National Audit Office

Report
by the Comptroller
and Auditor General

Cross-government

The effectiveness of Official Development Assistance expenditure

HC 2218 SESSION 2017–2019 20 JUNE 2019

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Cross-government

The effectiveness of Official Development Assistance expenditure

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 19 June 2019

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act

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National Audit Office

17 June 2019

HC 2218 | £10.00

We have, to date, produced three reports on Official Development Assistance (ODA). This report builds on our previous work to consider the effectiveness of ODA expenditure.

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Contents

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Key facts

£14.1bn
UK Official Development Assistance expenditure in 2017

23
number of UK public bodies contributing to the Official Development Assistance target in 2017

28%
proportion of Official Development Assistance expenditure by bodies other than the Department for International Development in 2017

5	number of years the UK has met the United Nation's Official Development Assistance target of spending 0.7% of Gross National Income on overseas aid
138	number of countries in receipt of Official Development Assistance expenditure in 2017
23%	increase in Official Development Assistance expenditure between 2013 (the first year the target was met) and 2017
2020	year by which the UK Aid Strategy targeted improvements in transparency of UK aid spending
17%	proportion of bilateral Official Development Assistance spent on humanitarian aid in 2017 – the highest proportion by sector
53%	proportion of bilateral Official Development Assistance spent in countries classified as least developed in 2017 – down from 55% in 2013

Summary

1 In 2010, the coalition government committed to spending 0.7% of UK gross national income on overseas aid – known as Official Development Assistance (ODA) – from 2013 onwards. This is the proportion of a nation's income that the United Nations has said developed countries should aim to spend on overseas aid. The UK has met the 0.7% target each year from 2013 to 2017. In 2015 this commitment became legally binding. The increase in the UK's gross national income and the UK's commitment to the 0.7% target has led to an increase in total UK ODA expenditure.

2 The Department for International Development (DFID) has always spent the majority of the UK's ODA expenditure. But the proportion of total ODA it spends has decreased from 89% in 2013 to 81% in 2015 to 72% in 2017.[1] DFID's ODA expenditure is at the same level in 2017 as in 2013 – just over £10 billion.[2] ODA spending by other government departments (such as the Foreign & Commonwealth Office and the Department for Business, Energy & Industrial Strategy), by cross-government funds (such as the Conflict, Stability and Security Fund), and through other payments and attributions has almost trebled over this period (**Figure 1** overleaf).

Scope of this report

3 This is our fourth report on the UK's ODA spending. **Figure 2** on page 7 summarises the scope of the first three.

4 This study builds on our other reports on DFID's and wider government's management of ODA by focusing on what this spending is achieving in practice. We considered whether:

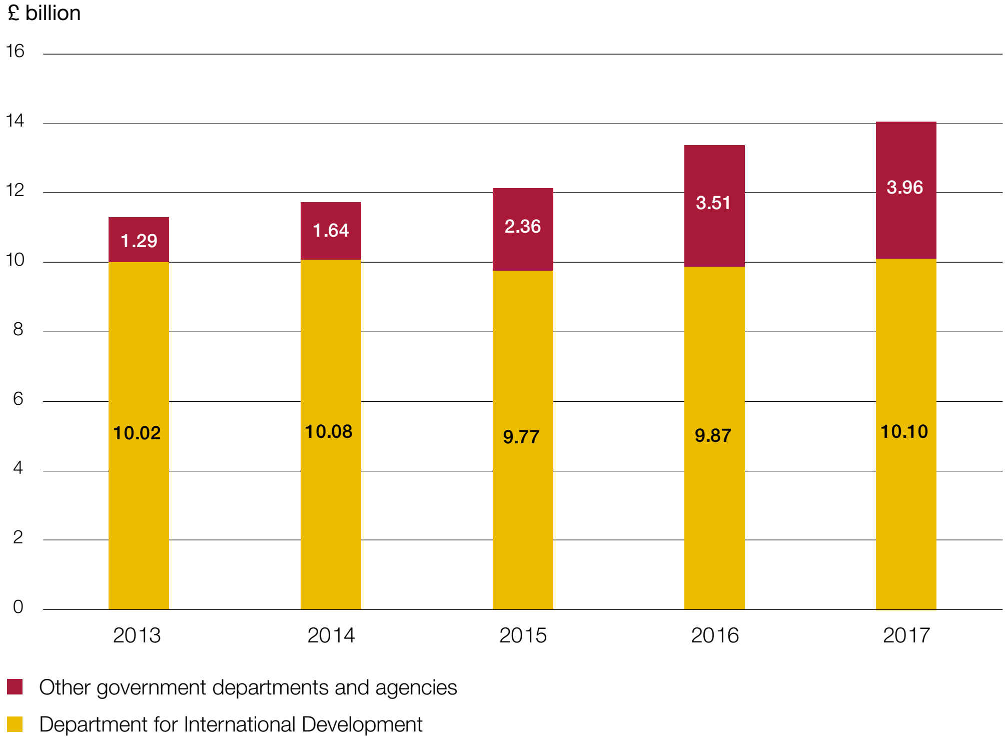
- the allocation of ODA across-government focused sufficiently on effectiveness;
- departments' ODA projects are meeting their planned objectives; and
- the centre of government maintains good oversight of the effectiveness of ODA spending.

