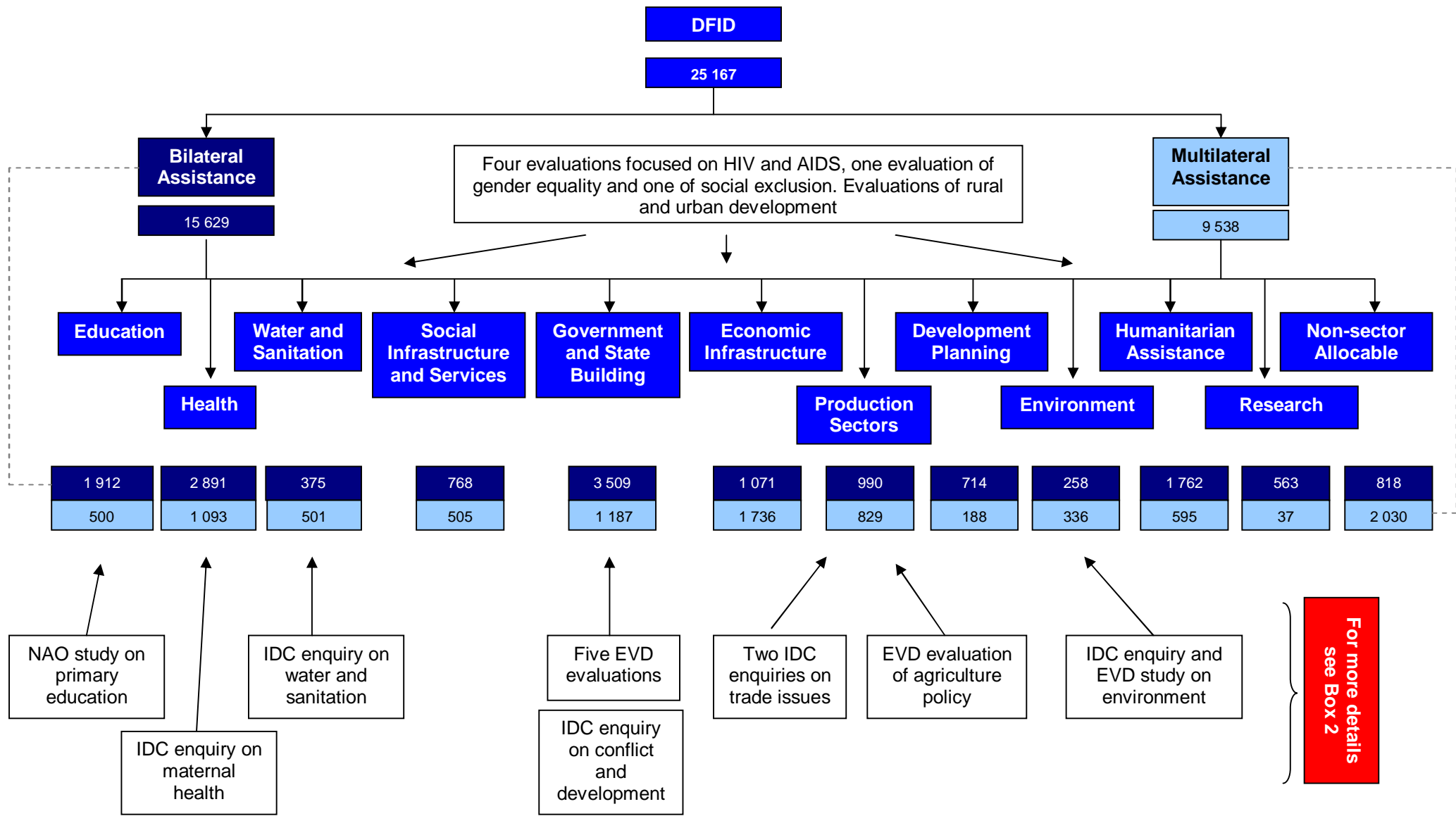
³² Multilateral figures for 2009/10 have been estimated based on 2008/9 data.

³³ % of the sectoral spend that is multilateral

³⁴ Of total multilateral spend on sector

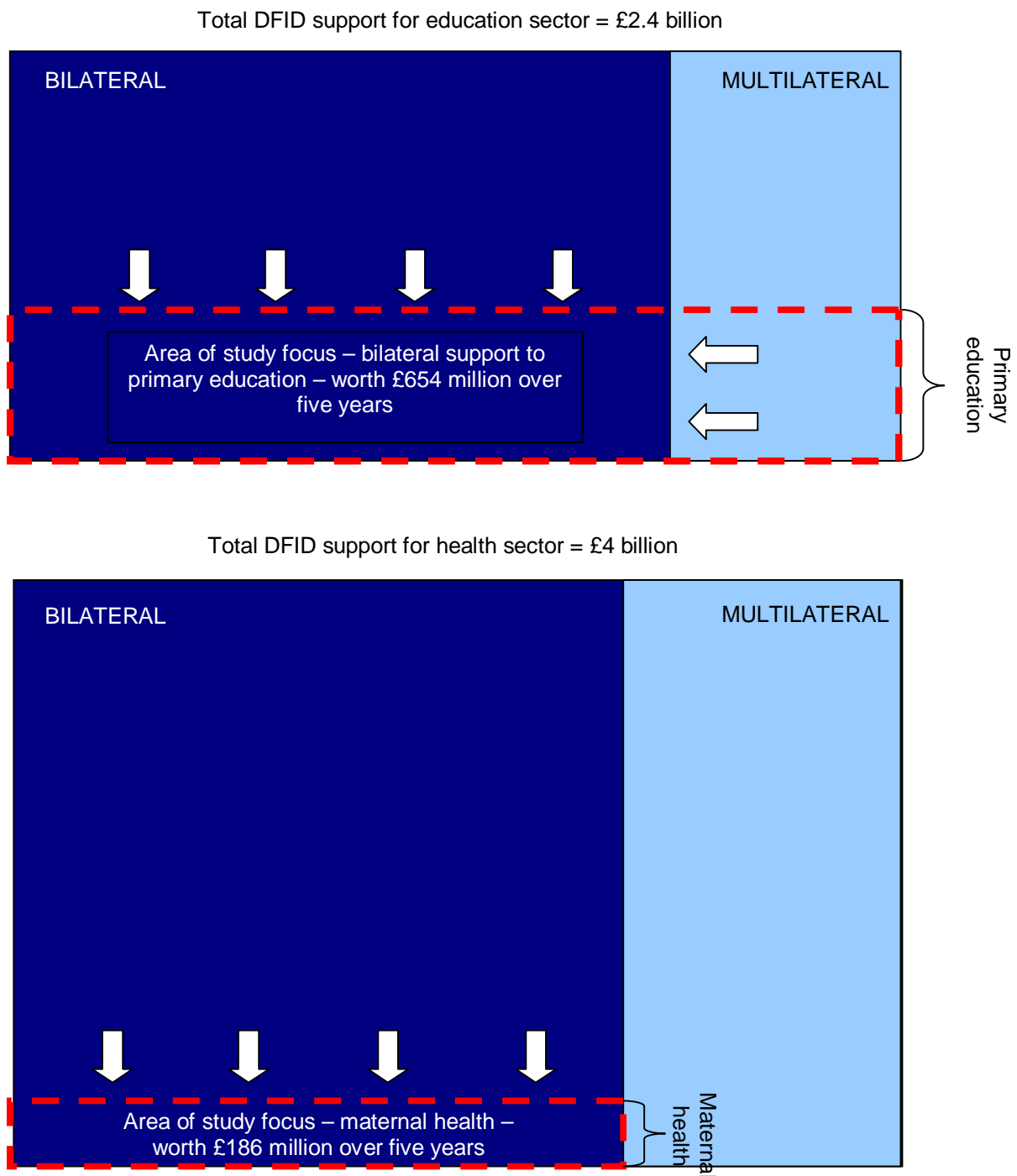
³⁵ Of total bilateral spend on sector

Figure 3: Map of thematic/sectoral evaluations and spending: 2006-10 (Figures are £m)



41. Figure 3 reveals a spread of studies across sectors supported by DFID. There have also been a number of studies of crosscutting issues, such as HIV, gender equality and social exclusion. The largest number of studies in one sector relate to governance, which is the broad sector that receives the largest amount of DFID aid of any particular sector. Some of the studies cover a whole sector, e.g. water and sanitation, while others cover just part of a sector, e.g. primary education or maternal health (see Figure 4).

Figure 4: Diagrammatic representation of how two evaluation studies on primary education and maternal health map on to overall expenditure



42. Figure 4 illustrates how particular studies cover a sector with two examples:

- NAO's examination of DFID support to primary education took place within a sector (education) that DFID supported with £2.4 billion between 2006 and 2010. Of this, £826 million (34%) was provided for primary education. This consisted of £654 million from bilateral funds and an estimated £172 million from multilateral funds. The NAO study was restricted to consideration of bilateral funds only.
- IDC's enquiry into maternal health took place within a sector (health) that DFID supported with £4 billion between 2006 and 2010. Of this, £186 million (5%) of bilateral funds was provided for maternal and neonatal health. Disaggregated data of multilateral funds did not allocate any amount to maternal and neonatal health.

43. These examples show that studies of part of a sector may be considering quite different levels of investment depending on the size of DFID's investment in the broad sector and the proportion spent on the specific sector. For example, DFID's financial support to the health sector was greater than its support to the education sector between 2006 and 2010. But, primary education accounted for around one third of DFID's total support to the education sector while maternal health only accounted for 5% of DFID support to the health sector. As a result, the amount being 'covered' in the evaluation of DFID's bilateral support to primary education is larger than the amount 'covered' in the enquiry into DFID's support to maternal health.

Mapping How Aid is Delivered: DFID Evaluations in Relation to Spend

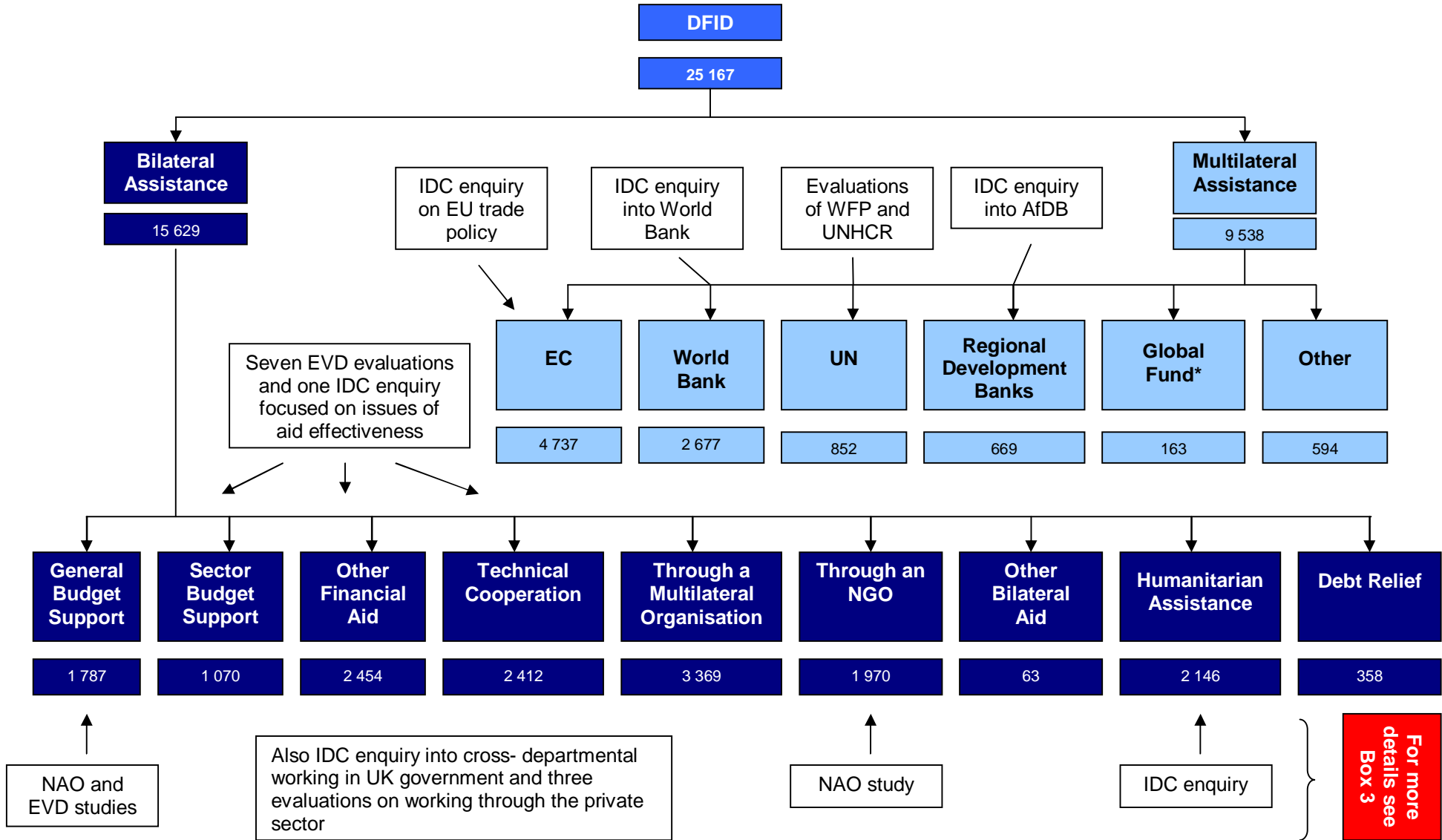
44. Financial data concerning aid instruments used is tracked through DFID's financial systems. These track multilateral aid by organisations funded and bilateral aid by use of different aid instruments.
45. Figure 5 presents data on DFID spending instruments used by DFID for both bilateral and multilateral³⁶ aid. Half (50%) of DFID's multilateral aid during this period was delivered through the European Commission. This amounted to £4.7 billion. Additional means of delivering multilateral aid included the World Bank (28%), the United Nations (9%) and Regional Development Banks (7%). Other means including the Global Fund accounted for 8% of multilateral aid.
46. The single largest way of delivering bilateral aid is through multilateral organisations (see footnote 19). During this period, this mechanism accounted for £3.4 billion and represented 22% of DFID's total bilateral assistance. It more than trebled from £389 million in 2005/6 to £1.3 billion in 2009/10. Other means of delivering bilateral assistance included through other forms of financial aid (16%), technical cooperation (15%), humanitarian assistance (14%), through civil

³⁶ There are some calculation errors in the figures supplied relating to multilateral aid.

society organisations (13%), general budget support (11%), sectoral budget support (7%) and debt relief (2%).

Figure 5: Map of evaluations of aid modalities and spending by aid instrument: 2006-10 (Figures are £m)

* separate figures available for Global Fund for 2009/10 only



47. DFID has done groundbreaking work on issues relating to aid effectiveness and this is reflected in a number of evaluation studies conducted by EVD in collaboration with other donors. However, there has been fairly limited central scrutiny of the provision of multilateral aid, particularly when compared to the level of scrutiny focused on country programmes. Most of the work that has been done has been done by IDC who conducted enquiries into the interplay of trade and development policies of the European Union and the work of The World Bank, the World Food Programme and the African Development Bank. EVD also took part in an evaluation of the joint strategy between Canada, Denmark, the UK and UNHCR. However, these five studies 'cover' £9.5 billion of DFID's multilateral investment which equates to one study 'covering' £1.9 billion of expenditure. One explanation for this is that there are other scrutiny mechanisms in place within DFID and within the multilateral agencies supported (see paragraph 8). But, there has clearly been a very different level of central evaluative scrutiny of DFID's bilateral and multilateral aid portfolios.
48. There have been several studies of DFID's use of different aid instruments including general budget support (EVD), humanitarian assistance (IDC) and funding through civil society (NAO). Areas that have not been subject to such evaluations during this period include:
- Bilateral funding of multilateral organisations
 - Other forms of financial aid
 - Technical cooperation
 - Sectoral budget support
 - Debt relief.

Conclusions

Gaps in Coverage

49. These further conclusions are based on an analysis of the findings of this study. This study only considered four groups of documents, which collectively are taken to constitute the central evaluations of DFID during the period 2006-2010. The apparent gaps highlighted in these conclusions could be real gaps or could be covered by other bodies of evaluative evidence (see paragraph 8).
50. There has been an extensive and impressive amount of central work done evaluating DFID's bilateral programme at country level. This has been done by EVD through a systematic process of Country Programme Evaluations. These have been well-focused on high spend countries, although some such countries, e.g. Tanzania, Iraq and Somalia, were not evaluated over the past five years.
51. Although there has been considerable effort to focus more of DFID's evaluative scrutiny on fragile states, there is evidence from this study that they are still being studied less in central evaluations than non-fragile states with similar levels of spending.
52. One area that has not been subject to central evaluation is DFID's multilateral in-country spend. There was no central evaluation of this portfolio overall during the period studied including review of why there are such significant variations in the way in which DFID bilateral and multilateral aid is allocated to countries (see Table 7). There has also been no specific analysis of DFID's multilateral expenditure in centrally-managed country evaluations.
53. With respect to thematic evaluations, the biggest gap in this portfolio of central evaluations relates to linkages between different evaluations. This applies particularly to those evaluations, such as thematic evaluations, which occur 'across' the spending model. In general, they appear to be largely unlinked to evaluations 'with' the spending model, such as central evaluations of DFID country programmes. Many thematic evaluations are learning lessons anew which have been highlighted previously in country programme evaluations. More thematic evaluations could be done as retrospective synthesis reviews of other evaluations. Others could be done by prospectively building lines of enquiry into 'with model' evaluations. EVD did this particularly in the last two years of the study, using the annual synthesis of reports of country programme evaluations to focus on particular topics – the role of regional programmes and responses in fragile states.
54. Finally, there is an apparent gap in DFID's central evaluations of its multilateral aid portfolio. This may reflect a real gap in evaluative evidence or may simply reflect that this information exists in a different body of evidence. This apparent gap particularly applies to DFID support to the European Commission. The amount (£4.7 billion) is extremely large accounting for nearly one fifth of DFID's total aid budget in the time period covered. There are also apparent gaps in evaluations of DFID's use of different aid instruments, for example the increasing use of multilateral organisations to deliver bilateral aid programmes In 2005/6,

combined use of general and sectoral budget support (£475 million) exceeded the use of multilateral organisations (£389 million). By 2009/10, the amount of bilateral aid delivered through multilateral channels (£1.3 billion) was double the amount delivered through these forms of budget support (£634 million).

Common Lessons

55. Clearly, the evaluations reviewed here represent a large amount of learning for DFID about its aid portfolio. Although many of them are very specific for the topic being studied, there are also many of general relevance to DFID's work. These general lessons have been captured in a detailed Excel file covering all the evaluations reviewed. Ten key lessons are highlighted in Box 4. They are explained in more detail in Annex 5 (p49).
56. Evidence of DFID learning lessons from evaluations is provided in some cases where two evaluations of the same type or topic were conducted in the five year period under review. For example:
 - The 2010 DAC peer review commented that DFID had acted on the 2006 review by developing a cross-departmental policy on protecting civilians in contexts of humanitarian assistance. There were, however, some examples of DFID not acting on recommendations in the DAC peer review report. For example, the 2006 report advised avoiding central and thematic spending targets. But, the peer reviewers decided that this advice needed to be repeated in the 2010 report. Similarly, the 2006 report expressed concern about the large number of central DFID policies, a concern that had to be repeated in the 2010 report. The opinion, expressed in 2006, that DFID needed to prioritise its central policies did appear to have been addressed to some extent by 2010, with four policy priorities identified in the government's white paper.
 - NAO conducted a value for money study of DFID's work in Malawi in 2009. EVD had conducted a country programme evaluation in Malawi in 2006. NAO concluded that '*DFID has learnt from evaluations to help improve its programme.*'
 - IDC conducted a number of enquiries related to HIV. Their enquiry into progress of implementation of the HIV strategy noted that a concern they had raised about the lack of a monitoring and evaluation framework had been addressed by DFID. They considered the production of a report of baseline data in response to their feedback to be a '*massive move forward*'.

Box 4: Evaluation lessons learned: 10 key themes

1. **DFID portfolio overall** – DFID has established an extremely positive reputation as a strong and effective donor with a single-minded focus on poverty reduction. The UK's commitment to reach the target of providing 0.7% of its Gross National Income as Official Development Assistance remains in place despite the economic downturn. Concerns that public support for development aid may be waning need to be addressed.
2. **Demonstrating results and value for money** – in order to maintain public support for development, DFID needs to be able to demonstrate its results and value for money more effectively. But currently there are very significant weaknesses in DFID's ability to do this. A major challenge will be to strengthen this ability without undermining the reputation DFID has established as a focused and flexible donor.
3. **Making aid more effective** – DFID has spearheaded initiatives to make aid more effective based on the principles of the Paris Declaration on Aid Effectiveness. This has been particularly encapsulated in DFID's enthusiastic promotion of general budget support. There are many positive examples in this field although the development impact of more effective aid, in general, and budget support, in particular is not yet clear. There is a fundamental incompatibility between DFID's endorsement of country-led approaches and its promotion of central policies and spending targets.
4. **Policy matters** – policy dialogue has become an increasingly important part of DFID's engagement with countries, particularly middle-income countries. But, DFID has a bewildering array of central policies which are poorly-prioritised and which have no clear mechanisms for implementation. Such central policies risk undermining DFID's stated commitment to country-led development.
5. **Partners** – DFID has tended to focus on developing strong relationships with national governments centrally. This 'state-centric' approach has hindered work with civil society and the private sector. The growing trend of channelling multilateral and bilateral funds through multilateral agencies is proceeding more rapidly than the documentation of evidence that this is an effective and efficient approach.
6. **Fragile states** – DFID's pioneering role in promoting a greater focus on fragile states is welcomed and celebrated. There is a need for better practical guidance for staff and more recognition of the challenges in measuring results and value for money in fragile settings.
7. **Crosscutting themes** – DFID has coherent strategies and policies on several crosscutting issues including HIV, gender, social exclusion and climate change. These strategies are much debated and reviewed. But they may not be systematically implemented across the organisation. For example, one report on the implementation of the social exclusion policy described it as 'tokenistic'.
8. **Particular populations** – DFID evaluations during this period had limited focus on particular populations. There was an IDC enquiry focused on internally-displaced people and refugees on the Thai-Burma border.
9. **Research** – these evaluations provide little, if any, evidence of links between DFID's evaluation and research work. NAO expressed dissatisfaction with DFID's dissemination of research findings on rural poverty.
10. **Management** – DFID's decentralised and flexible management systems are the envy of its peers. But these systems can be impeded by frequent changes in central policy requirements.