1 Provisional figures for 2018 show this proportion has increased to 75%.
2 Provisional figures for 2018 show Department for International Development's expenditure as £10.9 billion for 2018.

Figure 1

Annual Official Development Assistance expenditure by the Department for International Development and other government departments and funds, 2013–2017

The Department for International Development's total Official Development Assistance (ODA) expenditure has remained broadly the same between 2013 and 2017 but has fallen each year as a proportion of the UK's total ODA expenditure



Source: National Audit Office summary of the Department for International Development's Statistics on International Development

Figure 2

An overview of the National Audit Office's previous reports on Official Development Assistance

We have reported on Official Development Assistance (ODA) expenditure three times since the target was met

	January 2015[1]	December 2015[2]	July 2017[3]
Report	Managing the Official Development Assistance target	Trends in total UK Official Development Assistance and the Department for International Development's expenditure	Managing the Official Development Assistance target – a report on progress
Scope	An examination of how the Department for International Development managed and responded to the ODA target, covering the Department's management of the ODA target and the large increase in budget	An overview of trends in spending on aid during 2015	An examination of how government managed and oversaw the ODA target and departments' progress in managing their ODA expenditure
Departments and other bodies featured	Department for International Development	Department for International Development	Department for International Development; 9 other government departments; 2 cross-government funds

Notes

1 Comptroller and Auditor General, *Managing the Official Development Assistance target*, Session 2014-15, HC 950, National Audit Office, January 2015.

2 Memorandum for the House of Commons International Development Committee, 15 December 2015.

3 Comptroller and Auditor General, *Managing the Official Development Assistance target – a report on progress*, Session 2017–2019, HC 243, National Audit Office, July 2017.

Source: National Audit Office summary of its previous reports and memoranda on Official Development Assistance

5 We assess effectiveness by examining the extent to which departments have achieved the outputs and outcomes established at the start of a project. We do so by using evaluative criteria for each of the following:

- how ODA-funded programmes are managed;
- how progress and performance are assessed; and
- how programmes respond to assessments of performance.

6 We also consider how departments assess the impact their portfolio of ODA-funded programmes is having – for example, the extent to which they consider impact at country and thematic level.

7 Our previous reports highlighted a number of challenges departments across government faced in meeting the ODA target. For example, making sure they had sufficient ODA eligible programmes on which to spend the budget. We also noted the support DFID had provided, such as on programme management, to departments which had seen a sudden and considerable increase in their ODA allocations.

8 For this report, we have considered the effectiveness of ODA expenditure in the context of the complex and often dangerous environments in which it is spent. Departments and cross-government funds are looking to implement and secure value for money from ODA-funded programmes while managing multiple challenges (**Figure 3**).[3]

Key findings

Government-wide findings

9 Responsibilities for considering the effectiveness of ODA expenditure are fragmented across government. For example, HM Treasury considers business cases for ODA expenditure, but does not have a role in considering the impact of actual expenditure. Departments are responsible for securing value for money from all their expenditure, including ODA. While a cross-government group of ODA spending departments exists, its focus on the effectiveness of that expenditure is limited (paragraph 1.4, 1.12 and 1.13).

10 Departments and cross-government funds use ODA expenditure to deliver a range of strategies, creating complexities in considering programme performance. The UK Aid Strategy in 2015 set the government's strategy for spending ODA, establishing four objectives for that expenditure. At the same time the government set three objectives for the National Security Strategy. Alongside these cross-government approaches, country-level and thematic strategies (focusing on, for example, women and girls, migration and on economic development) have been developed. Departments looking to work together overseas are taking steps to bring these strategies together when implementing programmes. But the number of strategies – and their overlap – creates difficulties in terms of reviewing and then reporting performance. This undermines government's ability to align performance with the objectives set out in strategies and with poverty reduction more broadly. Despite the country and theme focus of these strategies, HM Treasury's allocation process remains heavily department-focused (paragraphs 1.2 and 1.3 and Figure 4).

3 Funding for some programmes will be 100% funded by Official Development Assistance (ODA); others are funded by a mix of ODA and non-ODA budget.

Figure 3

Challenges faced implementing projects overseas funded by Official Development Assistance expenditure

We identified five challenges departments might face when looking to secure value for money from Official Development Assistance (ODA) expenditure

Challenge	
Working in rapidly changing environments overseas	Departments often work in fragile states, and in dangerous environments with unpredictable and sensitive political and social backdrops. Programmes need to be flexible enough to respond to changes while allowing enough time to achieve long-term impacts.
Working alongside other donors	Different donors make varying demands on implementing partners (for example, regarding management information) – creating potential tensions that need careful management. The involvement of multiple donors in programmes also creates complicated attribution issues.
Maintaining oversight of multiple delivery partners	UK government departments operating overseas work with and through each other, as well as with governments in the host country (both central and local), multilateral organisations, international and local non-governmental organisations, and with private sector and civil society organisations. Oversight requires a multi-layered approach – as each body outlined in the previous row has different operating practices and cultures that need to be accommodated to work successfully.
Accessing good-quality data to monitor and evaluate performance	Some outputs and outcomes are easier to measure than others. Where there are multiple donors to a project it is not always possible for the UK to control the project's outcomes. Isolating the impact of separate programmes with shared goals is challenging. For some interventions, government must rely on third-party verification due to security concerns around the UK government operating within a country or region.
Managing ODA and non-ODA expenditure	For example, cross-government funds manage programmes funded from both ODA and non-ODA budgets. This can create a challenge in isolating the contribution to performance made by these two sources.

Note

1 For example, an output might be the number of children attending a primary school; an outcome might be the improvement in education standards which result from increased attendance.

Source: National Audit Office

11 Shifts in government's aid priorities have had both a positive and negative impact on progress against objectives in the UK Aid Strategy, illustrated below.

- Meeting its ambition to spend ODA across a wider range of departments, DFID's share of expenditure has declined year on year between 2013 (when the UK met the ODA target for the first time) and 2017.[4]
- The areas on which ODA expenditure has been targeted highlight changing priorities for the UK. For example, bilateral spending on humanitarian interventions increased by more than 15% between 2015 and 2017. It now represents the largest category of expenditure. This is aligned with the Strategy's objective to "strengthen resilience and response to crises". Consequently, expenditure on other categories of interventions (such as education) has declined as a proportion of total expenditure.
- The UK Aid Strategy made a commitment to increase by 50% by 2020-21 ODA expenditure on support to developing countries to respond to the challenges presented by climate change. Actual expenditure to date in this area is in line with the annual plan agreed as part of the Spending Review in 2015.
- The proportion of bilateral ODA expenditure going to countries classified as 'upper middle income' has increased both in absolute terms (from £525 million in 2015 to £694 million in 2017) and as a proportion of total ODA expenditure (from 11% to 14%). This is partly a consequence of increased expenditure in countries such as Turkey that have been affected by the Syria crisis. As a result, the proportion of expenditure going to countries at the lower end of the income scale has decreased. Adjusting for the impact of interventions related to Syria shows that the proportion of ODA expenditure going to 'upper middle income' countries has remained stable over recent years (Figure 6).

4 Provisional data shows a three percentage point increase in Department for International Development's share of total Official Development Assistance expenditure in 2018 compared with 2017.

12 **Taking ODA expenditure as a whole, government has placed insufficient emphasis on demonstrating its effectiveness and on progress against the UK Aid Strategy.** At departmental level, we found evidence that programme performance was monitored and then evaluated when the programme came to an end. But more widely, government has only just started to consider the effectiveness of ODA expenditure across departments and what this says about progress in implementing the UK Aid Strategy. In 2019 departments agreed a framework which sets out, for each of the four objectives in the UK Aid Strategy, 'indicators of success' as well as illustrations of the performance achieved. But the framework does not bring these measures together with expenditure, which is necessary to support an assessment of value for money (paragraphs 1.12 and 1.13).