- EVD conducted two evaluations of the DFID country programme in Mozambique during this period, in 2006 and 2010. There is evidence from these that, based on feedback from the 2006 evaluation, the country office increased its focus on HIV and on Portuguese language skills for staff. However, the 2006 evaluation expressed concern that DFID was yet to proactively mainstream crosscutting issues, especially gender, into its programmes. The 2010 evaluation noted that DFID had left the issue of gender to others.

57. When central evaluations are conducted, DFID is provided with opportunity to provide a management response to the evaluation. In the case of IDC enquiries, these government responses are captured as special reports. There were a total of 33 of these during the period reviewed. In 11³⁷ EVD evaluations, DFID's management response was included as a chapter in the evaluation report and in the summary of the overall report³⁸. For example:

- The government response to the IDC's report on the 2009 white paper and the 2008/9 performance report did not respond to each point simply noting that, with a change of government, the white paper no longer represented government policy. The government did respond specifically on issues of fraud outlining DFID's approach to tackling fraud and providing an update on the Procurement Transformation programme.
- DFID's response to the evaluation of the country programme in Sudan distinguished recommendations with which DFID agreed, partly agreed and disagreed. Where DFID agreed with the recommendation, explanation was given as to how the recommendation was being addressed. Where DFID partly agreed, explanation was given as to problems faced in addressing recommendations. DFID clearly stated that they disagreed with the findings of the evaluation that the remit of the Common Humanitarian Fund should be broadened.
- DFID's response to the IDC enquiry on Afghanistan was clear where it agreed with IDC comments and recommendations, but was more guarded in disagreeing with the recommendations. The response did describe new actions taken by DFID to address recommendations, e.g. on the media strategy, but largely consisted of re-stating what DFID was already doing.
- DFID's response to the evaluation of the country programme in Afghanistan argued strongly that the context had changed since the evaluation had been conducted so that some of the recommendations were no longer relevant. The response questioned the evaluation's conclusions about the utility of

³⁷ These included country evaluations in Sudan, Yemen, Afghanistan, Ethiopia, Sierra Leone, Pakistan and Nepal. It also included an evaluation of DFID's work in the state of West Bengal and the regions of Western Balkans and Central Asia, South Caucasus and Moldova (CASC). It included a project synthesis report produced in 2010.

³⁸ Reviewing these management responses systematically was beyond the scope of this study. However, a review was conducted of four of these at the request of ICAI staff. These were the most recent IDC special report, the most recent EVD report and an IDC enquiry and EVD report into Afghanistan.

technical assistance and of the Afghanistan Reconstruction Trust Fund. The management response did give examples of actions taken in response to the evaluation, e.g. the development of a Gender Equality Action Plan.

58. The IACDI review of the quality of DFID evaluations concluded that DFID management responses, where they exist, are very vague and general in nature. The review concluded that there was a need for more meaningful management responses with plans approved by DFID senior management for acting on the implications of evaluations.

Annex 1: Terms of Reference

1. The Objective

1.1 The main objective of the Synthesis Study is to map DFID's centrally commissioned evaluations of DFID's work over the past 5 years and to pull out common lessons, and recommendations from past evaluations. The Synthesis Study will be used as background analysis to inform the workplan of the new Independent Commission for Aid Impact (ICAI).

2. The Recipient

2.1 The recipient of the study is the Secretariat of the new ICAI. The contractual relationship will be with DFID. Material for the study, i.e. DFID evaluations over the past decade and programme information, will be made available by DFID.

3. The Scope

3.1 The Synthesis Study should map the geographical, organisational and policy themes that the evaluations and reports cover:

- all DFID's centrally commissioned evaluations of the past 5 years (approximately 10 reports per year). This would include evaluations of multilateral bodies and joint evaluations;
- all NAO reports of DFID (approximately 2 per year);
- all International Development Committee reports, the select committee of Parliament (approximately 10 – 15 per year);
- the DAC Peer Review reports (1 report every four years).

3.2 The study should highlight any significant gaps; key areas of DFID's programme that previous evaluations have not covered in the past five years.

3.3 The Study should assess the relative amounts of coverage different areas of spend have received and develop a "spend to coverage" ratio.

3.4 The Synthesis Study should also examine the main recommendations and lessons of the reports. Although many of these recommendations will be specific to the policy or geographical programme, it is expected that there will be a number of common recommendations emerging. The Synthesis Study should highlight these common recommendations and lessons.

4. Method

4.1 The Synthesis Study will be a desk study. The report should include the following **outputs**:

- A map of the countries, regions, policies and issues covered in DFID's centrally commissioned evaluations, NAO reports and IDC reports from 2006 to 2010;
- A summary of any significant gaps in coverage ie any programmes or themes that have not received any scrutiny;

- An assessment of the “spend coverage ratio” ie to what extent different parts of the programme have been evaluated as compared to the spend they represent;
- An assessment of the common lessons emerging in evaluation recommendations (at least 10).

5. Reporting and Timeframe

5.1 The first draft report should be produced by 21 January 2011. The contractor will meet with ICAI and DFID at this point to discuss any amendments to the report. The final report should be produced by 28 January 2011.

6. DFID Co-operation

6.1 The key contact in DFID responsible for delivery of the contract is Jo Moir. Quality assurance of the report will be carried out by the ICAI Secretariat.

7. Background

“We will honour our aid commitments, but at the same time will ensure much greater transparency and scrutiny of aid spending to deliver value for money for British taxpayers and to maximise the impact of our aid budget” (The Coalition: Our Programme for Government)

7.1 The Coalition Agreement set out how the Government’s pledge to increase aid spending would be matched by a commitment to greater transparency and increased scrutiny. The Government’s commitment to spend 0.7% of GNI on ODA (Official Development Assistance) from 2013 imposes on us an even greater duty to secure value for money, ensure accountability to the British public and build on what works.

7.2 To guarantee this, all British aid must be subject to independent evaluation. The British taxpayer should have confidence that the Government’s development work has been shown *independently* to have produced results and saved lives. Retaining public confidence in the credibility and impact of our aid programme necessitates tougher, independent evaluation. That is why the ICAI is being established.

7.3 The ICAI will be led by a Board of Commissioners (comprising a Chief Commissioner and three other Commissioners), who will be independent and clearly separated from DFID. The Chief Commissioner will report to the Chair of the International Development Select Committee. The IDC will hold the Chief to account for the performance and work of the ICAI. This will strengthen independence and accountability.

7.4 The Board of Commissioners will take strategic decisions on what should be evaluated, reviewed and investigated, gather evidence about results and oversee a contracted-out service provider. They will be responsible for the publication of reports and making all information accessible to the British public and partner countries.

7.5 The ICAI will provide strong feedback from independent evaluations and reviews into Government decision making, to ensure that recommendations lead to

change. They will play a vital role in championing the use of evidence from independent reports, to allow the UK to spend more aid on what works best and achieve 100 pence of value for every development pound spent.

Annex 2: Documents Reviewed

Asian Development Bank, Government of Japan, DFID and the World Bank (2009) *Donor Coordination and Harmonisation in Bangladesh*

DFID (2006a) *DFID Country Programme Evaluations: Synthesis of 2005/2006 Evaluations*

DFID (2006b) *Evaluation of DFID Country Programmes: Country Study: Mozambique: Report and summary*

DFID (2006c) *An Evaluation of DFID's India Programme 2000-2005 Report and summary*

DFID (2006d) *Evaluation of DFID's Policy and Practice in Support of Gender Equality and Women's Empowerment* Consists of synthesis report, case studies, supporting documents and summary

DFID (2006e) *Developing Capacity? An Evaluation of DFID-funded Technical Cooperation for Economic Management in Sub-Saharan Africa: Synthesis Report* Two volumes

DFID (2006f) *Evaluation of DFID Country Programmes: Country Study: Bangladesh: 2000-5 Report and summary*

DFID (2006g) *Evaluation of DFID Country Programmes: Country Study: Malawi: 2000-5 Report and summary*

DFID (2006h) *Evaluation of DFID Country Programmes: Country Study: Ghana: 2000-5 Report and summary*

DFID (2006i) *Internal Review of DFID's Engagement with the Conflict in Northern Uganda*

DFID (2006j) *PCR Synthesis Report 2005: An Analysis of Projects and Programmes in PRISM 2000-5 and Review of Findings and Lessons Learned*

DFID (2006k) *Evaluation of DFID Country Programmes: Country Study: Rwanda: 2000-5 Report and summary*

DFID (2007a) *Evaluation of DFID Country Programmes: Country Study: West Bengal: Final Report* Report and summary

DFID (2007b) *Evaluation of DFID Country Programmes: Country Study: Nepal: Report*

DFID (2007c) *Evaluation of DFID Country Programmes: Country Study: Indonesia: Final Report* Report and summary

DFID (2007d) *Evaluation of Citizens' Voice and Accountability: Review of the Literature and Donor Approaches Report*

DFID (2007e) *Evaluation of DFID Country Programmes: Country Study: Russia: 2001-5 Report and summary*

DFID (2007f) *Country Programme Review: Vietnam Report and summaries (English and Vietnamese)*

DFID (2007g) *Interim Evaluation of Taking Action: The UK Government's Strategy for Tackling HIV and AIDS in the Developing World - Final Report* also Inception Report

DFID (2007h) *Caribbean Regional Programme Evaluation Report and summary*

DFID (2007i) *DFID's 2005 Agriculture Policy: An Interim Evaluation*

DFID (2007j) *Evaluation of DFID Country Programmes: Country Study: Kenya: Final Report*

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DFID (2008f) *Evaluation of DFID Country Programmes: Zambia* Report and summary

DFID (2008g) *Evaluation of DFID Country Programmes: Pakistan* Report and summary

DFID (2008h) *Regional Programme Evaluation: Western Balkans* Report and summary

DFID (2008i) *Desk Review of DFID's Private Sector Infrastructure Investment Facilities: Strategic Environmental Impact Assessment*

DFID (2008j) *Desk Review of DFID's Private Sector Infrastructure Investment Facilities*

DFID (2008k) *DFID Regional Programme Evaluation: Central Asia, South Caucasus and Moldova*

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DFID (2008m) *Evaluation and Lesson Learning: DFID Support to Andhra Pradesh* Also a document entitled *Andhra Pradesh: Programme Impacts*

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DFID (2009c) *Thematic Study of Support to Statistical Capacity Building: Evaluation of the Implementation of the Paris Declaration* (earlier draft of paper also available on DFID website)

DFID (2009d) *Evaluation of DFID Country Programmes: Cambodia* Report and summary

DFID (2009e) *Country Programme Evaluation: Afghanistan* Report and summary

DFID (2009f) *Country Programme Evaluation: Ethiopia* Report and summary

DFID (2009g) *Review of Public Financial Management Reform Literature*

DFID (2009h) *DFID Engagement in Fragile Situations* includes case studies; literature review; quantitative analysis of funding and activities; and synthesis report

DFID (2010a) *Allocating Resources for SR10*

DFID (2010b) *Diagram of SR10 Allocation Process* PowerPoint

DFID (2010c) *Bilateral Expenditure 2001/2 – 2009/10* Excel file

DFID (2010d) *Bilateral Project Data 1988/9 – 2009/10* Excel file

DFID (2010e) *Multilateral Shares 2008/9 – DFID and UK Summaries* Excel file

DFID (2010f) *Flow of DFID Programme, 2009/10 (£m)*

DFID (2010g) *The Politics of Poverty: Elites, Citizens and States: Findings from Ten Years of DFID-funded Research on Governance and Fragile States: 2001-2010: A Synthesis Paper*

DFID (2010h) *DFID's Southern Africa Country Programme: 2004-2009* Report and summary

DFID (2010i) *DFID's China Country Programme 2004-2009* Report and summary

DFID (2010j) *DFID's Mozambique Country Programme 2006-2009*

DFID (2010k) *Country Programme Evaluation: Sudan*

DFID (2010l) *Project Synthesis Report: A Review of Trends, Project Scoring and Lessons: April 2005 to December 2008*

DFID (2010m) *Evaluation of DFID Country Programmes: Yemen* Report and summary

DFID (2010n) *Synthesis of Country Programme Evaluations Conducted in Fragile States* Report and summary

DFID (2010o) *DFID Global Social Exclusion Stocktake Report*, summary and annexes

DFID (2010p) *Country Programme Evaluation: DRC 2003-2008* Report and summary

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DFID (2010r) *Resource Accounts 2009-10*

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EU (2006c) *Joint Evaluation of Coordination of Trade Building Capacity in Partner Countries*

IDC (2006a) *Conflict and Development: Peacebuilding and Post-conflict Reconstruction: Government Response to the Committee's Sixth Report of Session 2005-06*

IDC (2006b) *HIV / AIDS: Marginalised groups and emerging epidemics* Two volumes

IDC (2006c) *Department for International Development Departmental Report 2006*

IDC (2006d) *Humanitarian Response to Natural Disasters* Two volumes

IDC (2006e) *Conflict and Development: Peacebuilding and Post-conflict Reconstruction* Two volumes

IDC (2006f) *Private Sector Development: Government Response to the Committee's Fourth Report of Session 2005-06*

IDC (2006g) *Private Sector Development* Two volumes

IDC (2006h) *The WTO Hong Kong Ministerial and the Doha Development Agenda: Government Response to the Committee's Third Report of Session 2005–06*

IDC (2006i) *The WTO Hong Kong Ministerial and the Doha Development Agenda* Two volumes

IDC (2006j) *Darfur: The killing continues: Government Response to the Committee's Second Report of Session 2005–06*

IDC (2006k) *Delivering the Goods: HIV/AIDS and the Provision of Anti-retrovirals: Government Response to the Committee's First Report of Session 2005–06*

IDC (2006l) *Darfur: The killing continues*

IDC (2007a) *Development and Trade: Cross-departmental Working*

IDC (2007b) *Department for International Development Annual Report 2007* Two volumes

IDC (2007c) *DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai–Burma Border: Responses to the Committee's Tenth Report of Session 2006–07*

IDC (2007d) *Fair Trade and Development: Government Response to the Committee's Seventh Report of Session 2006–07*

IDC (2007e) *DFID's Programme in Vietnam: Government Response to the Committee's Eighth Report of Session 2006–07*

IDC (2007f) *Prospects for sustainable peace in Uganda: Government Response to the Committee's Ninth Report of Session 2006–07*

IDC (2007g) *DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai–Burma Border*

IDC (2007h) *Prospects for Sustainable Peace in Uganda*

IDC (2007i) *Department for International Development's Programme in Vietnam*

IDC (2007j) *Sanitation and Water: Government Response to the Committee's Sixth Report of Session 2006–07*

IDC (2007k) *Fair Trade and Development* Two volumes

IDC (2007l) *EU Development and Trade Policies: An update: Government Response to the Committee's Fifth Report of Session 2006–07*

IDC (2007m) *Sanitation and Water* Two volumes

IDC (2007n) *Development Assistance and the Occupied Palestinian Territories: Government Response to the Committee's Fourth Report of Session 2006–07*

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IDC (2007p) *HIV/AIDS: Marginalised Groups and Emerging Epidemics: Government Response to the Committee's Second Report of Session 2006–07*

IDC (2007q) *DFID Departmental Report: Government Response to the Committee's First Report of Session 2006–07*

IDC (2007r) *Development Assistance and the Occupied Palestinian Territories* Two volumes

IDC (2007s) *Work of the Committee in 2005-06*

IDC (2007t) *Humanitarian Response to Natural Disasters: Government Response to the Committee's Seventh Report of Session 2005-06*

IDC (2008a) *HIV / AIDS: DFID's New Strategy*

IDC (2008b) *The Humanitarian and Development Situation in the Occupied Palestinian Territories: Government Response to the Committee's Eleventh Report of Session 2007-08*

IDC (2008c) *The World Food Programme and Global Food Security: Government Response to the Committee's Tenth Report of Session 2007-08*

IDC (2008d) *Working Together to Make Aid More Effective: Government Response to the Committee's Ninth Report of Session 2007-08*

IDC (2008e) *The Humanitarian and Development Situation in the Occupied Palestinian Territories* Two volumes

IDC (2008f) *The World Food Programme and Global Food Security* Two volumes

IDC (2008g) *DFID and the African Development Bank: Government Response to the Committee's Seventh Report of Session 2007-08*

IDC (2008h) *Working Together to Make Aid More Effective* Two volumes

IDC (2008i) *Maternal Health: Government Response to the Committee's Fifth Report of Session 2007-08*

IDC (2008j) *DFID and the World Bank: Government Response to the Committee's Sixth Report of Session 2007-08*

IDC (2008k) *DFID and the African Development Bank* Two volumes

IDC (2008l) *Reconstructing Afghanistan: Government Response to the Committee's Fourth Report of Session 2007-08*

IDC (2008m) *DFID and the World Bank* Two volumes

IDC (2008n) *Maternal Health* Two volumes

IDC (2008o) *Development and Trade: Cross – departmental Working: Government Response to the Committee's Second Report of Session 2007-08*

IDC (2008p) *DFID Annual Report 2007: Government Response to the Committee's First Report of Session 2007-08*

IDC (2008r) *Reconstructing Afghanistan* Two volumes

IDC (2008s) *Work of the Committee in 2007*

IDC (2009a) *The Work of the Committee in Session 2008/9*

IDC (2009b) *Progress on the Implementation of DFID's HIV / AIDS Strategy* Two volumes

IDC (2009c) *Sustainable Development in a Changing Climate: Government Response to the Committee's Fifth Report of Session 2008-09*

- IDC (2009d) *Aid Under Pressure: Support for Development Assistance in a Global Economic Downturn: Government Response to the Committee's Fourth Report of Session 2008-09*
- IDC (2009e) *DFID's Programme in Nigeria* Two volumes
- IDC (2009f) *Urbanisation and Poverty* Two volumes
- IDC (2009g) *DFID and China: Government Response to the Committee's Third Report of Session 2008-09*
- IDC (2009h) *Sustainable Development in a Changing Climate* Two volumes
- IDC (2009i) *Aid Under Pressure: Support for Development Assistance in a Global Economic Downturn* Two volumes
- IDC (2009j) *DFID Annual Report 2008: Government Response to the Committee's Second Report of Session 2008-09*
- IDC (2009k) *DFID and China* Two volumes
- IDC (2009l) *DFID Annual Report 2008* Two volumes
- IDC (2009m) *HIV/AIDS: DFID's New Strategy: Government Response to the Committee's Twelfth Report of Session 2007-08*
- IDC (2009n) *Work of the Committee in Session 2007-08*
- IDC (2010a) *The 2010 Millennium Development Goals Review Summit* available on <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/534/53402.htm>
- IDC (2010b) *DFID's Performance in 2008/9 and the 2009 White Paper: Government Response to the Committee's Fourth Report of Session 2009-10* available on <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/452/45202.htm>
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- IDC (2010d) *DFID's Programme in Nepal* Two volumes
- IDC (2010e) *DFID's Programme in Zimbabwe* Two volumes
- IDC (2010f) *Draft International Development (Official Development Assistance Target) Bill*
- IDC (2010g) *DFID's Performance in 2008/9 and the 2009 White Paper* Two volumes
- IDC (2010h) *DFID's Programme in Bangladesh* Two volumes
- IDC (2010i) *Progress on the Implementation of DFID's HIV/AIDS Strategy: Government Response to the Committee's First Report of Session 2009-10*
- IDC (2010j) *DFID's Programme in Nigeria: Government Response to the Committee's Eighth Report of Session 2008-09*
- IDC (2010k) *Urbanisation and Poverty: Government Response to the Committee's Seventh Report of Session 2008-09*
- IDD and Associates (2006) *Evaluation of General Budget Support: Synthesis Report*

Kabell Consulting (2008) *Evaluation of the Paris Declaration: Phase 1: Synthesis Report*

NAO (2006a) *DFID: Working with Non-Governmental Organisations and Other Civil Society Organisations to Promote Development* contains main report, executive summary, press release and supporting data

NAO (2006b) *DFID Tsunami: Provision of Financial Support for Humanitarian Assistance* consists of main report and press release

NAO (2007) *Tackling Rural Poverty in Developing Countries* contains main report, executive summary, press release and special study

NAO (2008a) *DFID: Progress in Improving Performance Management*

NAO (2008b) *Investing in Development: DFID's Oversight of CDC PLC* contains main report, executive summary and a press release

NAO (2008c) *DFID: Operating in Insecure Environments* contains main report, executive summary, press release, survey of country team and individual staff survey

NAO (2008d) *The UK's Response to the South Asia Earthquake*

NAO (2008e) *DFID: Providing Budget Support for Developing Countries* contains main report, executive summary, press release and survey of country teams

NAO (2009) *DFID: Aid to Malawi* contains main report, executive summary, detailed method, ITAD report on qualitative research, survey among DFID Malawi staff and press release

NAO (2010) *DFID: Bilateral Support for Primary Education* contains main report, executive summary, detailed method, national data and press release

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OPM (2008) *Independent Evaluation of Uganda's Poverty Eradication Action Plan*

OPM and IDL (2008) *Evaluation of the Implementation of the Paris Declaration: The Applicability of the Paris Declaration in Fragile and Conflict-Affected Situations*

Perrin, B. (2009) *Review of the Quality of DFID Evaluations: A Delicate Balancing Act*

Universalia (2009) *Evaluation of the UNHCR Joint Organisation Strategy with Canada, Denmark and UK*

Annex 3: Number of Studies by Country

Country	No. of evaluations	No. of case studies	No. of mentions in NAO studies ³⁹	Total
Afghanistan	2	3	1	6
Bangladesh	3	5	0	8
Benin	0	1	0	1
Bolivia	0	1	0	1
Burkina Faso	0	3	0	3
Burma	1	0	1	2
Burundi	0	1	0	1
Cambodia	1	2	0	3
Cameroon	0	1	0	1
Caribbean	1	0	0	1
CASCM	1	0	0	1
China	2	2	0	4
DRC	1	7	0	8
Ethiopia	1	8	0	9
Ghana	1	7	0	8
India	3	6	2	11
Indonesia	1	3	1	5
Iraq	0	1	0	1
Kenya	1	5	0	6
Liberia	0	1	0	1
Madagascar	0	1	0	1
Malawi	2	2	0	4
Malaysia	0	0	1	1
Maldives	0	0	1	1
Mozambique	2	6	0	8
Nepal	2	5	0	7
Nicaragua	0	4	0	4
Niger	0	1	0	1
Nigeria	1	3	0	4
OPT	2	0	0	2
Pakistan	1	4	0	5
Philippines	0	1	0	1
Russia	1	1	0	2
Rwanda	1	4	0	5
Senegal	0	1	0	1
Sierra Leone	1	2	1	4
South Africa	1	4	0	5

³⁹ NAO multi-country studies of natural disasters, i.e. the South Asia earthquake and the Asia tsunami.