13 **Neither DFID nor HM Treasury has assessed whether allocating the ODA budget to departments other than DFID has had the impact intended.** ODA-funded programmes generate challenges such as making sure expenditure is eligible to count towards the target and managing programmes in hostile environments. However, government wanted to draw on skills across-government when spending ODA to respond to changes in emphasis in the challenges it faced (such as mass migration and the impact of global warming). It therefore allocated more of the ODA budget to these departments from 2016 onwards. But it did not set out in detail the benefits it expected to achieve from this approach. Nor has it assessed whether its intentions have been delivered in practice (paragraph 1.14).

14 **The wider allocation of ODA creates additional risks.** For departments other than DFID the changed approach to allocating ODA creates an opportunity to access new funds at a time when many feel their core funding is under great pressure. In the programmes we reviewed we did not find direct evidence of poorer value for money in other departments, but we do think it is important to point out the risks. Depending on each department's experience of managing ODA expenditure and the relative significance of ODA to its overall budget, departments could feel incentivised to propose spending without challenging its value for money as rigorously, or even in the knowledge that it would be more effective to spend it on other, non-ODA eligible activity. There is a risk departments might also be tempted to seek the ODA funds without a full understanding of whether they have the capability to carry out the work (paragraph 2.3).

15 Departments need to improve the transparency of their ODA expenditure. Government is clear that transparency of ODA expenditure is an important aspect of securing value for money. DFID publishes good-quality information on ODA expenditure across government – for example, how much is spent, by which department and in which country (paragraphs 1.15 to 1.20, and Figures 11 and 12).

- We found limitations in departments' publicly available information. For the seven departments and cross-government funds that accounted for more than 60% of non-DFID ODA expenditure, only two referred to the effectiveness of this spending in their annual report.
- Government has recognised more needs to done to meet its ambition that, by 2020, each department should be ranked as either 'very good' or 'good' against an independent assessment of transparency. Only DFID has met the target. DFID is funding a review of government's progress towards the target, the results of which will be publicly available in December 2019. This timetable leaves little time to act if DFID's assessment about the likelihood the target will be achieved is pessimistic.

16 The impact of EU Exit on ODA expenditure remains unclear. The European Union is one of the UK's key partners for its international development interventions. In 2017, the year for which the most up-to-date information is available, £1.4 billion of the UK's ODA expenditure – 10% of the total – was through EU institutions. The government has agreed to honour part of this commitment – to the European Development Fund (£443 million in 2017) – until 2020. DFID has stated that it is in the UK's interest that it continues work with the EU once the UK leaves the EU. What this relationship looks like in practice and the impact it will have on the distribution of the ODA budget and the achievement of the target are currently unclear. DFID told us that it has developed plans for a number of scenarios. Depending on the nature of the UK's exit from the EU, and given the annual nature of the target, the government may need to redistribute up to £1.4 billion quickly – a situation which would create a risk to value for money (paragraphs 1.22 to 1.27 and Figure 12).

Departmental and country office findings

17 Departments have put in place structures to support target setting and performance assessment. We found that departments representing 86% of overall ODA expenditure had structures in place to support the planning, implementation and monitoring of ODA-funded programmes. For example, programmes were supported by business cases and an explanation as to how intended outcomes might be secured. Departments also produced frameworks setting out milestones against which progress could be assessed. The approach taken by each department was particular to its circumstances, which has an impact on the approach taken to the oversight of performance (illustrated below).

- The Department for Business, Energy & Industrial Strategy (BEIS) delegates responsibility for some its ODA expenditure (such as the Global Challenges Research Fund) to implementing partners. Here, it receives regular updates from its partners on a project's financial position and activities. But this information does not allow BEIS to consider the effectiveness of its expenditure in these areas.
- Two of the five British Council projects we reviewed were country projects within wider programmes. For those two projects we saw outcomes set for the whole programme with project level targets for, for example, participants and other outputs rather than impact. In both cases, the British Council had either evaluated the impact of its intervention or was collecting information which would enable it to do so in the future (paragraphs 2.4, 2.5 and Figure 16).

18 Departments' assessment of effectiveness can be limited, either when setting targets or considering actual performance.