Country	No. of evaluations	No. of case studies	No. of mentions in NAO studies ³⁹	Total
Sri Lanka	0	1	0	1
Sudan	2	1	0	3
Tanzania	0	6	0	6
Thailand	0	0	1	1
Uganda	3	5	0	8
Vietnam	2	6	0	8
Western Balkans	1	1	0	2
Yemen	1	1	0	2
Zambia	1	7	0	8
Zimbabwe	1	2	0	3

Annex 4: DFID Expenditure by Country and Region – 2005/6 to 2009/10 (£m)

Country	Bilateral	Multilateral ⁴⁰	Total
Afghanistan	587.0	158.1	745.1
Africa Regional	293.2	157.0	450.2
Algeria	0.2	20.5	20.7
Americas Regional	2.2	49.8	52.0
Angola	26.9	48.5	75.3
Anguilla	1.0	1.0	2.1
Asia Regional	62.0	43.4	105.4
Azerbaijan	0.0	32.6	32.6
Bangladesh	643.8	317.4	961.2
Barbados	0.0	3.1	3.1
Belarus	0.0	6.8	6.9
Belize	2.8	4.3	7.1
Benin	1.2	64.5	65.7
Bhutan	0.1	7.8	7.9
Bolivia	8.5	25.8	34.3
Botswana	0.1	8.2	8.3
Brazil	5.3	11.4	16.7
Bulgaria	0.2	0.0	0.2
Burkina Faso	2.9	154.2	157.1
Burma	107.7	24.8	132.5
Burundi	50.2	65.3	115.5
Cambodia	71.9	40.2	112.2
Cameroon	37.4	76.5	114.0
Cape Verde	1.5	0.0	1.6
Caribbean total	172.4	55.9	228.3
Central African Republic	9.7	32.7	42.3
Central America	1.6	0.0	1.6
CASCM	104.5	192.8	297.3
Chad	18.6	45.4	64.0
Chile	1.5	7.3	8.9
China	186.9	54.0	240.9
Colombia	2.4	22.2	24.6
Comoros	0.0	6.0	6.0
Congo	1.8	26.8	28.6
DRC	419.7	186.8	606.5
Cook Islands	0.0	0.2	0.2
Costa Rica	0.0	3.8	3.9
Cote d'Ivoire	6.0	85.3	91.4

⁴⁰ DFID did not supply disaggregated data for multilateral spending for 2009/10. This has been estimated based on total multilateral spending in 2009/10 and disaggregated spending ratios for 2008/9.

Country	Bilateral	Multilateral ⁴⁰	Total
Croatia	0.7	57.5	58.2
Cuba	0.2	2.8	3.0
Djibouti	4.6	10.8	15.4
Dominican Republic	0.1	18.1	18.2
East African Community	1.9	0.0	1.9
East Timor	9.1	9.8	18.9
Ecuador	0.0	13.8	13.8
Egypt	1.0	65.1	66.1
El Salvador	0.4	6.9	7.3
Equatorial Guinea	0.0	3.2	3.2
Eritrea	16.0	22.8	38.8
Ethiopia	672.4	319.8	992.2
Europe Regional	19.0	115.7	134.7
Far East Regional	0.8	2.2	3.0
Fiji	0.0	6.8	6.8
Gabon	0.0	5.0	5.0
Gambia	16.0	11.0	26.9
Ghana	458.4	189.0	647.5
Gibraltar	0.0	0.0	0.0
Guatemala	1.6	11.7	13.4
Guinea	3.3	23.2	26.6
Guinea-Bissau	0.1	18.3	18.4
Haiti	17.2	52.7	69.9
Honduras	2.5	41.3	43.8
India	1354.2	374.1	1728.3
Indonesia	212.6	137.3	349.9
Iran	0.3	7.7	7.9
Iraq	229.0	58.3	287.3
Jordan	12.2	37.3	49.5
Kazakhstan	0.8	8.9	9.8
Kenya	338.5	80.5	419.0
Kiribati	0.0	0.5	0.5
Korea	3.5	6.8	10.3
Laos	2.1	23.2	25.3
Latin America Regional	22.5	28.0	50.5
Lebanon	6.8	36.8	43.5
Liberia	50.7	51.2	101.9
Libya	0.0	1.8	1.8
Macedonia	1.4	25.4	26.8
Madagascar	30.9	171.9	202.8
Malawi	351.8	87.8	439.7
Malaysia	0.0	2.6	2.6
Maldives	0.6	6.1	6.6

Country	Bilateral	Multilateral ⁴⁰	Total
Mali	4.0	126.9	130.9
Marshall Islands	0.0	0.5	0.5
Mauritania	2.0	23.4	25.4
Mauritius	0.1	21.7	21.8
Mayotte	0.0	2.1	2.1
Mexico	0.2	12.7	12.9
Micronesia	0.0	0.7	0.7
Middle East	11.8	23.9	35.7
Mongolia	4.3	12.3	16.6
Montenegro	0.0	11.1	11.1
Morocco	0.0	93.0	93.0
Mozambique	313.8	186.2	499.9
Namibia	2.6	12.4	15.0
Nauru	0.0	0.2	0.2
Nepal	256.6	56.8	313.4
Nicaragua	25.7	36.0	61.8
Niger	20.3	108.2	128.6
Nigeria	467.6	222.5	690.1
Niue	0.0	0.2	0.2
Non-specific country	3327.6	1240.2	4567.8
North and Central America	0.0	16.0	16.0
North of Sahara Regional	1.1	26.0	27.1
Oceania Regional	0.0	8.7	8.7
Oman	0.0	0.2	0.2
Overseas Territories	6.3	0.0	6.3
OPT	174.2	230.6	404.8
Pakistan	545.8	182.9	728.7
Palau	0.0	0.3	0.3
Panama	0.0	2.4	2.4
Papua New Guinea	0.9	20.3	21.1
Paraguay	0.0	14.5	14.5
Peru	8.8	12.4	21.2
Philippines	5.4	22.7	28.2
Pitcairn	9.8	0.0	9.8
Romania	0.8	0.0	0.8
Russia	13.7	0.0	13.7
Rwanda	262.6	89.9	352.5
Samoa	0.3	4.0	4.4
Sao Tome	0.0	3.1	3.1
Senegal	4.2	89.6	93.8
Seychelles	0.0	0.7	0.7
Sierra Leone	218.2	42.2	260.5
Solomon Islands	0.2	2.5	2.7

Country	Bilateral	Multilateral ⁴⁰	Total
Somalia	139.0	46.0	185.0
Southern Africa	213.1	108.7	321.7
South and Central Asia	0.0	6.6	6.6
South Asia	3.5	0.6	4.0
South East Asia	1.7	0.0	1.7
South of Sahara Regional	234.4	176.5	410.8
South Pacific	0.9	0.0	0.9
Sri Lanka	34.5	66.9	101.4
St Helena	105.2	1.5	106.7
St Kitts	0.0	2.9	2.9
States of ex Yugoslavia	0.1	1.1	1.2
Sudan	612.9	128.8	741.6
Surinam	0.0	2.7	2.7
Syria	0.5	14.7	15.2
Tanzania	622.3	249.0	871.3
Thailand	0.1	16.3	16.4
Togo	1.0	34.6	35.6
Tonga	0.0	0.9	0.9
Trinidad and Tobago	0.0	7.5	7.5
Tunisia	0.0	48.3	48.3
Turkey	2.4	422.3	424.7
Turkmenistan	0.0	3.6	3.6
Turks and Caicos	6.4	1.2	7.6
Tuvalu	0.0	0.2	0.2
Uganda	356.8	187.1	543.9
Ukraine	15.0	73.7	88.7
Uruguay	0.0	4.5	4.5
Uzbekistan	0.3	17.0	17.3
Vanuatu	0.1	1.0	1.0
Venezuela	0.0	4.4	4.4
Vietnam	270.2	258.1	528.4
Wallis and Futuna	0.0	1.5	1.5
Western Balkans	67.3	251.2	318.4
West Indies Unit	0.0	7.2	7.2
Windward Islands	2.9	0.0	2.9
Yemen	94.0	39.9	133.8
Zambia	245.5	139.5	385.1
Zimbabwe	235.3	25.2	260.5

Annex 5: Lessons Learned from DFID Evaluations 2006-2010

1. DFID Portfolio Overall

DFID's 'model' of providing aid

A1. Within the international development sector, DFID has established **an extremely positive reputation as a strong and effective donor**. This is particularly clearly seen in the two DAC peer reviews conducted during this period. The first, in 2006, noted the UK's strong political commitment to international development and the country's positive trend towards the target of providing 0.7% of Gross National Income (GNI) as Official Development Assistance (ODA). It also noted that DFID was an effective mechanism for the delivery of the majority of the UK's ODA. The second report, in 2010, noted that the UK's strong leadership role in the field of international development had continued with DFID forging ahead on a number of critical topics, including aid effectiveness, delivery of aid in fragile states, humanitarian assistance and reform of international aid.

DFID's focus on poverty reduction

A2. DFID has acquired a positive reputation for its **single-minded focus on poverty reduction**, as articulated in its total focus on achieving the Millennium Development Goals (MDGs). IDC has argued strongly for maintaining this focus but has expressed concern that many of the MDGs are off-track. IDC has also pointed out that a new point of focus will be needed after 2015. Nevertheless, in the period studied, DFID's focus on poverty reduction, in general, and on the MDGs, in particular, resulted in DFID focusing its aid on fewer countries. This trend was warmly applauded by the most recent DAC review. In addition, this MDG-focus has resulted in DFID's greater focus on fragile states, a point noted by both IDC and NAO. The evaluations reviewed contain a rich array of specific evidence of concrete actions taken by DFID in different contexts to promote achievement of the MDGs. A few of these are highlighted in Box 5.

A3. However, there is a debate about whether the MDGs should be the only focus for DFID's work. For example, an evaluation of DFID's work in Yemen in 2010 concluded that DFID should not focus only on the MDGs but also on promoting economic and political stability. Clearly, the UK stands at **a 'crossroads' as the date for realisation of the MDGs approaches**. Should DFID's work remain sharply-focused on specific poverty reduction goals, such as the MDGs only, or should other areas of focus be allowed. IDC has been a strong advocate for maintaining the UK's focus on the MDGs. In their 2010 enquiry into the draft international development bill, they expressed concerns about the risk that ODA might be diverted away from poverty reduction. There is some evidence that this is already happening. For example, the 2010 evaluation of the DFID country programme in Sudan concluded that *'the major problem with regard to the relevance of DFID strategy as it has developed is the loss of focus on the underlying DFID 'mission' of poverty reduction. Poverty and the MDGs,*

and DFID concerns with cross-cutting issues of gender and social exclusion, are barely mentioned in the July 2008 plan.'

Box 5: Specific examples of DFID MDG-focused work and decisions

In Ghana, DFID's aid programme was reported to be focused on budget support and human development. It was well-aligned with Ghana's poverty reduction strategy. An assessment by the National Development Planning Commission found good progress.

In Nigeria, DFID's MDG focus resulted in it focusing support on a small number of states, a decision that was praised in an IDC enquiry.

But, the MDG focus can also identify problems. For example, an evaluation in Malawi in 2006 concluded that Malawi's poverty reduction strategy was weak and the assumption that the government had a genuine intention to implement it was flawed. As a result, progress towards the MDGs between 2000 and 2005 had been slow despite the massive volume of aid flows.

In Bangladesh, DFID was credited with having made a significant contribution to poverty reduction principally through investments in infrastructure, agriculture and fisheries, education and health, and through emergency relief. There were also examples in Bangladesh of support to particularly innovative programmes targeting the poorest.

An evaluation of DFID's programme in India concluded that *'the degree of commitment to poverty reduction, and the emphasis on bringing to bear the themes of gender, inequality and social exclusion in the design of all projects, sets DFID apart from other donors.'*

In Nepal, DFID's focus on the MDGs resulted in a greater focus on the most vulnerable. Nepal was also considered to demonstrate positive outcomes in a number of sectors including water, health and livelihoods.

In Indonesia, DFID's emphasis on the MDGs was considered to have provided a strong focus for its work, particularly on health. Evaluations provided several examples of countries, such as Zambia and Vietnam, in which DFID was considered to have influenced national policies in a pro-poor direction. Experience in Vietnam was considered important as a model of how to exert pro-poor influence in a country that is not dependant on international aid. This focus on influencing national policies in a pro-poor direction was considered to have allowed DFID to have 'punched above its weight' in Zambia.

In Ethiopia, an MDG-focus resulted in a number of donors placing a greater emphasis on support for the chronically food-insecure.

Finally, evaluations have also provided evidence that questions whether approaches which might be expected to contribute to poverty reduction actually do so. A joint evaluation of work on citizens' voice and accountability (CV&A) concluded that *'the effect on development of CV&A in particular, and democracy more generally, (in terms of leading to poverty alleviation and the achievement of other MDGs, for example) is neither direct nor obvious, and no evidence can be found within the sample, of a direct contribution of CV&A interventions to poverty alleviation or the meeting of the MDGs.'*

A4. The evaluations identify a number of **significant challenges for DFID in seeking to pursue its goal of poverty reduction**. These included:

- Significant limitations of poverty reduction strategies in many countries. They are often seen as taking a ‘technocratic’ approach to poverty reduction which may fail to take into account important political realities.
- Not all partners sharing DFID’s poverty focus. This is particularly significant when the national government does not have a strong commitment to poverty reduction, e.g. DRC and Malawi
- A concern raised by the 2010 DAC peer review that the UK’s non-DFID ODA is fragmented and not as poverty-focused as DFID’s work
- Limited evidence that general budget support produces a measurable impact on poverty levels. A major joint evaluation of Partnership General Budget Support (PGBS) in 2006 concluded that *‘study teams could not confidently track distinct (separately identifiable) PGBS effects to the poverty impact level in most countries.’*

UK aid volumes

A5. The continued commitment of the UK Government to **increase aid to meet the target of 0.7% of GNI** is welcomed by the DAC peer reviews and by the IDC. Several of the IDC enquiries make reference to this issue. In addition, they have raised specific concerns, including that the figure should exclude debt relief and that there should not be too many ‘get out’ clauses. In their enquiry, in 2009, into the effects of the economic downturn on aid, IDC praised the UK Government for sticking to its commitments but expressed concern that not all donor governments were doing the same.

A6. Handling **increasing volumes of aid creates challenges for DFID**. These are explored in detail later in this section. However, EVD explored this issue in a synthesis of country programme evaluations in 2008. It concluded that DFID had been able to manage to scale up its programmes efficiently through co-financing with large World Bank programmes; participating in multidonor funds and large sector programmes; and contributing to budget support. However, the report expressed concern that there was less evidence that *‘efficiently scaling up aid volumes has increased impact.’*

Public commitment to international development

A7. The UK has enjoyed high levels of public support for international development. This was commented on in the 2006 DAC peer review and in a 2008 evaluation of the Paris Declaration in which DFID was cited as a case study. The 2008 evaluation concluded that *‘DFID’s high level of commitment to the Paris Declaration is reinforced by the domestic political environment, where*

international development has a high political salience and pro-development lobbies are well organised and influential. The external bodies to which DFID is accountable – the UK Parliament, Treasury and National Audit Office – also take a keen interest in effective use of the aid budget.'

- A8. However, both IDC and DAC peer reviews have raised **concerns that public support may be declining**. The 2006 DAC peer review considered public support to be at a high point and the 2010 review expressed concern that it was declining. Factors identified by IDC and DAC as contributing to this include:
- Reports of corruption affecting international aid.
 - Concerns over effectiveness including perceptions of limited scrutiny and limited evidence of impact.
 - Limited profile of DFID's activity and funding.
 - Critical comments from some partners, e.g. the Afghan Government.
 - Specific concerns over the need to maintain support for particular types of aid, e.g. humanitarian assistance.
- A9. One step taken to raise the **profile of the UK's aid** was the development and launch of the UKAID logo. This was welcomed by the 2010 DAC peer review, although IDC would like to see this given higher visibility. One evaluation, in 2008, did however raise concerns that introduction of this logo had resulted in reduced DFID visibility in Western Balkans.
- A10. One important issue raised by IDC is the need to recognise **the diverse nature of the UK public**. For example, IDC suggested that DFID could do more to engage with the 'Bangladeshi diaspora' in the UK.

2. *Demonstrating Results and Value for Money*

Results

- A11. A very large number of the evaluations raise **significant concerns about DFID's ability to measure and demonstrate its results**.
- A12. In its enquiry into DFID's 2007 annual report, IDC concluded that **DFID's focus on results was too vague**.
- A13. Several evaluations raise concerns that **DFID is too focused on process and not focused enough on results**. In its enquiry into aid effectiveness, IDC questioned whether more 'effective' aid actually gave better results and value for money. Concerns have also been raised that DFID's focus on aid effectiveness has largely overlooked management for results. Based on evidence from Malawi, NAO concluded that DFID should focus 'less on process'. In its enquiry into DFID's 2007 annual report, IDC expressed concern about the apparent focus on inputs.

- A14. Both IDC and the DAC peer review argued for **more performance-based funding within DFID**. The DAC reviewers expressed particular concerns that allocation of resources was not linked to performance. IDC argued that funding should be linked to performance in its enquiry into humanitarian aid.
- A15. But, a major challenge is presented by **DFID's very limited information on service performance**. Although one evaluation concluded that DFID had strong performance management⁴¹, the overwhelming body of evidence from the evaluations reviewed concludes that the reverse is the case. This is a repeated theme in NAO publications relating to DFID. It is raised in their examinations of particular aid instruments⁴², particular sectors⁴³ and particular countries⁴⁴. In 2008, NAO conducted a specific study focused on DFID's progress in improving performance management. This concluded that the prime challenge facing DFID was securing sufficient reliable, timely data on poverty reduction outcomes and service delivery outputs to underpin aid targeting and performance analysis. A large number of state, country and regional evaluations raise concerns about the absence or limitations of an overall performance framework for DFID's work. Such states, countries and regions include the Caribbean, Ghana, Indonesia, Pakistan, West Bengal, the Western Balkans and Zambia.
- A16. **Similar issues also affect some of DFID's multilateral partners**. For example, similar issues were identified in IDC's enquiry into the African Development Bank and the joint evaluation of UNHCR. The latter evaluation concluded that UNHCR's *'goals and indicators were primarily managerial rather than programmatic'*. The DAC peer reviewers encouraged DFID to work with others in establishing results frameworks.
- A17. There are **significant challenges facing DFID to improve its results focus**. These include:
- Limitations of its project completion scores – although these scores have been used to compare DFID's work in fragile and non-fragile states, a report synthesising an analysis of Project Completion Reports expressed concern that these scores were not very rigorous. Programme evaluations in China and Southern Africa concluded that there was a tendency for these scores to over-estimate performance.
 - Very weak performance measures – in its examination of DFID's work in Malawi, NAO concluded that its measures needed to be *'more robust, unambiguous and relevant.'* Country programme evaluations reported situations where inappropriate targets hampered the evaluation, e.g. in China and Southern Africa. IDC's enquiry into DFID's AIDS strategy expressed concern that it had few targets or indicators.

⁴¹ A joint evaluation of the Paris Declaration using DFID as a case study.

⁴² Delivering aid through civil society

⁴³ Primary education

⁴⁴ Malawi

- Particular challenges in measuring performance in some areas. For example, an evaluation in Yemen found that it was difficult to monitor performance in social exclusion and rural poverty. Similarly, a literature review of public financial management review concluded that progress in this area had been hampered by lack of performance-based indicators.
- Challenges arising from the context in which DFID works. This is particularly relevant for fragile states. For example, an evaluation in DRC highlighted the lack of up-to-date poverty data. In Afghanistan, the lack of good data and security constraints on access to beneficiaries both impeded the measurement of progress.
- Lack of a clear strategic direction in some countries, e.g. in Sierra Leone
- Issues relating to budget support as an aid instrument. This leads to increased reliance on national government data systems which are often weak. This was identified as a challenge in an evaluation of DFID's programme in Pakistan.
- Limitations in DFID's information database, e.g. as reported in Mozambique

A18. Several evaluations concluded that **DFID should focus more on measuring outcomes and impact**. These included NAO's examination of DFID's work in Malawi, the IDC enquiry on aid effectiveness and regional/country evaluations in CASC and Rwanda. An evaluation of DFID's programme in Kenya concluded that there was a need for more impact evaluation.

A19. Although the NAO study on DFID's performance management concluded that there was a strong focus on MDG and PSA targets, evaluations raise concerns about how progress in achieving these can be **attributed to DFID support**. IACDI's review of the quality of DFID evaluations concluded that there is a need for more realistic expectations about what evaluation can and cannot say about the causal link between DFID actions and effects. An evaluation of the UK's AIDS strategy concluded that attribution of effects is increasingly difficult because of the way in which the UK is now providing much of its development assistance. This is particularly difficult in contexts, such as Ethiopia, where much of DFID's funding is provided 'upstream' and in settings, such as Afghanistan, where much of DFID's support is provided through pooled funds.

A20. In its enquiry into DFID's annual report, in 2008, IDC expressed concern that DFID needed to be cautious in responding to the lack of data on its results by **producing and publishing figures that could not be substantiated**.

A21. Despite all this, some evaluations did document **evidence of results of DFID's aid**. In addition, evaluations in two countries, Malawi and Sudan, were able to challenge the lack of results produced based on available data (see Box 6)

Box 6: Demonstration and use of results in DFID evaluations

NAO's examination of budget support concluded that results of budget support include increased expenditure in priority areas; more health and education services; increased capacity of governments to plan and deliver services; strengthened government financial management systems; facilitated donor alignment and reinforced economic stability.

IDC's enquiry into DFID aid in Vietnam concluded that it was having an impact and was lifting people out of poverty. EVD's evaluation of DFID's work in Vietnam concluded that the overall performance of the country programme has been mostly good with significant results being achieved against the objectives set for aid effectiveness and addressing social exclusion.

In India, DFID's overall development effectiveness was considered to be substantial and to have increased from 2000 to 2005. Evidence cited for this was the high regard in which DFID India is held by development partners.

An evaluation in Mozambique concluded that the UK had played a significant contributory role in a period of stable growth and improving services, and that '*DFID can take credit for contributing to the steady progress in poverty reduction.*'

In Uganda, an evaluation found that DFID's programme had made a significant contribution to conflict reduction and peace-building in the extremely difficult circumstances of an ongoing conflict in Northern Uganda. Where targets had not been achieved, this was largely attributable to external factors, i.e. the lack of a peace agreement.

An evaluation of Private Sector Infrastructure (PSI) Investment Facilities concluded that PSI activity had increased since 2003 reflecting the increase in number of facilities and the expansion of the most successful ones.

Evaluations of crosscutting policies and strategies have demonstrated results. For example, an evaluation of the UK's strategy on HIV and AIDS concluded that DFID had contributed to increased political leadership and an improved international response. An evaluation of DFID's policy and practice on gender equity concluded that the integration of gender targets in the performance management framework helped institutionalise gender mainstreaming in primary and secondary education and in maternal health.

Some evaluations have also clearly documented non-achievement of results. For example, an evaluation of the DFID programme in Sudan concluded that the performance of pooled funding mechanisms was markedly weaker than for other interventions. As a result, the evaluators questioned DFID's reliance on these mechanisms. Similarly, an evaluation of DFID's country programme in Malawi concluded:

'On budget support, the general consensus emerging is that there is not much to show for the £72 million of support disbursed during the 2000-2003 period. The current programme is however beginning to address past weaknesses, with better attention to the predictability of disbursements, as well as the policy dialogue and the monitoring Government of Malawi's performance.'

A22. A small number of evaluations did raise **concerns about DFID adopting a more specific results focus**. An evaluation of citizen's voice and accountability concluded that donor expectations might be too high, and pointed out that there is a '*tension between the long-term processes of transforming state-society relations and donors' needs/desires to produce quick results.*' This is an important topic which was not considered to any significant

extent in the evaluations reviewed. Would an increasing emphasis on producing and demonstrating results change fundamentally the way DFID works and put at risk the reputation it has established as a focused, flexible and effective donor?

Value for Money

- A23. There are concerns that **DFID has not given significant attention to issues relating to value for money**. For example, in its enquiry into DFID's 2008 Annual Report, IDC concluded that there had not been sufficient emphasis on ensuring '*that every pound spent is achieving maximum impact*'.
- A24. This is unsurprising given the **problems that DFID has in documenting the results of its aid programme** (see paragraphs A11-A22). But, NAO has also raised concerns that DFID does not have sufficient input data to adequately assess value for money. For example, in their examination of DFID's operations in insecure environments, they concluded that DFID lacked sufficient management information on the human and financial costs of its operations.
- A25. In order to assess value for money, there is need for **accurate data on inputs, outputs and outcomes and the links between these**. In its examination of DFID's performance management systems NAO noted that there were challenges in assigning inputs to outputs.
- A26. In order to assess value for money, NAO advocates for **more data on unit costs and benchmarking of these**. Examples of these include teacher costs and the costs of purchasing textbooks and building classrooms. However, NAO also recognises that unit costs may legitimately be higher in some contexts, e.g. in rural settings.
- A27. The dominant approach to 'value for money' in DFID is focused on **cutting administrative costs, reducing staff numbers and increasing project/programme size**. This approach has been labelled 'doing more with less' Some evaluations report evidence that this is happening. For example, in Malawi, NAO documented that DFID had reduced its running costs by 25% and its staff from 100 to 40. Similarly, an evaluation of DFID's programme in India reported that aid expenditure increased from £180 million in 2001/2 to £247 million in 2005/6. At the same time, the number of advisory staff was reduced from 48 to 26. But, this approach is based on a number of assumptions including that:
- More money equates to 'doing more' and having more 'value'
 - Reducing administration costs is value-neutral
- A28. A small number of evaluations present data which **challenge these assumptions** (see also paragraph A178). For example, an IDC enquiry into DFID's Zimbabwe programme concluded that the high administration costs of the Protracted Relief Programme represented good value for money in that context. In addition, an evaluation of DFID's programme in China concluded

that there were high administration costs involved in maintaining an office in Beijing and in employing staff to engage with China on issues of international development. The evaluation concluded that DFID needed different value for money metrics for 'low aid, high dialogue' projects with non-aid dependant countries.

A29. Both DAC and IDC have raised concerns that **cuts in number of DFID staff could affect DFID programme performance**, particularly in fragile states.

A30. Evaluations highlight some **examples considered to represent poor value for money**. These include:

- Fraud and corruption, e.g. in Bangladesh, Nepal and Nigeria. As a result, initiatives to tackle fraud and corruption are considered to represent good value for money.
- Paying for flights for the Disaster Emergencies Committee during the response to the South Asian earthquake.
- Price competition among NGOs for scarce resources during the response to the South Asian earthquake.
- The decision, in 2001, to gear up DFID's programme in Russia only then to cut it back two years later.

A31. Evaluation data also shows that **some practices to increase value for money are based on assumptions rather than evidence**. For example, it is widely-assumed that bigger projects and more harmonised aid will reduce transaction costs. Indeed, evidence of increased project size and more harmonised aid has been cited as evidence of increased value for money in several evaluations. But, NAO commented that it proved difficult to substantiate the claims of reduced transaction costs through the use of budget support. Indeed, there is considerable counter-evidence:

- In Sudan, transaction costs were simply shifted from donors to NGOs and UN agencies.
- A synthesis of experience in fragile states concluded that there is '*ample evidence of the high opportunity cost of working with, and through other partners. Not only do advisers spend significant time working on pooled funding programmes, but management costs when using agencies such as the UN to implement on DFID's behalf are high. These in-country support costs can be significant and are additional to DFID's overall management costs for its global multilateral spend.*'
- In DRC, working through other donors proved not to be as good value for money as first appeared. Savings in administrative costs were spent on covering partners' administrative costs.

- An evaluation of the joint strategy between Canada, Denmark, the UK and UNHCR concluded that the process was very time-consuming and that there had been no reduction in transaction costs.

A32. NAO's examination of DFID's performance management concluded that **evaluations do not focus sufficiently on cost effectiveness**. One example of an evaluation which did focus strongly on issues of costs and efficiencies is presented in Box 7.

Box 7: Using evaluation to determine the efficiency of different interventions: An example

In 2006, EVD conducted an evaluation of DFID-funded Technical Cooperation for Economic Management in Sub-Saharan Africa: Synthesis Report

This concluded that the efficiency of activities supported had varied significantly. Providing UK experience to support the South African National Treasury to improve the budget system and Zambia to achieve HIPC completion was judged to have had a significant impact at a very modest cost. Similarly, the support to development of the integrated financial information system in Kenya was also judged highly efficient.

By contrast the support to payroll system development in Ghana was judged as exceedingly inefficient, while the efficiency of support to the similar initiative in Zambia was assessed as questionable. Quality of design and procurement, particularly in matching skill requirements to needs, were identified as the main determinants of efficiency.

Monitoring and Evaluation (M&E)

A33. Overall, these evaluations present evidence that **M&E within DFID has many significant weaknesses**. A synthesis of country programme evaluations in 2005/6 concluded that implementation of DFID's M&E systems had been weak. An evaluation of DFID's programme in Bangladesh concluded that there had been more focus on preparing sector investments and meeting spending targets than on designing M&E systems for judging programme outcomes. The evaluation concluded that DFID's work would have had more impact in Bangladesh if it had experienced less pressure to respond to emergent central policy themes and had put greater emphasis on monitoring and feedback loops in the programmes. An evaluation of DFID's programme in Ghana concluded that there had been more focus on monitoring than evaluation.

A34. The DAC peer review concluded that **DFID's M&E requirements are too complex and time-consuming**. For example, an evaluation of DFID's programme in Nepal concluded that some reviews, such as the 2005 Review and particularly the Country Assistance Plan (CAP), were time consuming and became rapidly out-dated as external circumstances changed.

A35. Concerns were raised that **DFID's M&E systems are outdated** and reflect an historic pattern of delivering aid through discrete projects. An EVD synthesis of country programme evaluations in 2006/7 concluded that as DFID increasingly becomes removed from direct project interventions, different approaches to M&E are required. These need to be meaningful particularly in the context of new, multi-donor instruments. These conclusions reinforced concerns raised in a synthesis of Project Completion Reports from 2005 which found that the system of recording programme data had not kept pace with DFID's evolving aid modalities. In particular, *'DFID's move upstream into policy oriented*

country-led approaches is not easily captured in a system designed to monitor downstream projects and programmes.'

A36. Several evaluations concluded that **DFID's M&E are not sufficiently focused on impact** (see paragraph A18). These included the IDC enquiry on aid effectiveness and the regional/country evaluations in Cambodia, CASCM and Nepal. An IDC enquiry into the World Bank concluded that DFID should push for more consistent and transparent use of impact assessments.

A37. In addition **DFID's M&E systems are not able to attribute results to DFID support**. NAO highlighted this issue in their report on budget support, as did IDC in their enquiry into DFID's HIV strategy. The evaluation of citizen's voice and accountability proposed that this issue could be addressed by greater use of theory-based evaluations.

A38. A key obstacle faced by DFID is **limited staff skills in M&E**. This issue was highlighted by NAO in their examination of DFID's performance management. This also documented the lack of staff training in these areas. EVD's evaluation of the DFID programme in the Caribbean concluded that M&E efforts had been hampered by reductions in DFID staff.

A39. An underlying problem is that **M&E are not given enough 'kudos' within DFID**. The 2008 NAO report on DFID's performance management stated that '*M&E has less kudos than policy analysis, programme planning and firefighting*'. DFID could learn on this from other agencies (see Box 8).

Box 8: DFID could learn about M&E from other agencies: The example of the World Bank in China

The 2010 evaluation of DFID's programme in China concluded that projects co-financed with the World Bank had generally been better-assessed. The evaluation concluded that the World Bank has a much stronger project review and evaluation culture than DFID.

A40. An evaluation of DFID's programme in Cambodia highlighted that **effective M&E are critical for learning**. The 2010 DAC review commented that DFID needed to create a culture of learning (see p65).

A41. Evaluations produced **a few examples of good monitoring processes**. For example, the evaluation of DFID's programme in CASCM concluded that DFID's activity-to-output monitoring was sound. An IDC enquiry into prospects for sustainable peace in Uganda concluded that donors had played an important role in monitoring the Peace, Recovery and Development Plan. An evaluation of DFID's programme in Ethiopia commented that there had been good use of joint monitoring and review processes for individual programmes, such as the Joint Budget and Aid Review for Protection of Basic Services.

A42. However, many more evaluations documented **a myriad of problems related to DFID's monitoring systems and practices**. These included:

- Frequent changes in DFID corporate requirements, e.g. in Ethiopia.

- Lack of continuity and congruence in the arrangements for monitoring progress toward country strategy objectives, e.g. in India

- Lack of regular reporting against monitoring frameworks, e.g. in Cambodia.

Box 9: Monitoring frameworks produced for DFID policies/strategies are not used: The example of social exclusion

The Global Social Exclusion Stocktake Report concluded that the Social Exclusion Policy was the first DFID policy to have a full implementation architecture established. Following the policy' launch in 2005, a Policy Implementation Plan (PIP) and Evaluation Framework (EF) were developed complete with indicators and baselines. However, *'it rapidly became apparent that while the policy itself has a relatively low corporate profile, almost no knowledge or awareness of the PIP or EF existed. This rendered it effectively redundant as an analytical tool.'*

- Many strategies and policies lack monitoring frameworks. Those that have them may have been developed late or lack rigour. Even, when they are in place, they are not used (see Box 9).

- Problems in measuring outputs as reported by the NAO report on DFID's performance management.
- Insufficient benchmarking of performance as reported in the IDC enquiry into humanitarian assistance.
- Use of too many indicators, documented by the NAO report on DFID's performance management and in a review of DFID's Private Sector Infrastructure Investment Facilities. In their examination of DFID's use of budget support, NAO concluded that there was a need for *'tighter outcome indicators'*. The review of DFID's Private Sector Infrastructure Investment Facilities expressed concern that only 70% of log frame indicators were quantifiable and, of these only half had been numerically defined.
- Absent baseline data as reported by the NAO report on DFID's performance management. The production of a baseline report for the DFID HIV strategy was considered by IDC to be a *'massive move forward'*.
- Weak national statistical systems. This concern was raised by NAO in their report on DFID's use of budget support. Some evaluations, for example, the thematic study on support to statistical capacity building commented positively on DFID's support in this area. But, a synthesis of country programme evaluations in 2005/6 concluded that not enough had been done to strengthen monitoring functions in national governments. In their enquiry into maternal health, IDC urged continued support for strengthening national Health Management Information Systems.
- Significant limitations in DFID's data systems including PRISM, ARIES and QUEST. For example, the Global Social Exclusion Stocktake Report concluded *'the absence of any marker or systems for systematic tracking or reporting on exclusion activity in DFID means that no evidence base is available for the assessment of resources. This study has encountered*

very significant data constraints within DFID systems. PRISM / ARIES data were difficult to source, and in many cases simply unavailable.' Similarly, a 2010 evaluation of DFID's programme in DRC concluded, 'access to documentation was hindered particularly for the latter years where the computerised QUEST system proved both time consuming and the electronic file structure made it difficult to obtain a comprehensive documentary trail – especially in comparison with the physical files.' A 2008 review of DFID's Private Sector Infrastructure Investment Facilities considered the system of Output to Purpose Reviews (OPRs) in some detail, including their reporting in PRISM. It concluded that 'On the whole, PRISM provides a comprehensive framework for recording information and assigning an overall rating but it has several weaknesses as a management tool. Most importantly, the reports do not use the potential of log frame methodology to map the causal linkages identifying how each Facility is expected to contribute to the higher level developmental objectives. In addition, the PRISM system does not provide for the consolidation or aggregation of the individual Facility reports into a comprehensive overview of the whole portfolio.'

- Very poor data quality. Concerns were expressed on this in a number of reports including IDC's enquiry into maternal health and the Global Social Exclusion Stocktake Report. An evaluation of DFID's programme in Russia expressed concern that DFID's written records were incomplete even for recent time periods.
- Overgrading of projects, for example in Vietnam. In its examination of DFID's performance management, NAO commented that the systems militate towards favourable assessments.
- Limited involvement of civil society, e.g. in Mozambique, and service users, e.g. in Malawi, in monitoring programmes.
- Limited monitoring of partners. In their examination of DFID's work in insecure environments, NAO concluded that this had resulted in delays in identifying corruption.
- Particular challenges in monitoring particular kinds of work including building civil society capacity, promoting gender equity, tackling urban poverty and promoting fair trade.
- Lack of systematic monitoring procedures for Private Sector Infrastructure Investment Facilities that do not support a physical project.

A43. Concerning evaluation, **the development of an explicit DFID evaluation strategy was welcome** by the DAC peer reviewers. This strategy places emphasis on focusing evaluations on areas of high spend, conducting more impact evaluations and increasing the independence of evaluations conducted.

A44. Several evaluations expressed concern that **DFID evaluations were less independent than in some other agencies**. DAC peer reviewers, NAO and

IDC all welcomed the formation of the Independent Advisory Committee on Development Impact as a positive step to address this. In their examination of DFID's performance management, NAO commented that there had been improvement in the scale and independence of DFID evaluations.

Nevertheless, NAO remained concerned that DFID's Evaluation Department was less independent than similar bodies in other agencies and that it had focused more on evaluations of strategy and practice rather than on evaluations of impact and cost effectiveness. IACDI's review of the quality of DFID's evaluations expressed concern that DFID's management of evaluations could sometimes become 'inappropriate interference'. The review identified two evaluations where independence had been compromised and others where it had been threatened. One result of this, identified by IACDI, was that evaluators' conclusions tended to be over-cautious which limited their usefulness. The IACDI report termed this 'blandification' and called for more 'straight talking' by evaluators. There is also concern in some countries, e.g. Rwanda, about the limited extent of independent evaluations.

- A45. IDC, in its enquiry into DFID's 2008 Annual Report, commented that **the evaluation function in DFID needs adequate human and financial resources**.
- A46. Many evaluators commented on **practical challenges they faced in conducting rigorous evaluations**. A particular challenge was the absence of a robust framework to evaluate against, e.g. in Southern Africa, China, Mozambique, DRC and for the UK's strategy on tackling HIV/AIDS in the developing world. This problem was also highlighted in IACDI's review of the quality of DFID evaluations. Similarly, programmes within DFID do not usually have explicit 'theories of change' making it difficult to conduct robust, theory-based evaluation to determine DFID's contribution to particular outcomes. As a result, it is not surprising that some of evaluations conducted for DFID have been considered to lack depth. One particular concern expressed about DFID's country programme evaluations is that they do not collect primary data.
- A47. Another concern expressed in IACDI's review of the quality of DFID evaluations was that **evaluations lack focus** and try to cover too many issues without prioritisation. This results in evaluation reports being very long which limits the ability to use them.
- A48. Although there are some examples of DFID using evaluation data, e.g. to strengthen work in Malawi and to improve performance management, NAO expressed concern that **evaluation is not well-integrated into performance management** in DFID. IACDI's review of the quality of DFID evaluations concluded that reports are 'almost universally extremely long with insufficient focus'. However, the same review also concluded that involvement of stakeholders in the evaluation process had resulted in changes in practice.

Learning and innovation

- A49. Although DFID's evaluation strategy proposes more commitment to learning, the evaluations reviewed raise concerns that **learning lessons⁴⁵ from completed programmes is largely overlooked in DFID**. For example, an evaluation of DFID's programme in Western Balkans concluded that lesson learning had been limited. An underlying reason for this is suggested in the synthesis report, produced in 2010, based on a sample of Project Completion Reports. This concluded that DFID is more focused on planning its next activity than looking back and learning lessons from past operations. One staff member is quoted as saying '*because of the pressure to get on with the next programmewe ignore the lessons of the few useful ones.*'
- A50. **Pressures to reduce staffing levels within DFID are likely to worsen DFID's ability to learn from practice experience** (see paragraph A181).
- A51. There are also **significant problems with DFID's knowledge management systems**. These were commented on by evaluations of DFID programmes in Cambodia and India. In addition, an evaluation of the UK's response to HIV examined DFID's knowledge management system relating to HIV. It documented duplication of resources, limited linkages between resources and a significant number of out-of-date materials. Similarly, an evaluation of gender equity and women's empowerment concluded that although DFID had been at the forefront of funding for gender-specific research, the dissemination of tools and resources developed remained a challenge.
- A52. DFID has established a reputation as **an innovative donor**. Examples include:
- The development of innovative approaches and use of new instruments to deliver growing aid frameworks in non-aid dependent countries, especially Vietnam and Indonesia.
 - In Russia, DFID's main comparative advantage was considered to be providing access to expertise and new ideas.
 - In Ghana, innovative use of smaller and long-running programmes alongside budget support and speedy access to financial aid as means to allow DFID to engage in difficult areas, including particular aspects of forestry.
 - Innovative thinking and willingness to take on riskier reform areas in several countries.
- A53. One issue, documented in an evaluation of DFID's country programme in Ghana, is that DFID is an innovator but **prone to acting faster than other development partners**. This can result in decisions being rushed or lacking partner support. For example, in Ghana, a policy decision to shift to a shared health advisory arrangement with the Dutch was rushed into implementation without the support of government or other development partners.

⁴⁵ See paragraph A40 for discussion of links between M&E and learning.

3. Making Aid More Effective

Aid effectiveness

- A54. DFID has been **a key player in pushing forward the aid effectiveness agenda**. DAC peer reviewers recognise DFID as the driver behind the Paris Declaration on Aid Effectiveness. DFID has provided a strong corporate policy framework and clear direction on aid effectiveness and harmonisation, which has been energetically pursued in many countries (see Box 10). An IDC enquiry into aid effectiveness concluded that DFID had made good progress towards meeting its Paris Declaration targets. A case study of DFID's work on aid effectiveness concluded that commitment, capacity and incentives for Paris Declaration implementation are strongly developed right across DFID. It also concluded that DFID had already achieved most of the Paris Declaration targets.
- A55. Box 10 presents **many positive examples of DFID's work on aid effectiveness** in many countries.
- A56. However, there have been a number of countries in which **experience of promoting the aid effectiveness agenda has not been so positive**. These include:
- Slow progress in donor harmonisation in Indonesia.
 - Lack of synergy between the DFID and Asian Development Bank components of the Kolkata Environment Improvement Programme in West Bengal.
 - Limited donor coordination to promote citizen's voice and accountability. This resulted in ongoing gaps, competition and duplication.
 - Problematic donor coordination in the Western Balkans
 - Problems of donor coordination in relation to the conflict in North Uganda with a lack of agreed common approaches and strategies, or areas of delineated engagement.

Box 10: Examples from evaluations of DFID's work on aid effectiveness

In Afghanistan, DFID was a big contributor to the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF). DFID was considered to have a well-established reputation with respect to donor harmonisation and in upholding Paris Declaration principles with government and partners.

In Bangladesh, DFID has made a major contribution through its support to the national PRSP process and through its role with the donor community and the Local Consultative Group machinery. The development of a joint strategy with the World Bank, ADB and Japan may succeed in strengthening donor influence and in streamlining donor programmes.

In Cambodia, DFID conducted a comprehensive analysis shared with the Asian Development Bank, the World Bank and the UN that was considered highly relevant to the context. DFID prioritised aid effectiveness in '*ways that were difficult for others to ignore*'.

In the Caribbean, DFID was actively involved in aid fora in Guyana and Jamaica, including in the Competitiveness Strategy in Guyana.

In Ethiopia, DFID was considered to be a visible and strong leader in the Development Assistance Group and through multi-donor programmes.

In Ghana, DFID's involvement in multi-donor budget support has produced beneficial effects in the quality of policy dialogue, predictability of funding, harmonisation of donor policies, government ownership, and in performance tracking.

In India, DFID's work has increasingly focused on partnerships and sector-wide programmes rather than projects. In Indonesia, the choice of working closely with the World Bank was considered to be justified given DFID's relatively low aid volume and the Bank's strategic position with the government.

DFID's work in Mozambique is seen as a star performer in terms of building donor support and harmonisation in a highly-fragmented donor environment. In Nepal, DFID's strengths were considered to be its early alignment with national processes and its leadership in addressing conflict.

In Pakistan, DFID's flexibility and the increasing predictability of its budget support made it a 'role model'. In Russia, DFID's decision to cofinance projects and collaborate on analysis with the World Bank improved the effectiveness of both.

In Rwanda, DFID played a leading role in donor harmonisation, working through the government-led cluster system and supporting an aid coordination unit. In Sierra Leone, DFID was considered to be able to take credit for improving aid effectiveness.

In Sudan, DFID participated in establishing a joint donor office in Juba. Most funds are pooled although there are high levels of concerns over functioning of these funds. In Uganda, DFID had played a leading role in donor co-ordination, including being a founder member of a donor group.

In Vietnam, DFID's approach of working with others through government enabled it to engage in policy dialogues and institutional reform. In Yemen, DFID worked through pooled funds and played a leading role in the Good International Engagement Initiative.

In Zambia, DFID was considered to have played a core role in supporting Zambia's impressive progress under Paris Declaration principles.

The UK influenced the global response to HIV by promoting a focus on greater harmonisation and improved coordination of multilateral and bilateral efforts. This was demonstrated through expanded support for UNAIDS and the 'Three Ones'.

A57. The DAC peer reviewers highlighted that DFID has been **assertive in seeking to influence other donors to implement the principles of the Paris Declaration on Aid Effectiveness**. However, an evaluation of the Paris Declaration found that there were still very different understandings among donors of what key concepts of aid effectiveness mean, such as country ownership. DFID has been particularly active in promoting certain aspects of this. For example:

- An enquiry by IDC into aid effectiveness concluded that DFID had particularly promoted its understanding of country ownership and the need for a division of labour among donors.
- An EVD synthesis of country evaluations in fragile states concluded that DFID had tended to see aid effectiveness as more government ownership and more donor harmonisation.
- An evaluation of DFID's country programme in DRC commented that the use of pooled funding mechanisms had been pushed strongly by DFID centrally.

A58. DFID has done this particularly in some contexts. For example, a synthesis of country evaluations concluded that DFID saw itself as **a champion of aid effectiveness in fragile states**. An earlier evaluation of DFID's engagement in fragile situations documented that this resulted in DFID taking on a disproportionate share of the transaction costs for the donor community.

A59. DFID has also been particularly **supportive of the need to build governments' statistical and financial management capacity** and this is reflected in the focus of some of the evaluation studies. One of the evaluations of the implementation of the Paris Declaration focused specifically on building statistical capacity. Other studies included a literature review of the public financial management reform literature and an evaluation of DFID-funded technical cooperation for economic management in Sub-Saharan Africa. One of the main successes documented in an evaluation of the DFID programme in Western Balkans was strengthened government financial management systems.

A60. Although **DFID has engaged particularly with some 'like-minded' donors on the aid effectiveness agenda**, the IDC enquiry into aid effectiveness urged more engagement with newer donors, such as Brazil, China and India. The evaluations document that this engagement is happening in some cases, e.g. with China. Evidence of this was provided in country evaluations of DFID's programmes in China and DRC. The evaluation of DFID's country programme in Indonesia expressed concern that engaging too closely with one donor, e.g. the World Bank, risks alienating others. The evaluation of the DFID's programme in the Western Balkans commented that DFID had focused on the World Bank, the European Commission and the European

Bank for Reconstruction and Development and had largely neglected the European Investment Bank and civil society.

- A61. The DAC peer reviewers highlighted that DFID has been **an enthusiastic innovator in relation to new funding mechanisms**, particularly general budget support. But, at times, DFID has pushed ahead with these faster than other donors have been able to, e.g. in Ghana (see paragraph A53).
- A62. There have been **benefits of DFID's enthusiastic engagement with the aid effectiveness agenda based on the Paris Declaration**. For example:
- The DAC peer review welcomed the improved predictability and reduced conditionality of DFID's aid. Similarly, the IDC enquiry into the World Bank welcomed the removal of policy conditionalities from the Bank's lending.
 - The increased predictability of DFID's aid in several countries was documented in a synthesis of country programme evaluations. This was considered to be a factor in DFID being considered a 'role model' donor in Pakistan.
 - DFID's real commitment to country ownership has meant that it has been able to be very flexible in responding to country needs, e.g. in Nepal, Pakistan and Russia. An evaluation of DFID's engagement in fragile situations concluded that such flexibility was crucial in such contexts.
 - The case study of DFID for the evaluation of the Paris Declaration commended its very flexible rules and procedures.
 - Partnerships with other donors have increased the effects of DFID's work, e.g. in China, DRC and Nigeria, specifically, and in fragile states, in general. For example, the IDC enquiry into DFID's programme in Nigeria concluded that DFID's partnership with the African Development Bank, USAID and the World Bank offered the best chance for impact.
 - A synthesis of country evaluations in fragile states concluded that the use of pooled donor funds was a cost-effective way to mobilise resources and coordinate responses in the absence of sound host government systems.
- A63. But, evaluations also raised a wide range of **challenges relating to aid effectiveness**. For example:
- An EVD evaluation of gender equality and women's empowerment concluded that a country-led approach to development meant that it was difficult for DFID to apply a specific policy across countries. The evaluators conclude '*The changes in the way DFID works - a shift to country-led approaches and newer aid modalities – have accentuated the lack of a common appreciation of the status of DFID's gender policies*

and guidelines. Generally, they are regarded as optional, not prescriptive. This has contributed to a fragmentation in the application of approaches and strategies in the area of gender equality and women's empowerment, and to a subsequent uneven impact. Similarly, the DAC peer reviews and the DFID case study for the evaluation of the Paris Declaration recognised the same tension but considered that DFID's frequent adoption of new high-profile initiatives, such as thematic and sectoral spending commitments risked undermining the aid effectiveness agenda and pushing the Paris Declaration commitments into the background. The DAC peer reviews argued strongly that the UK should avoid such targets because they undermine DFID's ability to react flexibly to countries.

- An evaluation of DFID's programme in Central Asia, South Caucasus and Moldova (CASCMD) inferred that DFID's insistence on Paris Principles had been a constraint given the small number of donors working in those countries. They concluded that a more pragmatic approach might have been more efficient.
- An evaluation of DFID's programme in Ethiopia expressed concern that donors, including DFID, tended to equate 'country ownership' with 'government ownership'. Some evaluations, e.g. in Western Balkans and a synthesis of DFID's work in fragile states, expressed concern that DFID's strong focus on national governments risked excluding civil society from DFID funding.
- Although several evaluations welcomed DFID's flexibility in responding to country needs, an IDC enquiry into DFID's country programme in Nepal expressed concern that this could result in DFID compensating for the poor performance of other donors, e.g. the World Bank's support to the response to HIV.
- An EVD-led evaluation of general budget support concluded that simply having many donors contributing to a budget support mechanism did not mean that all issues relating to harmonisation had been resolved, if, for example, donors still had different approaches to disbursement and conditionalities. Similar issues also apply to joint donor support to multilaterals. For example, an evaluation of a joint strategy between Canada, Denmark, the UK and UNHCR concluded that the joint nature of the strategy risked being undermined by the UK's insistence on greater specificity in reporting.
- Several evaluations expressed concerns about the performance of pooled funding mechanisms, particularly how slow and cumbersome they can be, e.g. in Sudan. Evaluators of DFID's programme in DRC concluded that these mechanisms were ill-adapted to the realities of the DRC context but had been driven strongly by DFID centrally. A report synthesising experience of several country evaluations concluded, *'despite being strongly endorsed at corporate level as demonstrating DFID's compliance with harmonised aid practices, the experience at*

country level is that they are slow to set up, costly to manage, and (with some notable exceptions) have achieved modest development impact. For active and large donors such as DFID, they also constrain their role as a flexible and well-staffed actor, and force them instead to work on improving the performance of the agencies hired to manage such funds.'

- Some evaluations expressed concern about reliance on weak government systems. For example, in Ghana, progress with multi-donor budget support was being held back by slow progress with public financial management.
- Several evaluations, e.g. in China and DRC, expressed concern about the high administrative and transaction costs of donors working more closely together, a finding supported by syntheses of experience from DFID's Project Completion Reports and a number of country evaluations. An evaluation of DFID's programme in Ethiopia expressed concern that the expectations on DFID to lead in coordinating other donors risked overstressing the office.
- An evaluation of donor coordination and harmonisation in Bangladesh concluded that alignment and harmonisation were largely matters that were not given a high priority by the government and were mainly matters between the donors themselves.
- A synthesis of country programme evaluations commented that DFID's shift in use of aid instruments meant that staff needed to have different skills, e.g. in influencing others.

General budget support

- A64. DAC peer reviewers recognise that DFID has been **a strong champion of using general budget support as a way of following Paris Declaration principles**, e.g. of alignment with country plans and harmonisation of donor efforts. In their examination of DFID's use of budget support, NAO commented that this was the aid instrument preferred by national government officials and was the most appropriate way of providing financial aid if three key partnership principles were met. DFID has had extremely positive experience of using budget support in several countries including Ghana, Mozambique, Sierra Leone and Vietnam. A joint evaluation of budget support concluded that the use of budget support had been overall positive in all but two of the countries studied. But the benefits have been seen gradually and have tended to be more significant '*in the eyes of the donors than in those of the partner governments.*' Concerns have also been raised in some country evaluations, e.g. in Bangladesh and Malawi.
- A65. The DAC peer reviewers and other evaluations conclude that **general budget support should not be applied indiscriminately**. Problems can occur if unduly optimistic assessments are made of political governance, e.g. in Kenya, or if sufficient rationale for its use is not provided, e.g. in Pakistan. Several evaluations commended DFID for not using budget support in certain

contexts, e.g. in the fragile environments of Yemen and Zimbabwe, or where DFID's aid commitment was reducing, e.g. in the Caribbean.

A66. In their enquiry into DFID's programme in Vietnam, IDC expressed concern that **DFID's commitment to general budget support should not undermine DFID's willingness to fund civil society.**

A67. Evaluations raised a number of **concerns and issues relating to budget support.** For example:

- Use of budget support requires investment in reform and capacity building of public financial management.
- IDC expressed some concerns about the long-term viability of budget support.
- An evaluation of the Paris Declaration expressed some concern that the broader issues raised by Paris were being distilled down to issues of aid instruments, in general, and provision of budget support, in particular. As a result, there is a danger that controversies over budget support could undermine broader commitment to Paris Declaration principles.
- Concerns were raised in an evaluation of the UK's response to HIV in the developing world that there was a tension between the long-term approach of providing budget support and the immediate need to provide HIV-related services, particularly to those populations most-affected.
- Concerns were raised in an evaluation of gender equity and women's empowerment that gender does not feature strongly, as a crosscutting issue, in agreements to provide budget support.
- Perhaps the biggest concern is whether or not the provision of budget support has any proven impact on poverty reduction. One problem relates to the time taken to see an expected effect. A 2006 report synthesising experience of several country evaluations concluded that the instrument had been used for too little time for its ultimate poverty reduction effects to be seen.

Building capacity

A68. The **use of country-led aid instruments, in general, and budget support, in particular, requires greater capacity in country systems than often exists.** An evaluation of the Paris Declaration concluded that lack of national capacity was one of the main obstacles in the implementation of the declaration. An evaluation of DFID's engagement in fragile states and an NAO report on DFID's operations in insecure environments concluded that capacity building needs were particularly high in fragile states. A specific example of the problems of low capacity is provided in the NAO report on the response to the South Asian earthquake. DAC peer reviewers conclude that DFID has placed strong emphasis on building the capacity of government at the macro

level. There are many good examples of this including in Nigeria, Mozambique, Afghanistan, the Western Balkans, CASCM, Kenya and Rwanda. An evaluation of budget support and an NAO report on DFID's budget support both concluded that it was an effective mechanism to increase capacity of governments to plan and deliver services and to strengthen government financial management systems.

- A69. But, **results of interventions to build capacity are not always positive**. In Ghana, slow progress in building government capacity delayed the implementation of general budget support programmes. In Sierra Leone, excessive use of salary enhancement schemes and project implementation units were considered to have held back reform and to have decreased capacity in the wider civil service. A review of the anti-corruption literature failed to find evidence that strengthening financial management systems reduced corruption.
- A70. DAC peer reviewers expressed concern that **DFID has no clear position on capacity building**. In two of their reports, NAO expressed the concern that DFID has no clear measures of organisational and institutional capacity.
- A71. A synthesis of country evaluations concluded that **capacity building plans are sometimes overambitious**. An evaluation of DFID's programme in Sudan concluded that capacity building needs in the South had been underestimated.
- A72. But, sometimes, **programmes are simply too complex**. An evaluation of the DFID programme in Yemen concluded that the planned programme was too complex for the available capacity.
- A73. Several evaluations expressed concern that **DFID has little focus on building capacity except at the macro level of government**. For example:
- The DAC peer reviewers expressed concern that DFID's capacity building support was less well-developed at programme level.
 - Several evaluations raised concerns about DFID's lack of support to build capacity outside of government, e.g. among parliaments, the media and civil society. Examples include the NAO report on Malawi and IDC enquiries into maternal health, Bangladesh and the MDG summit.
 - NAO raised a specific concern about the limited capacity of small local civil society organisations, and that efforts to build their capacity risked distancing them from the people.
 - The IDC enquiry into Nepal identified the need to build capacity of local government.
 - The IDC enquiry into Afghanistan expressed concern about problems related to building capacity of the police.

- There is need for more capacity in particular sectors. DFID's evaluation strategy recognises the need to build national evaluation capacity. The IDC enquiry into water and sanitation called for more capacity development in that sector.
- A74. Although the DAC peer reviewers praised the quality of technical cooperation/assistance provided by DFID, e.g. because it is untied, they expressed **concerns about whether technical assistance is the best way of building capacity**. Experience from Zambia suggests that capacity building in the form of technical assistance has not always led to improved institutional capacities. An evaluation of DFID-funded technical cooperation for economic management in Sub-Saharan Africa concluded that there was too little analysis of the wider institutional context or organisational capacity incorporated into project design. Long-term technical cooperation was most effective when the provider was of a high technical calibre, responsive to the needs of the supported organisation and under its direct management control. But, positive results were often constrained by other issues, such as staffing and incentives, and the role and mandate of the organisation supported. As a result, the evaluation concluded that *'it is only in a minority of the cases reviewed that a capacity development impact can be identified. Only in a minority of the activities evaluated has a sustained impact on capacity been achieved.'* An evaluation of DFID engagement in fragile situations quoted literature with some 'stinging' critiques of donor practices, in which capacity substitution, rather than capacity development, is considered to be the norm.
- A75. The DAC peer reviewers expressed concern that capacity building needs of national partners place **high demands on DFID country offices**.

4. Policy Matters

Policy dialogue

- A76. Engaging in **policy dialogue has been identified as a key element of donor engagement with country-led aid instruments**. For example, NAO highlighted this in their report on budget support. Examples of countries in which DFID is considered to have engaged positively on policy dialogue include Zambia, Vietnam, Mozambique and Ghana.
- A77. Evaluations in some countries, e.g. Vietnam and China, argue that **policy dialogue should be DFID's main focus in middle income countries**. However, the shift from aid to policy dialogue has not always been welcomed by national governments, e.g. in China.
- A78. Evaluations identify **other mechanisms for promoting and supporting policy dialogue**. These include the use of pilot projects in China, long-term technical assistance in Kenya and the use of alliances, evidence and clear processes in Cambodia. Long-term technical assistance in Kenya was credited with moving forward the sector wide approach in health and in bringing stability to the National AIDS Control Commission. The approach

used in Cambodia was considered to have allowed the risks to be overcome in challenging partners and being assertive over policy divergence.

A79. But, in their report on DFID's approach to performance management, NAO expressed concern that it was **difficult to measure DFID's work on policy dialogue**. NAO highlighted that DFID has no way of measuring policy dialogue inputs, e.g. use of staff time.

A80. Nevertheless, the evaluations reviewed documented **policy dialogue activities in a wide range of areas**. For example:

- The IDC enquiry into proposed official development assistance praised the way that the MDGs had galvanised donor support.
- The IDC enquiry on the MDG summit concluded that the UK Government had provided leadership on some policy issues such as women's and children's health.
- An evaluation praised the UK for providing leadership to the international HIV response during its Presidencies of the G8 and EU in 2005, in important processes, such as UNGASS and the Global Task Team, and in the push for 'universal access'.
- A synthesis of country evaluations documented DFID's work on a regional policy dialogue on trade issues.
- An evaluation in Andhra Pradesh concluded that DFID had supported policies favouring the poor.
- The IDC enquiry into DFID's work in Zimbabwe endorsed the criticisms the UK had made of ZANU-PF's electoral manipulation, abuse of state power and intimidation of political opponents and civil society.
- Conversely, the IDC enquiry into DFID's work in Burma provided cautious endorsement of the UK's limited engagement with the Burmese government on poverty reduction and humanitarian issues.

A81. Evaluations also documented some **positive effects of DFID's policy dialogue**. For example:

- An NAO report on work in insecure environments attributed more donors working with conflict-affected countries to DFID policy dialogue efforts.
- An evaluation of the joint strategy between Canada, Denmark, the UK and UNHCR documented positive donor influence on issues relating to gender and internally-displaced people.
- An NAO report on CDC Group documented that others had invested in the same funds.

- A82. A few evaluations documented **areas where more policy dialogue is needed**. For example, an IDC enquiry on urbanisation concluded that more should be done by African governments on urban poverty. Similarly, an IDC enquiry into the effects of the economic downturn on international aid, argued for DFID to use its influence on donors for them to maintain their pledges and commitments.
- A83. There are a number of **challenges facing DFID's policy dialogue activities**. For example:
- In particular, an IDC enquiry into more effective aid concluded that DFID's cooperation with other donors cannot just be on DFID's terms. DFID needs to engage with other donors in order to work together effectively not just to promote DFID's approach.
 - There are significant time and opportunity costs relating to policy dialogue activities. An IDC enquiry into private sector development noted that these were very significant issues for engaging the private sector in policy debates and discussion.
 - It may be challenging to engage with governments on a strategic level if they operate on a programme by programme basis, e.g. in West Bengal.
 - An evaluation of DFID's programme in Indonesia concluded that the approach to influencing was not well-articulated.
 - An evaluation of DFID's programme in Russia concluded that regional partnerships had not given DFID much, if any, policy leverage.

DFID policies

- A84. Evaluations covered **a range of areas in which DFID has policies**. These included thematic areas, such as agriculture, social exclusion, gender and HIV. Evaluations also highlighted DFID policies on where to allocate aid. For example, an EVD evaluation noted that DFID policies meant that resources available for the Caribbean region were being reduced. An IDC enquiry into the Occupied Palestinian Territories noted that the UK Government had made a decision to no longer provide aid to the Palestinian Authority. Evaluations also highlighted DFID policies on use of aid instruments. For example, an evaluation of DFID's programme in Mozambique concluded that the use of aid instruments in Mozambique, e.g. budget support, closely followed DFID corporate policies.
- A85. In their enquiry into the 2007 DFID annual report, IDC identified the **need for research evidence to influence policy**.
- A86. IDC has documented a large number of areas in they would like to see **additional or expanded DFID policies**. For example:

- IDC enquiries into DFID's 2008 annual report and its work in Vietnam concluded that there was a need for a clear policy on DFID's work in middle-income countries. A synthesis of evaluations of regional programmes concluded that these represented a good way of working in middle income countries but a review of DFID's work in Central Asia, South Caucasus and Moldova was concerned that approach had '*sought to impose an artificial sense of region without addressing the underlying differences and similarities amongst the group.*'
 - An IDC enquiry into the HIV strategy called for a stronger focus on marginalised groups.
 - An IDC enquiry focused on global food security expressed 'shock' that DFID had no nutrition policy.
 - In its enquiry into maternal health, IDC argued for the abolition of user fees in health.
 - In its enquiry on the topics, IDC expressed concern that DFID placed more emphasis on water than sanitation.
 - An IDC enquiry on urbanisation expressed concern that DFID support in this area was reducing and there was need for a strong policy on this, particularly in Africa.
 - An IDC enquiry on the effects of the economic downturn on international aid recommended that there should be policies on fairer international trade and tax evasion in British Overseas Territories.
- A87. But, the DAC peer reviewers concluded that DFID already has **too many policies** and that some of them risked being irrelevant or redundant. The DAC peer reviewers concluded that DFID documents contain too many 'we wills' which result in a complex array of priorities.
- A88. Country evaluations, e.g. in Russia and Bangladesh highlighted concerns over **changing and inconsistent policies**. For example, the evaluation in Bangladesh concluded that, '*central policy fashions have come and gone*'.
- A89. A major concern highlighted by these evaluations is the **lack of systematic mechanisms through which to implement strategies and policies** in DFID. For example, the IDC enquiry into the HIV strategy concluded that it was weak on how it would be implemented. A stocktake report on social exclusion concluded that the policy had a low corporate priority. An evaluation of DFID's agriculture policy concluded that DFID lacked a clear pathway from the policy to take up by countries. Responding to the priorities identified in the policy requires actions by DFID country offices. But, heads of offices show little awareness of or commitment to the policy. The evaluation concluded that '*this reflects the tension between centrally-developed mandates, expressed*

through policy papers, and the demand-driven, country-office-led strategy that has become dominant in DFID in recent years.'

Policy coherence

A90. DAC peer reviewers conclude that **DFID has an overall coherent policy framework** for its work through the international development act, white papers and Public Service Agreements. For example, the DAC peer review highlighted four priorities from the DFID white paper – working with the poorest, climate change, fragile states and aid effectiveness. Having the DFID Minister in the Cabinet allows for coordination and coherence between ministries. The DAC peer reviewers commented on good coherence across government ministries on trade and climate change. Other examples of coherence highlighted in the DAC peer review include migration and fragile states.

A91. But, there are a number of **challenges to policy coherence**. For example:

- The DAC peer reviews called for better prioritisation of DFID policies.
- The DAC peer reviews called for better reporting of cross-departmental working.
- An IDC enquiry documented little progress in mainstreaming climate change into other policies.
- In Kenya, *'the absence of a coherent approach across agriculture, natural resources, water supply and sanitation and private sector development has left a programme that has a disjointed set of activities and is taking on new areas of work, such as social protection before consolidating areas of proven experience.'*

5. Partners

A92. Overall, NAO expressed concern that research on the relative effectiveness of different partners in insecure environments is limited. At country level **DFID does not have a consistent and thorough approach to assessment of the relative strengths and weaknesses of different potential partners.**

Government

A93. A report synthesising experience of several country evaluations concluded that **DFID had developed strong relationship with governments.** This was possible because of the decentralised structure that DFID has with country offices able to make a wide range of decisions. This was considered to have made a substantial difference in relationships with country governments. The new models of development assistance that DFID has been pursuing require building mature and longer-term relationships with governments. Some examples of this are presented in Box 11.

Box 11: Examples of DFID building positive relationships with governments

In Malawi, NAO concluded that DFID had 'worked well' with government. An evaluation of DFID's work in Malawi concluded that DFID's strategy had been focused on the government as the predominant development partner. Relations with the Government of Malawi, in general, and the Ministry of Finance, in particular, were considered generally strong.

In their report on the UK's response to the South Asia earthquake, NAO commented that most DFID reconstruction funds had been channelled through the Pakistan government. The Pakistan government had led the response overall but they had welcomed international support. There had been close cooperation between the Pakistan government and the international community.

In Afghanistan, DFID's state building strategy had a strong focus on technical assistance and capacity development of formal state institutions, particularly in the executive branch of government.

A synthesis of several country evaluation reports noted that relationships with partner governments had matured over the evaluation period. For example, DFID had engaged in a long term Development Partnership Arrangement with Vietnam, and established a regular Indonesia/UK Partnership Forum with Indonesia. Both these arrangements aimed to promote 'strategic dialogue on bilateral, multilateral and global issues'. In Vietnam, the approach of 'working with others through Government' was considered to have positioned DFID well to engage further on policy dialogue and institutional reform.

In Russia, an evaluation concluded that DFID had been right to focus on promoting reform with public sector partners. In the Caribbean, an evaluation concluded that DFID had worked effectively with the governments of Guyana and Jamaica.

In Mozambique, DFID prioritised reform of central government systems as the most effective means to address poverty alleviation in a sustainable manner.

In Rwanda, an evaluation concluded that DFID's decision to work with government and through government's systems for budget support was highly regarded. Relationships had been very good.

In Andhra Pradesh, an evaluation concluded that the partnership with DFID was well understood and appreciated by the government. The government's strong ownership and leadership of the reform agenda was considered to provide a solid base for partnership working.

A94. However, a report synthesising several country evaluations concluded that **DFID's approach to development, in general, and service delivery, in particular, is 'statecentric'**. In general, DFID country offices have developed close working relationships with central government although this proved more difficult in some Francophone countries, e.g. DRC because of the language barrier and lack of familiarity with Francophone systems. Evidence from Cambodia suggests that although working through central government can be effective, it is insufficient. Particular challenges have been faced in fragile situations where there is a dilemma between rapid delivery of services to the poor and the capacity of the state to provide these services.

A95. Examples of **challenges faced because of DFID's focus on central government** include:

- An IDC enquiry on Bangladesh considered that the government was ‘plagued by corruption’. An evaluation of donor coordination and harmonisation in Bangladesh documented a number of problems in working with government. These included delays, policies or decisions delaying or obstructing the projects, difficult government systems and procedures, lack of coordination with other agencies, and lack of qualified government staff.
- An IDC enquiry into Nigeria was concerned that the government should provide stronger leadership for reform.
- An evaluation of DFID’s programme in Mozambique was concerned about Frelimo’s tight grip on power, the weakness of accountability mechanisms and corruption of the justice system.
- The NAO report on working with civil society expressed concern that some governments restrict the activities of civil society.
- An evaluation in Russia concluded that DFID’s decision to focus a lot of effort on two oblast partnerships was based on an outdated view of the role of regional governments in the reform process.
- In Pakistan, DFID focused largely on relationships with government and the larger donors at the expense of maintaining links with bilateral donors, non-government actors and the private sector.
- In Central Asia, South Caucasus and Moldova, an evaluation concluded that DFID had shifted away from a focus on livelihoods to public administration. There had also been a shift away from more general support to civil society to more focused support aimed at promoting public accountability.
- In Ghana, concern was expressed by DFID staff and development partners that advisers lack contact and interaction with government programmes outside Accra. Such contact is valued because of the insight and intelligence it brings to inform policy.
- In Rwanda, concern was expressed that DFID’s relationships were concentrated on a thin layer of top management in government.

A96. DFID’s current **trend towards working more through other development partners may distance it from national governments**. For example, an evaluation of DFID’s programme in Indonesia noted that DFID was working more through partnerships with the World Bank, the Asian Development Bank, GTZ, Asia Foundation and Oxfam. As a result, DFID had become ‘ever more distant’ from the government.

Civil society

- A97. An NAO examination of DFID's work with civil society concluded that **DFID's concept of the role of civil society** was to help to hold developing country governments accountable for poverty reduction; give voice to the concerns of poor people; secure access to government services for marginalised groups; and promote awareness in the UK and globally. Several evaluations, e.g. the IDC enquiry into maternal health, endorse this role and some expand on the theme including:
- A synthesis of DFID-supported research on governance emphasised the value of citizen participation in promoting stability in fragile states. An evaluation of DFID's programme in Cambodia called for more recognition of the need for civil society development as a means of building accountability and social cohesion.
 - An evaluation of gender equality in DFID concluded that a gender team consisting of donors and civil society organisations had been an effective way of ensuring gender concerns are integrated into the poverty reduction strategy.
 - An IDC enquiry into the DFID annual report which endorsed civil society's role in monitoring the implementation of poverty reduction budget support.
 - A review of public financial management reform literature which emphasised the importance of civil society in all stages of the budget cycle and their role in promoting and monitoring public financial management reform.
- A98. But, an NAO examination of budget support concluded that civil society remains weak in many countries. As a result, **civil society does not yet provide an effective accountability mechanism in most countries**. A report synthesising experience from a number of country evaluations in fragile states concluded that '*what civil society can achieve in accountability gains has been over-estimated.*' In fragile states, particularly, civil society may be heavily politicised or may face intimidation. For example, an evaluation of DFID's programme in Ethiopia noted that the government had reduced the 'space' for civil society organisations to engage in policy dialogue. In Russia, government is suspicious of NGOs having links with foreign agencies.
- A99. A synthesis report of experience from several country evaluations concluded that **DFID's focus on central government had resulted in reduced support for non-state actors**. Examples include DFID's work in Bangladesh, the Caribbean, Central Asia, South Caucasus and Moldova, China, Malawi, Mozambique, Pakistan, Russia, Western Balkans and Zambia. This has resulted in relationships with civil society becoming a more difficult area. DFID has not always communicated well, e.g. on changes in its strategy and approach.
- A100. The DAC peer reviewers would like to see DFID have **a more systematic and strategic approach to working with local civil society**. NAO noted that

DFID has no detailed guidance on how to engage with civil society, in general, and IDC commented that the DFID HIV strategy provides no detailed guidance on how to involve civil society in that strategy.

A101. Evaluations identify **a wide range of areas in which DFID could utilise civil society more**. For example:

- An IDC enquiry into the DFID programme in Vietnam called for more funding for civil society
- IDC enquiries called for greater use of civil society in remote parts of Nigeria and with Burmese refugees on the Thai border.
- An IDC enquiry into humanitarian responses to natural disasters called for more focus on NGOs and the Red Cross/Crescent. An example of this was provided by an evaluation of DFID's work in DRC.
- A stocktake report on social exclusion concluded that DFID's central support to NGOs had a strong focus on tackling social exclusion.

A102. But, a major constraint on this is **limited civil society capacity**. For example:

- An internal review of DFID's engagement with the conflict in Northern Uganda concluded that there was room to further develop a culture of independence among civil society organisations. Problems included top-down approaches of some international NGOs and a lack of ownership from local civil society organisations.
- An evaluation of the DFID programme in the Caribbean concluded that civil society was weak and fragmented.
- An NAO report on the UK's response to the South Asia earthquake concluded that some agencies who are members of the Disasters Emergency Committee took on larger activities than they could handle.
- The NAO report on the Asian tsunami documented delays in some NGOs spending funds received.
- An IDC enquiry into private sector development concluded that there was a need to boost civil society capacity to engage with the Extractive Industries Transparency Initiative.

A103. There are **a variety of ways in which DFID can fund civil society**. A report synthesising experience from country evaluations of working in other countries concluded that there had been mixed results of working through international NGOs in fragile states. An IDC enquiry concluded that the use of managing agents had distanced DFID from civil society in Zimbabwe. But, an evaluation of DFID's country programme in Sudan concluded that supporting NGOs through a fund managed by a private contractor had been more efficient.

A104. DFID has faced a number of **challenges in working with civil society**. For example:

- An evaluation of DFID's programme in West Bengal concluded that DFID had not been as effective as it could have been in communicating its aims and objectives to civil society.
- The NAO report on DFID's work with civil society concluded that there were poor linkages between central schemes to fund civil society and DFID country offices.
- An NAO report into the UK's response to the South Asia earthquake concluded that there was scope for more collaboration among NGOs, that NGOs need to give more consideration to local government capacity to sustain services and that DFID should find ways to speed up payments to NGOs.
- An IDC enquiry into DFID's work in Bangladesh expressed concern that support to NGOs might result in government abdicating its responsibilities.
- IDC expressed concern that DFID was unable to provide information on how much funding it provides to civil society for work on HIV.

Private sector

A105. An IDC enquiry into private sector development concluded that there is **a 'cultural divide' between the private sector and DFID**. This is a new area for DFID to work in. On the positive side, the enquiry concluded that DFID has good policies and financing mechanisms for this work, and is demonstrating leadership in this area. But, the IDC expressed concerns about DFID's organisational and operational capacities for this area of work.

A106. This is an area that has previously been largely overlooked. A review of projects and programmes from 2000 to 2005 found little reference to DFID's experience with the private sector. Indeed, some of DFID's main ways of working neglect the private sector. For example, an evaluation in 2006 concluded that **budget support neglects growth and the development of the private sector** on which growth and poverty reduction depend. An evaluation of DFID's work in Pakistan concluded that its focus on government and the larger donors had been at the expense of the private sector.

A107. Nevertheless, there are some **examples of DFID's work with the private sector** (see Box 12).

Box 12: Examples of DFID work with the private sector

NAO conducted a review of DFID's support for CDC Group Ltd. This group has pioneered investment through private sector investment funds and comprises a major element of DFID support for private companies in low income countries.

A review of the public financial management reform literature concluded that there was a role for the private sector to play in this process. But, there is little evaluation evidence of the influence of the private sector on this reform.

A desk review of DFID's Private Sector Infrastructure Investment Facilities concluded that projects had attracted private sector investment but it was unclear the extent to which private participation could be attributed to the facilities.

In China, an evaluation considered the work of four projects focused on private sector development.

In Sierra Leone, DFID's focus on growth is directed to supporting private sector development.

In Yemen, DFID has co-financed two private sector projects with the International finance Corporation. The first, a Business Tax programme, is credited with having improved the investment climate in Yemen. The second, a private sector development project, was new at the time of the evaluation.

In Zambia, an evaluation concluded that private sector interventions have lacked strategic focus, and micro-finance initiatives have to a large extent failed to achieve their objectives.

Multilateral agencies

A108. The DAC peer reviewers document that **over one third (38%) of DFID's aid was multilateral** in 2008. This was also the case for the last five years collectively (see Table 3). IDC's enquiry into the DFID HIV strategy notes that this commits £1 billion to the Global Fund over seven years.

A109. But, in addition, **a further 22% of DFID's bilateral aid was channelled through multilateral agencies** (see Figure 5 and Box 13). This includes funds channelled through multi-donor trust funds managed by international financial institutions, e.g. in China. In addition, DFID has supported multilateral agencies through staff secondments, e.g. to African Development Bank.

Box 13: Examples of DFID channelling bilateral aid through multilateral agencies

An evaluation of DFID's programme in DRC concluded that DFID had taken a pragmatic approach to its engagement in the country by choosing to build from existing projects implemented by UN agencies and international NGOs in humanitarian assistance.

An evaluation of DFID's programme in the Western Balkans concluded that the Regional Assistance Plan had allowed DFID to narrow its focus when compared to the earlier set of separate country strategies. This included a stronger focus on working with the European Commission and was relevant to DFID's wider commitments to multilateral effectiveness.

An evaluation of DFID's programme in Zambia concluded that more could be done to enhance the effectiveness of multilateral donors in the country. This would involve work through DFID headquarters.

A110. DFID has **supported initiatives to improve the effectiveness of multilateral agencies**. These included developing the Multilateral Effectiveness Framework (MEFF), being a member of the Multilateral Organisation Performance Assessment Network (MOPAN) and developing a system of organisational effectiveness summaries. However, the DAC Peer Reviewers concluded that DFID could work more with other donors in this area. Specific evaluations identified particular areas where individual multilateral agencies could be more effective (see Box 13). For example:

- An IDC enquiry into the World Bank concluded that the agency needed to be reformed to be more representative and effective.
- An IDC enquiry on water and sanitation called for reform of the approaches of multilateral organisations in this area.
- An evaluation of DFID's programme in the Caribbean documented that DFID had developed internal strategies to improve the effectiveness of the European Commission and the Caribbean Development Bank. These strategies included secondments, engaging at Head of Mission/Board level and lobbying and political influencing from DFID headquarters.

A111. An IDC enquiry into DFID's 2008/9 annual report and the 2009 white paper expressed concern about the **'patchy' performance of multilateral organisations**, and the need for reform and better performance.

A112. Evaluations expressed concern about the **inefficiencies of channelling DFID funds through multilateral organisations**. For example, NAO's examination of the provision of financial support for humanitarian assistance to the Asian tsunami documented delays in spending and unspent grants among United Nations agencies and international NGOs. The IDC enquiry into DFID's Departmental Report in 2006 called for greater clarity on how DFID allocated

funds to multilateral organisations and the extent to which efficiency was taken into account.

A113. Several evaluations raised concerns about **poor coordination between multilateral organisations** and have highlighted efforts by DFID to try to improve this. For example:

- An IDC enquiry into maternal health concluded that progress in improving coordination between United Nations agencies was too slow. The IDC called for DFID to continue to press for better coordination and to link future funding to progress on this.
- An IDC enquiry into global food security called for greater cooperation between the World Food Programme (WFP) and the Food and Agriculture Organization (FAO).
- An IDC enquiry into humanitarian responses to natural disasters expressed concern about the coordination of the activities of United Nations' agencies.

A114. Evaluations also document that **limited capacity has hindered the ability of multilateral organisations to manage programmes** particularly in fragile states. For example, in Yemen, problems with United Nations Development Programme (UNDP) management resulted in the programme passing to an external agency. Problems included slow implementation, poor technical input and poor reporting. DFID tried to address the capacity issues of UNDP through a cost sharing arrangement for the UNDP Public Financial Management programme manager. The evaluation concluded that, had DFID recognised sufficiently the reality of UNDP capacity from the start, expectations may have been more realistic. Stronger lobbying at headquarters or regional levels of UNDP and a permanent position for and economist in DFID country office would also have helped. A synthesis of country programme evaluations in fragile states expressed concern that although DFID had sought to reform and build the capacity of multilateral organisations, progress had been limited. Although DFID uses UNDP widely as an implementing partner, the evaluation concluded that reforms had had little impact. Relations had sometimes been difficult based on different expectations. Overall, partnerships with the World Bank had been stronger and complementary. But, Cambodia was one of very few examples where DFID had been prepared to challenge the World Bank on its policy engagement.

A115. DFID has been **an enthusiastic supporter of United Nations reform**. An evaluation of DFID's programme in Vietnam concluded that DFID had supported innovations on UN reform and that these had been picked up by DFID at corporate level. As a result, they have influenced the wider DFID reform effort. However, an IDC enquiry into humanitarian responses to natural disasters concluded that UN reform has 'a long way to go'.

A116. A synthesis of a number of evaluations of regional programmes in DFID concluded that **DFID's attempts to influence the policy of multilateral organisations were more effective when based on an in-depth understanding of the organisation**, including their culture, organisational structure and operating procedures. However, such institutional analysis was often absent and hence engagement was less effective.

A117. Evaluations highlighted **DFID's experience of working through multilateral agencies in specific sectors**. For example:

- An NAO report on tackling rural poverty in developing countries concluded that multilateral agencies had a variable degree of focus on issues of rural poverty. It also concluded that some agencies with a high focus on these issues had low effectiveness ratings.
- A Global Social Exclusion Stocktake Report ranked engagement with multilaterals as 'red'. Despite entry points in the European Union (EU)-DFID partnership agreement, and the World Bank and UNDP strategies, the report commented that *'there is little evidence of effort to raise the issue in central dialogue. Despite explicit references to social inclusion and the rights of excluded groups in the EU Institutional Strategy Paper, for example, it appears that this has not been part of a broader strategic discourse.'* The report concludes that given the major resource flows to, and strategic significance of partnerships with, multilateral agencies this was a missed opportunity to create stronger awareness and understanding.
- An evaluation of the UK's HIV strategy in the developing world concluded that institutional strategies, that govern relationships between DFID and multilateral agencies, had a greater focus on HIV than previously. Concern was expressed that DFID was channelling larger amounts of money through multilateral organisations, e.g. in middle-income countries, but the effectiveness of this approach was not yet known.
- An evaluation of DFID's agriculture policy concluded that more of DFID's spending in the sector was channelled through multilateral organisations than for DFID's spending overall.

A118. Evaluations highlighted **issues relating to specific agencies**. For example:

- An IDC enquiry into global food security was very supportive of the role of the World Food Programme and called for it to be recognised as the United Nations' lead agency on hunger.
- An IDC enquiry into the African Development Bank noted the doubling of financial support and the secondment of staff.
- An IDC enquiry into the World Bank called for it to be more effective and representative.

- An IDC enquiry into the European Union's development and trade policies noted its growing importance as a development actor.
- EVD took part in an evaluation of the joint strategy between Canada, Denmark, the UK and UNHCR.

A119. **DFID's central evaluations have focused more on its bilateral programme than on multilateral support.** For example, an evaluation of DFID's programme in Central Asia, South Caucasus and Moldova noted that in addition to bilateral support DFID also provides substantial multilateral investment through the World Bank, the European Commission (EC) and the European Bank for Reconstruction and Development (EBRD). Although these investments were taken into account in the evaluation, they were not covered as comprehensively as the bilateral programme.

Other Government Departments

A120. A common theme of several IDC's enquiries, e.g. on HIV, urbanisation and climate change, is **the importance of DFID working cooperatively with other government departments.** Examples of this cooperation are provided in Box 14. Evaluations have particularly documented the close working relationship between DFID and the Foreign and Commonwealth Office (FCO). For example, a synthesis of several country evaluations concluded that there was evidence of strengthening relationships between DFID and FCO. The growing importance of this was recognised. Overall, most of the experiences were extremely positive but challenges were experienced where there was divergence between the UK's developmental and political agendas, e.g. in Afghanistan, Nepal and Pakistan and where DFID skills and experience were sidelined, e.g. in Afghanistan. Joint working under the UKAid brand may result in reduced DFID visibility.

A121. The IDC called for **greater coherence and coordination across government departments,** e.g. in addressing climate change and conflict. In particular, IDC called for greater coordination with the Conflict Prevention Pools and the Post-Conflict Reconstruction Unit, and for more involvement of the Department of Trade and Industry.

A122. An IDC enquiry into urbanisation and poverty called for DFID to **draw on the expertise available in UK local government.**

A123. However, the IDC enquiry on development and trade expressed the concern that **more cross-departmental working should not result in more bureaucracy.**

Box 14: Examples of DFID working cooperatively with other government departments

A synthesis of evaluations of DFID's regional programmes concluded that work on conflict and security had been coherent and had developed a broader agenda through strong cross-Whitehall working. Success was due to commitment of all departments starting at the policy level in London.

In fragile states, DFID has a strong record of cooperation with other UK Government Departments, especially the Foreign and Commonwealth Office (FCO). DFID has sought a 'whole of government' approach, e.g. in DRC and in Sudan through co-locating, joint programming, communications and monitoring. Difficulties have arisen where political and development agendas have not been well aligned, e.g. in Nepal over the support for the Nepalese army, in Afghanistan over different objectives for Helmand, and in Pakistan over DFID's support to the North West Frontier Province.

An evaluation considered that DFID and the FCO had played an important role in influencing national responses to HIV. However, the IDC expressed concern about the extent of involvement of other government departments concluding that the then strategy was '*in reality only a DFID strategy*'.

In China, DFID worked collaboratively with the Department for Environment, Food and Rural Affairs and FCO. In Yemen, DFID was part of a joint UK Government (HMG) strategy. In Ethiopia, DFID and FCO together regularly assess the political risks of their work.

In Sudan, there had been a concerted effort by the DFID office to develop stronger synergies with the Embassy personnel, and to ensure complementarity of initiatives there. This included work on the Sudan Peace-Building Fund, which was renamed the Peace-Building Fund for the Transitional Areas.

In DRC, relationships between DFID and FCO were found to be strong and essential for lobbying DRC's Government. However, the evaluation concluded that more could be done to promote a whole-of-government approach to development and peace in DRC.

In Afghanistan, the evaluation found evidence of coordination between FCO, DFID and the Ministry of Defence (MOD). However, the UK division of labour, in general, and the FCO lead on rule of law and justice issues, in particular, led to a marginalisation of DFID's role on governance. This was considered a loss by the evaluation because of DFID's experience from other fragile states. The evaluation agreed with FCO's criticisms that DFID had failed to ensure sufficiently senior staff were present at Whitehall meetings.

In Sierra Leone, Cross Whitehall coordination was considered to have worked well according to officials from the FCO, MOD and DFID. However, harmonisation was considered to have been less effective. There was a lack of clarity about how departmental strategies fit together and the extent to which business plans are or need to be harmonised.

In Pakistan, DFID's strategies did not give sufficient guidance on how to work with other UK Government departments. In engagement with other arms of UK Government, DFID has sought to retain its poverty focus. The evaluation documented that DFID faced growing pressure from the 'highest levels of UK Government' to play a supportive role in areas related to 'counter-radicalisation'.

In the Western Balkans, the evaluation documented good partnership with FCO in Embassies. This was considered to have improved DFID's delivery but it had sometimes reduced DFID's visibility as the joint UK brand came to the fore.

In the Caribbean, there were also good examples of cross-Whitehall working, e.g. in the context of security reform in Jamaica, and at regional level to improve performance of the European Commission.

In Northern Uganda, relations between the High Commission and DFID were considered good and with Whitehall and the UK Mission in New York. Effective communication and cooperation between the High Commission and the DFID office increased the possibility of exerting influence, e.g. on Security Sector Reform, on security force abuses and in promoting negotiation between the Government of Uganda and the Lord's Resistance Army.

6. Fragile States

Fragile states

A124. The DAC peer reviews, NAO reports and IDC enquiries all document **DFID's increasing focus on work in fragile states**. In their report on operating in insecure environments, NAO comments that DFID is ahead of many other donors in this field. IDC enquiries often have a particular focus on fragile contexts and the IDC has strongly endorsed DFID's increasing focus on fragile states.

A125. **DFID has also influenced other donors to work more in fragile states**, e.g. the World Bank.

A126. DFID uses **different approaches and mechanisms in fragile states**. For example:

- A synthesis report focused on project scores documented the use of budget support in fragile states. The report concluded that approaches need to be tailored to each context. One concern expressed was that DFID might treat local people as targets rather than partners.
- A synthesis report of evaluations in several fragile states concluded that DFID's approach to fighting fragility in the world is '*sophisticated, coherent and ambitious*.' In most cases, this includes a combination of security and development objectives. The report also concluded that DFID has become a lead donor in the area of security and justice reform but that, in the justice sector, working through other donors has produced mixed results.
- A synthesis report of regional evaluations concluded that partnership approaches had worked well on conflict and security within the regions. Work on conflict and security had been coherent and consistent and had benefited from strong cross-Whitehall working.
- A report synthesising project completion reports concluded that best practice involves ensuring staff security and risk management, sensitivity to the local situation and the ability to adapt and respond flexibly.

A127. There is an underlying need to support efforts to **address and deal with conflict** where it exists. In its enquiry into conflict and development, IDC expressed concern that the developmental costs of conflict are huge. The IDC also recognised that DFID is working increasingly in conflict-affected countries and that conflicts are not confined to state boundaries. A summary of DFID's research on governance concluded that security should be considered a pre-condition for development.

A128. Box 15 provides **examples of DFID's experience in a number of fragile states**.

Box 15: Examples of DFID's work in fragile states

An IDC enquiry on Zimbabwe praised the political agreement but considered the situation still to be fragile.

An IDC enquiry on Nigeria recognised the role played by ethnic and religious diversity in conflict and called for action to address the violence in the Niger delta.

IDC enquiries on the Occupied Palestinian Territories were critical of the Israeli Government's ongoing construction of settlements and the construction of the barrier. The IDC was critical of Hamas but questioned the legitimacy of the conditions imposed by the European Union, the United Nations, Russia and the United States, given that these isolated a democratically-elected government.

An IDC enquiry into reconstructing Afghanistan concluded that insecurity and insurgency represented major threats. An evaluation of DFID's country programme expressed concern that the state building portfolio might have focused too much on building technical capacity, primarily in Kabul, while downplaying issues of political legitimacy, especially at the local level.

An IDC enquiry on Uganda welcomed international support for the peace process and expressed concerns about the effects of conflict on children. An evaluation of DFID's work in North Uganda concluded that it had made a contribution to conflict reduction and peace-building in a very difficult context. Areas identified for improvement included the reception and reintegration of ex-combatants, challenging human rights abuses in the Ugandan People's Defence Force and developing new momentum on reconciliation.

An IDC enquiry on Darfur expressed concern about the failure of the African Union force to maintain stability and called on the UK Government to do more. An evaluation of DFID's programme in Sudan expressed concern that media pressure might have resulted in excessive focus on Darfur at the expense of other areas of the country.

An evaluation of DFID's programme in Yemen expressed concern that a 'pre-conflict' country like Yemen did not fit well into the concept of fragile states.

In DRC, an evaluation considered that support to help secure security around the elections had been effective. However peace-building projects performed poorly, in part because of poor project design, weak management, and overambitious targets.

In Cambodia, DFID has had a stronger focus on issues of governance and particularly the role of the state and state structures. The evaluation expressed concern that state building as a means of ensuring stability needs to be balanced with civil society development as a means of building accountability and social cohesion.

In Sierra Leone, an evaluation considered that DFID's work on security sector reform to be 'cutting edge'. This resulted in learning lessons and developing policy which have been applied elsewhere. DFID was considered to have made a significant contribution to the restoration of peace and stability across Sierra Leone. Major investments were made in demobilisation of combatants from the civil war, a new security architecture was developed and budget support restored the Government of Sierra Leone's presence throughout the country.

In the Western Balkans, transition to national leadership had been slow and the political situation continued to be fragile in Bosnia Herzegovina and Kosovo. In Central Asia, South Caucasus and Moldova, the assumption that countries would follow a common trajectory hindered progress. Limiting conflict prevention and peace building activity to the Global Conflict Prevention Pool reduced the potential effectiveness.

In Nepal, DFID's main impact has included contributing to the peace-building process. DFID has been effective in improving the international response and in building the United Nations capacity to protect human rights. DFID was very successful in evolving methods to allow work to continue in conflict-affected areas, and the guidelines produced have been widely adopted by others. One of DFID's strengths in Nepal has been its leadership in addressing conflict.

A129. The DAC peer reviewers recognised that **it is more difficult to demonstrate results and value for money in fragile states**. An NAO report on performance management also concluded that collecting data is more difficult in such contexts. A thematic study of support to statistical capacity building concluded that establishing a base of statistically-qualified staff should be an early focus of partners' support. The study supported the use of twinning and long-term advisers in such contexts.

A130. The DAC peer reviewers expressed concern that **DFID's operational guidelines for working in fragile states are not well-developed**. A synthesis of evaluations in fragile states concluded that there is a need for more practical guidance from conflict-sensitivity, prioritisation and sequencing through to programme design, risk analysis and mitigation, and partnership. The evaluation welcomed that this was being produced by the Politics and the State Team and Conflict Policy Team.

A131. There are **other challenges in working in fragile states**. For example:

- An IDC enquiry on Nepal recognised that working in fragile states carried a higher degree of political risk.
- The DAC peer reviewers identified the need for greater clarity in the role of different staff and units.
- An IDC enquiry on Burma recognised the challenges in communication between central work and work on borders in that context.
- An IDC enquiry into private sector development recognised that this was negatively affected in fragile states.

Humanitarian Assistance

A132. An evaluation of DFID engagement in fragile states concluded that **the use of humanitarian assistance is higher in fragile states**.

A133. DAC peer reviewers have concluded that **DFID is providing leadership among donors on humanitarian assistance** and has a strong strategy in this area. A report synthesising the results of project scores concluded that key features of DFID's humanitarian assistance were speed and flexibility. The DAC peer reviewers commented positively on DFID's development of a cross-departmental policy on protecting civilians in humanitarian contexts. Box 16 provides some specific examples of DFID humanitarian assistance.

Box 16: Examples of DFID's humanitarian assistance

An NAO report on the South Asia earthquake concluded that there had been a successful relief operation as a result of the close cooperation between the Pakistan Government and the international community.

An NAO report on the Asian tsunami concluded that there had been an initial rapid response but expressed concern about unspent grants.

An IDC enquiry on Zimbabwe recognised that DFID was a key provider of food aid although DFID was transitioning away from this to the Protracted Relief Programme which other donors were also supporting.

IDC enquiries on the Occupied Palestinian Territories expressed extreme concern about the humanitarian situation in Gaza.

An IDC enquiry on Uganda called for continued donor provision of humanitarian assistance.

An IDC enquiry on Darfur highlighted the rising dependence on humanitarian assistance there.

In Yemen, an evaluation documented the continued provision of humanitarian assistance through the World Food Programme.

An evaluation of DFID's programme in Zambia concluded that DFID support to humanitarian assistance, vulnerability and social protection had been a useful counterbalance to general budget support.

In Mozambique, DFID's rapid response to the floods of 2000 and 2001 was considered to have been vital in saving lives.

A134. The DAC peer reviewers concluded that **DFID had influenced the work of the United Nations on humanitarian assistance.**

A135. There is **a need for improved coordination of DFID's humanitarian assistance.** An evaluation of DFID's engagement in fragile situations recognised that international assistance in such contexts is often poorly-coordinated. The DAC peer reviewers concluded that there was overlap between the Conflict, Humanitarian and Security Department (CHASE) and the Africa Conflict and Humanitarian Unit (ACHU). They also recognised the need for effective communications between DFID and other government departments. An evaluation of DFID's programme in DRC documented improved coordination of the humanitarian response following the launch of the pooled fund in 2006. An evaluation of DFID's country programme in Ethiopia identified tension between DFID's corporate and global initiatives, e.g. on humanitarian aid and a country-led approach to programming.

A136. There are **challenges in transitioning from humanitarian aid to development assistance.** In their review of the UK's response to the South Asia earthquake, NAO concluded that the transition from relief to reconstruction could have been better. An evaluation of DFID's programme in DRC concluded that DFID's distinction between humanitarian aid and development assistance was unhelpful. An evaluation of the Paris Declaration implementation in fragile states concluded that humanitarian aid and development assistance needed to be 'shadow-aligned.'

A137. An IDC enquiry recognised that there is **need for greater DFID spending on humanitarian assistance and natural disasters**. The enquiry also concluded that such disasters should not be treated as one-off events but there needed to be more emphasis on disaster risk reduction. An IDC enquiry into maternal health called for a greater focus on this in humanitarian responses.

7. Crosscutting Themes

A138. DFID refers to a number of issues as 'crosscutting' but precisely what these are is not clearly defined. In addition, evidence suggests that although **there may be strong written policies on these crosscutting issues, their implementation is weak**. For example, a synthesis of evaluations of regional programmes found that mainstreaming of corporate policies, including gender and social inclusion, was not effectively addressed.

HIV

A139. **HIV has been referred to as a crosscutting theme in DFID**, although it is increasingly being treated now as a sub-set of health. IDC has held a number of enquiries focused on HIV including enquiries into DFID's HIV strategy, provision of antiretroviral therapy and services for marginalised groups. EVD also conducted an interim evaluation of the UK's strategy on tackling HIV in the developing world.

A140. **DFID has been active in supporting responses to HIV in some countries**. Some evaluations simply noted that HIV was mentioned in DFID's country strategy, e.g. in Sierra Leone. In others, there was more documentation of activity. For example:

- An IDC enquiry on China concluded that DFID's work had included a focus on HIV.
- In Central Asia, South Caucasus and Moldova, the evaluation concluded that the regional level objective on HIV was relevant at country and regional level and that this relevance had increased with time.
- In Russia, DFID gave strong emphasis to HIV. The evaluation considered this to have been a DFID priority rather than a Russian Government one. The HIV programme was very badly affected by DFID's budget cuts and has shown mixed results.
- In the Caribbean, HIV is not treated as a crosscutting issue but as a theme in its own right. The evaluation considered that this approach had resulted in HIV being addressed with increasing effectiveness.
- In Rwanda, a number of smaller projects were developed related to HIV.

- In Zambia, DFID has supported relevant social sector interventions, including in HIV.
- In the Western Balkans, HIV received limited attention in projects although the evaluation concluded that a regional HIV programme had been effective.

A141. There are **some countries where evaluations found gaps in DFID's work on HIV**, e.g. in Mozambique.

A142. A report synthesising data from project completion reports concluded that **there was surprisingly little comment on crosscutting issues**, including HIV. An evaluation of general budget support concluded that this can be a useful complementary aid instrument for crosscutting issues, such as HIV, because it creates fora for policy dialogue. However, actual experience varies from country to country.

Gender

A143. The DAC peer reviews comment positively on **the work DFID has done to promote gender equality in its policy and programming**.

A144. However, evidence from evaluations was **disappointing in the extent to which gender had been considered in themes and sectors**. For example:

- An IDC enquiry on water and sanitation documented key gender issues in this field.
- An evaluation of general budget support concluded that this can be a useful complementary aid instrument for crosscutting issues, such as gender, because it creates fora for policy dialogue. But, the evaluation also noted that there were some countries that could have given more attention to gender, such as Vietnam.
- An IDC enquiry into HIV expressed concern that the strategy contained no details about how gender inequalities and gender-based violence would be addressed. An evaluation of the UK's HIV strategy concluded that it was difficult to assess the extent to which services were reaching women because of the type of aid instruments used by DFID and the limitations of its information systems.
- A desk review of DFID's Private Sector Infrastructure Investment Facilities concluded that gender was not being consistently mainstreamed in programming in line with DFID's evolving commitment to gender equality as a central policy objective
- An evaluation of DFID-funded technical cooperation for economic management in sub-Saharan Africa concluded that gender issues had not been explicitly addressed in the activities reviewed and had

generally not been regarded as relevant to the objectives of the activities supported.

- An IDC enquiry on maternal health identified the need to address gender inequalities.

A145. Evaluations identify gender inequality as a significant issue in many countries. For example, an IDC enquiry on Nigeria expressed concern about the disparity between boys and girls in education. There are **some examples of countries in which DFID has been active in promoting gender equality.** For example:

- An IDC enquiry on Nepal concluded that DFID's work had contributed to progress against gender indicators. An evaluation of DFID's programme in Nepal concluded that efforts to mainstream gender had had a measure of success.
- An IDC enquiry on Bangladesh concluded that significant gender inequality was being addressed by DFID in health and education. However, the enquiry called for a more targeted approach to promote women to positions of power.
- An IDC enquiry on Afghanistan concluded that there had been some progress but that this was fragile and there was some tolerance of gender inequality on 'cultural' grounds. An evaluation of DFID's programme in Afghanistan concluded that the integration of gender had been weak across the portfolio.
- In China, there was good targeting of disadvantaged groups including women and girls. Overall, there were good gender results for individual projects but no progress on gender mainstreaming since 2002.
- DRC was considered to have been largely effective in mainstreaming gender in its programme.
- In Ethiopia, gender was recognised in DFID Ethiopia's strategies, and activities were supported in a number of areas. Entry points to address gender more systematically were considered to be weaker.
- In Pakistan, DFID was considered to have a strong approach to mainstreaming gender.
- In West Bengal, although DFID had no clear strategy for mainstreaming gender, the evaluation did not consider that the issue had been ignored. Rather, gender was considered as part of programme design and implementation. In addition, the team included a Social Development Adviser who was tasked with overseeing this area.

- In India, the emphasis on bringing to bear the themes of gender, inequality and social exclusion in the design of all projects was considered by the evaluation to set DFID apart from other donors.
- In Rwanda, a number of smaller projects were developed related to gender.
- An evaluation of DFID engagement in fragile situations documented a range of programming on gender across the six case studies, including support for gender budgeting in local government and a basket funding initiative for gender activities through UNIFEM in Zimbabwe and a project on gender equality in secondary education in Yemen. There were also plans to increase the focus on gender inequality and social exclusion in the new Pakistan country plan.

A146. But, there are **some countries and regions where evaluations found little evidence of DFID work on gender**, e.g. Afghanistan, the Caribbean, Mozambique, Northern Uganda, Sierra Leone, Sudan, Vietnam and Western Balkans. In addition, an IDC enquiry on the World Bank concluded that an action plan on gender was overdue. Donor contributions on gender issues in UNHCR were considered modest in an evaluation of the joint strategy between Canada, Denmark, the UK and UNHCR.

A147. An IDC enquiry into DFID's 2007 Annual Report called for **more practical steps to promote gender equality**. For example:

- More could be made of DFID's project management tools. A report synthesising experience of project scores commented that several project completion reports raised gender issues but rarely documented them specifically. The lessons learned were couched in terms of general project performance, risks and challenges. Only one project completion report in the sample was considered to derive some lessons about the challenges of promoting gender equality. An earlier synthesis report commented that there was surprisingly little comment in project completion reports about gender.
- A review of the public financial management reform literature documented experience of gender responsive budget analysis.

A148. Overall, **the results of seeking to promote gender equality in DFID's work have been uneven, at best, and 'tokenistic' at worst**. An evaluation of gender equality and women's empowerment concluded that DFID had made important contributions to gender achievements at policy and practice level but that the contribution was uneven with variation across sectors, countries and partnerships. The evaluation noted that DFID's role in the international effort to address gender issues had been significant in terms of policy leadership and knowledge development. However, these strengths were not considered to have been coherently reflected at country level. The global social exclusion stocktaking report concluded that the mainstreaming of gender and social inclusion had become 'tokenistic'. The report called for

DFID's Policy and Research Division to give clear guidance to ensure that effective and measurable improvements are made that embed gender and social inclusion into DFID's work.

Social exclusion

A149. Evaluations identify social exclusion as a significant issue in some countries, e.g. Cambodia. There are **some examples of countries in which DFID has been active in tackling social exclusion**. For example:

- In Pakistan, DFID was considered to have a strong approach to mainstreaming social exclusion.
- In Western Balkans, social exclusion was considered to have received more focus than gender equality.
- In West Bengal, although DFID had no clear strategy for mainstreaming social exclusion, the evaluation did not consider that the issue had been ignored. Rather, social exclusion was considered as part of programme design and implementation. In addition, the team included a Social Development Adviser who was tasked with overseeing this area.
- In Nepal, efforts to mainstream social exclusion were considered to have had a measure of success.
- In Vietnam, the overall performance of the country programme was considered to have been good with significant results achieved against the objectives set for addressing social exclusion.
- In India, the emphasis on bringing to bear the themes of gender, inequality and social exclusion in the design of all projects was considered by the evaluation to set DFID apart from other donors.

A150. But, there are **some countries where evaluations considered the focus on social exclusion to be weak**, e.g. Afghanistan.

A151. Overall, **the results of seeking to tackle social exclusion in DFID's work have been 'tokenistic'**. A global social exclusion stocktaking report concluded that the mainstreaming of gender and social inclusion had become 'tokenistic'. The report called for DFID's Policy and Research Division to give clear guidance to ensure that effective and measurable improvements are made that embed gender and social inclusion into DFID's work. DFID's Annual Report in 2009 on Independent Evaluation concluded that the social exclusion policy had not gained much traction across DFID.

Climate change

A152. The DAC peer review in 2010 highlighted that **climate change is a priority issue in DFID**. It is identified as such in the government's white paper and there is a strong central commitment to it within DFID. Both the DAC and IDC argue that funding to address climate change should be additional to existing commitments on official development assistance.

A153. IDC conducted an enquiry into sustainable development in a changing climate and concluded that they were **disappointed with the lack of information from DFID on progress**, especially in Africa. The enquiry was also concerned that many activities were one-offs and there was a need for clear commitments on financing. IDC wanted to see more commitment to low carbon development and were wary of initiatives which might adversely affect developing countries, such as measures targeting airline travel, tourism and horticulture.

A154. Evaluations of particular themes and sectors contain **some evidence that they are beginning to consider issues related to the environment and climate change**. For example:

- An IDC enquiry on urbanisation and poverty welcomed the links that were being made between urbanisation and climate change.
- An IDC enquiry on water and sanitation included a section related to the environment and climate change.
- An evaluation of general budget support concluded that this can be a useful complementary aid instrument for crosscutting issues, such as the environment, because it creates fora for policy dialogue.

A155. Evaluations identify the importance of climate change to countries, e.g. Bangladesh, China and Sudan. There are **some examples of countries in which DFID has been active in addressing climate change**. For example:

- In Nepal, DFID committed funding to the National Adaptation Programme of Action.
- In China, the issue of climate change is covered as part of working with China on international development issues. The evaluation concludes that DFID's engagement has shaped China's thinking on these issues.
- In Ethiopia, the evaluation concluded that the environmental impact on the natural resource base was addressed through humanitarian aid and the Productive Safety Nets Programme.

A156. In addition, a desk review of DFID's Private Sector Infrastructure Investment Facilities concluded that **there is a substantial body of evidence to**

suggest that Facilities ensure that environmental issues are addressed and resourced systematically.

- A157. But, there are **some countries and regions where evaluations found that focus on environmental issues was limited**, e.g. the Caribbean, DRC, Pakistan, Sierra Leone, Western Balkans. An IDC enquiry concluded that there was need for more engagement with the African Development Bank on climate change. Similarly, an IDC enquiry into the World Bank concluded that there should be greater focus on climate change. The NAO report on the work of CDC Group concluded that its reports on compliance with principles of protecting the environment were highly selective.
- A158. An IDC enquiry into DFID's 2007 Annual Report called for **changes in practices in country offices**. A report synthesising experience of using project completion reports from 2000 to 2005 concluded that there was an absence of comment on the environment. In a similar review from 2005 to 2008, the main focus relating to resilience to climate change was on enhancing livelihood strategies in both agriculture and small/medium enterprises.

8. Particular Populations

- A159. There are **few evaluations which focus on specific populations**. IDC conducted an enquiry into marginalised groups and HIV.
- A160. IDC conducted an enquiry on DFID assistance to Burmese **internally-displaced people (IDPs) and refugees** on the Thai-Burma border. This concluded that DFID needed to be more visible to engage effectively on issues related to IDPs. An evaluation of the joint strategy between Canada, Denmark, the UK and UNHCR concluded that the donors had made a modest contribution on the issue of influencing UNHCR to focus on issues affecting IDPs as well as those affecting refugees. An internal review of DFID's engagement with the conflict in North Uganda concluded that DFID could consider giving more support to IDPs.
- A161. The NAO study on DFID's bilateral support to primary education had **an implicit focus on children**. In addition, the IDC enquiry into prospects for sustainable peace in Uganda expressed concern about the consequences of conflict on children.

9. Research

- A162. The evaluations reviewed contain little reference to DFID's substantial research work. There appear to be **limited linkages between research and evaluation within DFID**. One IDC enquiry expressed the desire for research evidence to inform DFID's policy and practice. There was also one example of EVD publishing a paper synthesising knowledge generated from four DFID-funded governance research centres.

A163. The evaluations did document **a number of thematic areas in which DFID actively supports research**, including rural poverty, maternal health and social exclusion.

A164. The NAO examination of DFID's efforts to tackle rural poverty in developing countries expressed **dissatisfaction with DFID's dissemination of research findings**.

10. Management Issues

Overall management

A165. Overall, the DAC peer reviews conclude that **DFID has a very good management system for its role** (see Box 17). They appreciate that DFID is a single department led by a Minister with a seat in the Cabinet. An evaluation of the implementation of the Paris Declaration on Aid Effectiveness used DFID as a case study. It concluded that DFID has a number of basic structural features that reinforce its capacity on aid effectiveness. These include:

Box 17: DAC peer reviewers perceptions of DFID management

DFID is a capable, mission-driven and decentralised development ministry which delivers its aid programme effectively. It benefits from strong cohesion at management level and high-quality and committed staff. Strong linkages between headquarters and field offices and innovative approaches to working both in-house and with other UK departments and institutions are key features of DFID's way of working. This applies for instance to DFID's efforts to link research and internal policy making. DFID makes continuous efforts to improve both its efficiency and effectiveness. In recent years it has reinforced its corporate tools and systems to ensure compliance and has strengthened its country planning process.

- Its status as an independent ministry with a legal mandate to pursue poverty reduction. This was considered to insulate it from commercial and foreign policy pressures.
- Combining a high degree of operational autonomy for individual spending units with robust systems to hold them to account for their performance.
- A high level of decentralisation to country-office level. This allows country offices to negotiate and make credible comments on harmonisation and alignment.
- Flexible rules and procedures which allow country offices to be innovative in designing interventions, choosing delivery modalities and pursuing aid-effectiveness initiatives.

A166. The DAC peer reviews also **praised DFID's practical management processes**, for example, the 'blue book'. Some country evaluations, e.g. in North Uganda, have commended DFID for strong project management. In its examination of DFID's progress in performance management, NAO noted that DFID had introduced ARIES, a new integrated financial and project

management system. However, the DAC peer reviews concluded that DFID's reporting systems could be simpler.

A167. A synthesis of DFID country programme evaluations concluded that **DFID's decentralised decision making structure under country-based leadership with delegated authority was a strength** and a key contributor to its flexibility. An evaluation of DFID engagement in fragile states concluded that DFID's high level of delegated authority and flexible procedures are well-suited to engaging in difficult environments. But, an evaluation of DFID's programme in Bangladesh concluded that ambiguities concerning the devolution of authority in DFID had exacerbated turbulence in staffing, policy and partners.

A168. The DAC peer reviewers concluded that there is **a tension in DFID between centralised control and country ownership** (see Box 18). This particularly affects DFID's ability to apply central policies and strategies. For example, an evaluation of gender equity and women's empowerment complained that the disbanding of a central project approval committee which used to vet all project proposals for coherence with DFID policies had weakened compliance with gender policies.

A169. Box 18 presents some **examples of management challenges faced by DFID in specific contexts**.

Box 18: Examples of management challenges faced by DFID

In India, the DFID programme consists of a national programme and four state programmes. An evaluation of the West Bengal state programme documented issues between sector and state programmes and between state and national programmes.

An evaluation of the DFID programme in Indonesia concluded that the portfolio was broadly congruent with DFID policy. But, the outworking of competing corporate policies, like achieving MDG targets, harmonising donor working and reducing headcounts, was considered to be most acutely experienced at the country level.

An evaluation of DFID's programme in Bangladesh concluded that DFID's impact would have been greater had it (i) had greater institutional memory with longer international terms and a core of national staff; (ii) experienced less pressure to respond to emergent central policy themes; (iii) put greater emphasis on monitoring and feedback loops; and (iv) continued to build on long-term implementation partnerships.

An evaluation of DFID's programme in Malawi concluded that at times the country office had pursued DFID global policy mechanistically with limited adjustment to local political-economic circumstances.

An evaluation of DFID's programme in Ghana concluded that the Country Assistance Plan was stronger at reflecting policy from DFID centrally than tailoring those policies to the needs of Ghana.

In Central Asia, South Caucasus and Moldova, it had not been straightforward to manage the regional programme with an administrative team largely appointed in country and advisers based largely in London. At times, the London-based group had worked independently and work pressures had reduced communications. As a result, there was reduced emphasis on cross region learning.

An NAO report on CDC Group concluded that governance and financial reporting had been good but that oversight by DFID had been weak.

Office closures

A170. Several evaluations took place at a time when **DFID was closing country offices, particularly in middle-income countries**. The evaluation of DFID's programme in Vietnam concluded that graduation reflected a more mature partnership between the UK and Vietnam and had been handled well by giving a more prominent role to multilaterals, in general, and UNDP, in particular. However, some IDC enquiries, e.g. on China and Thailand, expressed reservations about the office closures in principle. Some evaluations expressed the opinion that the processes could have been better. For example:

- The DAC peer review commented that DFID did not always communicate well when closing offices.
- An evaluation of DFID's programme in Central Asia, South Caucasus and Moldova concluded that preparation for programme closure should have started earlier.
- A report synthesising data from several country evaluations concluded that although DFID's exit from Russia had been rapid, exit planning had been good and support to staff and communications with government and partners were commended. But, the evaluation report itself was highly critical of DFID's inability to have made plans earlier.
- The report synthesising data from several country evaluations concluded that graduation in Indonesia had been less successful. The aim to work through other development partners had influenced decision making without adequate consideration of the costs and benefits of the new instruments. In addition the report of the country evaluation was critical of communications which had left uncertainties on topics such as follow-up, scaling up, exiting and other means by which benefits could continue in the future.
- An evaluation of DFID's programme in the Caribbean concluded that there could have been more transparent explanation and better planning for the graduation from bilateral assistance.

Risk management

A171. Some evaluations documented **positive risk management practices**. For example, in Ethiopia, DFID and FCO meet regularly to assess political risks.

A172. But, several evaluations expressed **concern about DFID's processes for assessing and mitigating risk**. For example:

- NAO's report on budget support concluded that DFID needs more analysis of when and how funds are at risk, including a particular focus on the strength or weaknesses of national financial systems.

- An evaluation of DFID's programme in Sudan expressed concern that discussion of risk was limited only to consideration of the peace process.
- In Pakistan, concern was expressed that while good attention was paid to political and fiduciary risk, less attention was paid to the critical topic of disaster risk reduction.
- In Western Balkans, risks were well-described but mitigation measures were not always practical. The evaluation considered that political risks should have been taken into account more effectively.
- In Indonesia, the evaluation expressed concern that the flagship programme, the Decentralisation Support Facility, represented a considerable risk to the portfolio.
- In the Caribbean, the evaluation concluded that DFID had a fair record on risk analysis but was weaker on risk mitigation.
- In Afghanistan, concern was expressed that DFID lacked a robust methodology to differentiate risk types.

A173. Evaluations argue that DFID should take a robust approach to assessing risk but **this does not mean that DFID should become risk averse**. For example, in Zambia, DFID has to date taken an 'aggressive' approach to risk. Similarly, the Private Sector Infrastructure Investment Facilities were considered to have demonstrated an appetite for risk. Surprisingly, an evaluation of DFID's engagement in fragile situations concluded that projects in fragile settings have a similar risk profile to those in non-fragile settings.

Personnel

A174. DFID has **high quality and committed staff** (see Box 17). For example:

- A report synthesising country programme evaluations concluded that DFID is consistently commended for strong and capable advisory and programme teams who are professional, innovative and provide intellectual leadership on key development issues. Staff are respected and valued by government and by development partners.
- A report synthesising regional programme evaluations concluded that it was the quality of the human resources that proved to be the most critical requirement for delivering changes in systems and policy. DFID is well-respected for the quality of its staff and it is this quality of engagement rather than the quantum of investment that makes the difference.
- An evaluation of the implementation of the Paris Declaration on Aid Effectiveness, using DFID as a case study, commented that DFID has half of its staff in country offices so has strong capacity in the field. The

evaluation also concluded that DFID staff have good understanding of Paris Declaration and commitments.

- A thematic study of support to statistical capacity building concluded that qualified and suitably trained staff are the 'bedrock' of the statistical system.

A175. The DAC peer reviews concluded that **DFID has a strong human resources strategy**. In its report on work in insecure environments, NAO commented that DFID had good procedures for recruiting local staff. An IDC enquiry was very positive about the use of staff secondments to influence agencies, e.g. the World Bank. An evaluation of the UK strategy on HIV praised DFID for its HIV workplace policy.

A176. But, evaluations document a number of **personnel challenges and issues** facing DFID in different contexts (see Box 19). For example:

- The corporate demand to 'do more with less' placed huge demands on staff, e.g. in fragile states overall and in Afghanistan, Bangladesh, the Caribbean, DRC, Indonesia, Mozambique, Nepal, Vietnam and Yemen (see paragraph A178-A180).
- The demands of implementing changing central UK policy were considered excessive, e.g. in Afghanistan and Ethiopia.
- Other corporate demands, such as high profile visits, were considered problematic in Ethiopia.
- Levels of staff turnover have been problematic, e.g. in Bangladesh, Cambodia, Mozambique and Pakistan. An NAO examination of DFID's operations in insecure environments documented high levels of staff turnover. Simultaneous staff changes were considered problematic in West Bengal.
- It has been difficult to recruit for some posts, e.g. in Bangladesh, Pakistan and Sierra Leone. An NAO examination of DFID's operations in insecure environments expressed concern about gaps in staffing and limited experience of some staff.
- Slow recruitment of senior staff has been problematic, e.g. in Mozambique. Frequent changes of leadership has also been difficult, e.g. in Nepal.
- Problems have been experienced where key staff are based in London rather than in-country, e.g. in Sierra Leone and Yemen.
- The use of large consultancy inputs was not cost-effective in Central Asia, South Caucasus and Moldova.

Box 19: Personnel issues in particular contexts

In fragile states, locally-appointed staff tend to be under-used and not promoted. Where there has been UK staff turnover, local staff have been placed in exposed positions, having to manage large or sensitive portfolios without sufficient experience of DFID corporate policies or systems. The main concerns expressed by country offices were the pressure placed on staff by expanding budgets, and the difficulty of maintaining the intensity of engagement necessary to make progress in difficult environments. This was considered to be particularly the case in countries like Yemen or Zimbabwe where other donors had limited country presence. Country offices noted that some of their most strategic activities are not high-spending items, but engagement with key reform processes or policy dialogue with potentially transformational impact. The evaluation concluded that they should retain the capacity to respond to these opportunities.

In Afghanistan, staffing of the DFID office in Kabul was limited by the 'light footprint' approach agreed by DFID's top management. This effectively imposed an initial cap on international staff levels of six. Staff levels have increased since but pressure to deliver on UK Government priorities has been immense. Security constraints have limited engagement with local and provincial government restricting data gathering and personal knowledge of projects. Within the state building portfolio, the consequences of under-staffing have been apparent.

In Andhra Pradesh, the DFID state programme team was well-staffed and had consistent leadership.

In Bangladesh, rapid staff turnover and recruitment difficulties left gaps in coverage. The median time in post of the UK-based staff was only 15 months. The evaluation concluded that the devolution of decision-making was not supported by decentralising 'person-power' from London to country offices. The considerable work pressure on staff was identified as a serious concern.

In Cambodia, the evaluation called for review of human resources policy and practice to provide for more continuity of staff.

In the Caribbean, DFID's programme was ambitious given the decline in staff and financial resources. Monitoring and evaluation was not easy partly because of reducing staff numbers. Portfolio management showed four trends - reduction in UK-based advisory staff; shifting of staff positions from Barbados to Guyana and Jamaica; downward shift in adviser grades; and a growing number of programme management staff appointed in-country.

In Central Asia, South Caucasus and Moldova modest in-country human and financial resources were considered to have delivered high profile and effective interventions. Use of some consultant inputs had been efficient where synergies between international and national expertise had been built and smaller teams operated flexibly. Larger consultancy inputs with 'blue print' models did not take account of contextual diversity and they had less impact and were not cost effective.

In China, DFID staff were well-regarded but were considered to need more skills on diplomacy and policy work. The split into two teams had resulted in loss of synergies.

In DRC, staff were over-stretched because of the demands of working in a fragile and challenging country, with a heavily project-based portfolio and limitations on headcount.

In Ethiopia, the evaluation documented the increasing corporate demands on the office including the number of high-profile visits, changing requirements on the results agenda, and recent vertical initiatives.

In Ghana, policy advisers, individually and collectively, had earned the respect of their peers. But, advisory appointments were considered to have driven new programme development. Concern was expressed that advisers lack contact and interaction with government programmes away from Accra. Such contacts bring intelligence and insight to inform policy.

In India, DFID responded to the corporate challenge to 'do more with less'. Aid expenditure increased from £180 million in 2001/2 to £247 million in 2005/6. Advisory staff were reduced from 48 to 26 in the same period.

Box 19: Personnel issues in particular contexts

In Indonesia, the small DFID team struggled to deal with the additional demands of the Asian tsunami.

In Kenya, staffing reduced by 20% in five years, with a lowering of advisory grade level and greater involvement of staff appointed in-country in advisory and programming responsibilities.

In Mozambique, the 2006 evaluation concluded that the office had a well-respected and balanced staff complement, but faced challenges due to headcount pressures. The pre-2004 team of UK-based staff served for longer and had good language skills. The advisory team at the time of the evaluation had shorter service experience period, and less language and contextual knowledge. Experienced and well-integrated locally-recruited staff were considered to have contributed to continuity and helped to ground programmes in an understanding of the local context. The 2010 evaluation concluded that DFID had sought to build staff language skills and had promoted locally-appointed staff. The evaluation was concerned that staff lacked field exposure. Delays in replacing senior staff had been problematic.

In Nepal, directional stability was not helped by relatively frequent changes in leadership. There had been four Heads of Office in five years. Staffing reductions stretched management capacity. Staff appointed in country saw their role developed, but they were not sufficiently empowered to lead on programme development or partnership work. In addition their composition was not considered to reflect Nepal's caste and ethnic diversity.

In Pakistan, the process of office devolution was ultimately successful but was drawn out and beset by security concerns. Disbursement was reduced dramatically as new management faced staffing and office establishment difficulties. Staff recruitment was a challenge and turnover had also been high.

In Rwanda, the evaluation concluded that a low prioritisation of language as a communication issue and poor language skills among advisers and those providing technical assistance contributed to the distancing of DFID from middle management and rural settings.

In Sierra Leone, the establishment of a devolved office in 2005 improved relations with government and development partners. But, the process could have been managed better. There was a loss of momentum as only one of the two Deputy Programme Managers moved to Freetown from London, and none of the disciplinary advisers moved. Staffing has been a challenge within the advisory cadre, with the post conditions unattractive to many candidates, leading to a number of stop-gap temporary appointments.

In Vietnam, the ambitious nature of the programme stretched staff resources. The corporate postings system made it difficult to adapt the skills mix quickly enough. Staff resources were over-concentrated on new programme development at the expense of project monitoring and lesson learning. Staff time was allocated unevenly across programme objectives. Some areas of the Country Assistance Plan were not well-covered.

In West Bengal, the evaluation concluded that the staff team was the right size for the programmes it had to manage. It also found that the balance of skills and expertise was appropriate to the programme. But, simultaneous staff change-over in 2004 had been detrimental to continuity and institutional memory. DFID is viewed with respect, and valued as a government partner, because of the funds it can mobilise and its intellectual engagement.

In Western Balkans, the evaluation concluded that staff deployment could have been structured to fit the objectives rather than remain sector-based.

In Yemen, the scope of the programme exceeded staff resources. The office split between London and Sana'a was problematic. Staffing implications of scaled up programmes were not considered.

An evaluation of DFID's Private Sector Infrastructure Investment Facilities concluded that the programme had been subject to increasingly stringent corporate targets on staffing levels. These were compensated for by the creation of the Private Infrastructure Development Group, a multi-donor consultative body that DFID was instrumental in setting up.

- Staff were considered to need more skills in some areas, e.g. in diplomacy and policy in China. The corporate postings system was considered inadequate for adjusting staff skills mix quickly in Vietnam.
- An NAO examination of DFID's operations in insecure environments concluded that staff skills were not used sufficiently to inform investment decisions.
- Personal decisions made by individual advisers were considered to have driven new programme development in Ghana.
- Headcount restrictions resulted in staff having less contact with projects, e.g. in Mozambique. Security constraints limited staff contact with projects in some contexts, e.g. Afghanistan. This concern was also raised by DAC peer reviews which called for DFID staff to spend more time in-country and more time outside of capital cities.
- An NAO examination of DFID's operations in insecure environments concluded that DFID did not give security management enough consideration.
- Dividing staff into teams had been problematic in some settings, e.g. in China. In Sudan, the evaluation concluded that the split between humanitarian and development staff was unhelpful.
- Staff were considered to have inadequate language skills, e.g. in Mozambique and Rwanda. Limited language skills resulted in DFID being isolated from middle management and rural settings in Rwanda.
- It is difficult for staff to maintain the intensity of engagement needed to make progress in difficult environments, e.g. in fragile states.
- Staff appointed in country may be under-utilised, not promoted and placed in exposed situations, e.g. in fragile states overall and in Nepal.
- The composition of staff appointed in country does not always reflect national population diversity, e.g. in Nepal.

A177. Evaluations identified a number of **ways in which management of human resources in DFID could be improved**. For example:

- An IDC enquiry on making aid more effective called for issues related to aid effectiveness to be built into staff appraisals.
- An IDC enquiry on private sector development called for DFID to have more private sector experience.

A178. The DAC peer reviews, NAO reports, IDC enquiries and EVD evaluations all express **severe concerns about the simplistic approach to 'value for**

money' being pursued by DFID, focused on reducing administrative costs, in general, and expenditure on staff, in particular. These concerns are explored in more detail in the final paragraphs of this annex.

A179. **Counting all staff costs as administrative is problematic.** For example, in some contexts, e.g. in fragile states and middle-income countries, staff engagement with key reform processes and policy dialogue has more transformational impact than simply providing funds. In this context, these staff are not administering financial aid, rather they are the programmatic impact themselves. Cutting back these staff as a measure to reduce administrative costs as part of 'value for money' initiatives risks 'degrading' DFID's capacity in an area which has been pivotal in building up DFID's reputation as a donor. Consequently, a report synthesising several country programme evaluations called for DFID to consider recognising some staff costs as developmental rather than administrative.

A180. **The corporate imperative to 'do more for less' is transferring rather than reducing administrative costs.** For example:

- In middle-income countries, where DFID has no presence, responsibility for development issues is being handled by FCO. An IDC enquiry on the implementation of DFID's HIV strategy expressed concern about the capacity of FCO staff to do this.
- An IDC enquiry on Zimbabwe concluded that headcount restrictions had resulted in greater use of managing agents.
- An evaluation of DFID's Private Sector Infrastructure Investment Facilities described how a reduction in DFID staff had been compensated for by creating the Private Sector Development Group with support from multiple donors. This included a Project Management Unit which acts as a secretariat for the facilities and provides 'outsourced capacity' for the DFID team.

A181. Staff reductions mean **DFID is doing more in terms of financial disbursements but doing other important things less.** For example:

- An evaluation of DFID's programme in Indonesia expressed concern that the restrictions on headcount were adversely affecting DFID's ability to meet its core objectives of contributing to meeting the Millennium Development Goals.
- An evaluation of DFID's programme in Afghanistan concluded that low staffing levels adversely affected DFID's ability to deliver on central priorities.
- The restrictions on administrative costs are adversely affecting DFID's ability to operate in fragile states because operating in such environments is more labour-intensive and expensive. For example, an evaluation of DFID's programme in DRC concluded that work had been

very labour intensive and had required higher and less predictable running costs. An IDC enquiry expressed concern that administrative cuts would affect DFID's ability to find sufficient skilled staff for work in fragile states. An IDC enquiry on Afghanistan called for greater levels of support to DFID staff working there (see Box 20). An evaluation of DFID's programme in Sierra Leone concluded that it had been difficult to recruit advisers because the post conditions were unattractive. As a result, there had been a number of stop-gap, temporary appointments.

Box 20: DFID staff in fragile states need greater levels of support: An example

An IDC enquiry on Afghanistan concluded that DFID staff need a level of support which is commensurate with the responsibilities they are asked to bear, including an appropriate level of language, cultural and security training. The enquiry understood the need for longer postings of staff but called on DFID to recognise that there was a limited pool of people who would consider such postings. As a result, the enquiry called on DFID to encourage those staff who gain experience of working in Afghanistan to return to similar posts after a sufficient break so as to build up a cadre of DFID staff with experience of working in insecure environments.

Although the enquiry recognised that working conditions were comparable with those of other donors, it encouraged DFID to consider the impact of six week periods of work on overall efficiency. The enquiry commented that DFID and Embassy employees were hindered in carrying out their jobs in a timely fashion as they were subject to lengthy waits for secure transport. Given the priority which the UK Government has placed on Afghanistan, the enquiry considered appropriate logistical support for the civilian effort to be essential.

- A key part of DFID's current way of working is engaging in dialogue on key policy issues, including major reforms. An evaluation of DFID's work in fragile situations concluded that country offices ability to do this was being compromised by reductions in staff.
- DFID's ability to support the aid effectiveness agenda risks being compromised because harmonising with other donors takes a large amount of staff time. An evaluation of the implementation of the Paris Declaration on Aid Effectiveness using DFID as a case study concluded that working according to the Paris Declaration principles is very time intensive. The evaluation expressed concerns about DFID's ability to sustain this level of engagement in the future given the cuts in staffing levels. An evaluation of DFID's programme in Indonesia concluded that there was a tension between DFID's corporate priorities on harmonising donor working and reducing headcounts.
- DFID is less able to participate in dialogue on technical issues because it has lost skills in specific technical areas. An NAO report focused on rural poverty expressed concern about decline in DFID's advisory capacity in critical areas such as livelihoods and rural development. Areas identified by IDC enquiries include maternal health and urban poverty. An IDC enquiry also expressed concern about the dissolution

of DFID's urban poverty teams. An evaluation of DFID's agriculture policy concluded that there had been a decline in the number of advisory staff with the requisite technical skills. An evaluation of DFID's approach to gender equality and women's empowerment concluded that the level of staffing was not appropriate for broad-based gender mainstreaming. An evaluation of DFID's programme in Yemen concluded that the absence of economist skills in-country impaired programme efficiency and DFID's influence in the economic sphere.

- The DAC peer review and country evaluations in Ghana, Mozambique, Rwanda and Yemen expressed concerns that headcount pressures meant that DFID staff were spending less time in country and less time outside capital cities. As a result, this was undermining their knowledge and experience base, and their reputation.
- An evaluation of DFID's programme in Central Asia, South Caucasus and Moldova concluded that excessive work pressures resulted in reduced communications across disciplines and that this had reduced cross region learning. An evaluation of DFID's programme in Vietnam concluded that staff resources may have been over concentrated on new programme development at the expense of lesson learning.
- An evaluation of DFID's programme in Indonesia concluded that headcount restrictions restricted DFID's ability to respond to additional demands, e.g. those that arose from the Asian tsunami.