- For most of the programmes we reviewed, departments had some measure of progress and performance in place. Good examples of considering effectiveness were evident (such as in the Provincial Health and Nutrition Programme). But it was not always the case that a department's targets helped it consider a programme's effectiveness. For example, programmes might establish targets on inputs, activity, and outputs but not for impact. This in part reflects the nature of some of the programmes (such as the Foreign & Commonwealth Office's expenditure on aid-related front-line diplomacy).
- Departments sometimes faced practical difficulties in accessing good-quality information needed to assess performance and the complexity of the environment in which they operated. For example, information might not be readily available from locations that present a high security risk; or from implementing partners that work with different systems and to different standards (paragraphs 2.7 and 2.8, and Figures 17 and 18).

Departments operate in challenging and dangerous environments, which can make the assessment of effectiveness difficult. Moving from the consideration of inputs to the assessment of outcomes and impact can take many years and requires significant expertise.

19 Departments' responsiveness to reviews of their programmes' performance was variable. Timely monitoring of performance can help departments to reallocate a programme's budget either within the programme or into other programmes. Across the 26 programmes we examined we found a mixed picture with respect to departments' responsiveness to reviews. For example, DFID raised its performance targets for its Provincial Health and Nutrition Programme in Pakistan in response to a review which concluded that they were not sufficiently stretching. But BEIS has only now taken commissioned work to develop performance measures for its Newton Fund, following a review in 2016 which concluded that BEIS should improve its approach to gathering evidence on the outputs and outcomes generated by the Fund (paragraph 2.16 and Figure 19).

20 DFID has a well-developed approach to assessing project progress but overall grades in annual reviews can mask poor results for parts of a project. Each output is assessed and graded separately, but a heavily weighted component of the project can lead to an overall grade that feels out of kilter with overall progress. This might undermine corrective action and skew DFID's perspective on the performance of its portfolio. DFID is aware of this issue; and our own assessment of project reviews reinforced the concern. Seventeen of the programmes we examined had one or more annual reviews. In 14 reviews, the overall grade awarded exceeded the grade achieved by half or more of the project's outputs (paragraphs 2.9 to 2.11).

21 We identified some projects that were extended or had their budgets increased without an evaluation of the project's performance. Evaluations help to support the development of future programmes and were encouraged by all of the departments we looked at as part of this review. We found that, across the 26 projects we reviewed, many had contract extensions or were subsequent phases of particular projects. For some of these the case, for extending the project was made, drawing on evidence of performance. In others, the phases of projects overlapped, without the project's impact being considered. This approach, which has the merit of maintaining a continuity of provision, means that projects can proceed without a thorough consideration of which areas need to be improved (paragraphs 2.17 to 2.20).

Conclusion on value for money

22 Government's success in meeting the ODA spending target is clear – it has done so for the last five years. It provides clear reporting on which departments and other bodies are spending the ODA budget and on what types of assistance.

23 However, there is insufficient focus on departments' capacity to implement programmes and on their effectiveness. Centrally, government makes limited use of performance information generated by departments, inhibiting its ability to make changes to improve effectiveness. Consequently, it still remains unclear whether government is achieving its objectives in the 2015 UK Aid Strategy. Widening ODA expenditure to other departments has increased risks to effectiveness and it is not clear whether the intended benefits of drawing in wider skills have been realised. Government's desire to demonstrate the value secured from ODA spending is further undermined by its lack of progress improving transparency, a key objective of its own aid strategy.

24 Taking this together, whilst there is good evidence that many programmes within the £14 billion portfolio are securing an impact individually, overall government is not in a position to be confident that the portfolio in its totality is securing value for money.

Recommendations

25 HM Treasury should, as part of the next Spending Review:

- develop a systematic approach to assessing departments' capability and capacity to deliver their plans for ODA expenditure and their plans to consider the effectiveness of that spending; and
- consider each department's and cross-cutting fund's actual ODA expenditure against the budget agreed as part of the Spending Review 2015, to contribute to its assessment of each department's capacity to deliver programmes funded in this way.

26 HM Treasury should, when agreeing the framework for assessing progress against the objectives in the UK Aid Strategy, allocate responsibilities for monitoring progress.

27 HM Treasury should develop guidance on how departments and cross-cutting funds might make the impact of their ODA expenditure more transparent as part of, for example, the annual report and accounts process.

28 HM Treasury and DFID should set out the steps they will take, across a range of scenarios, to make sure the UK meets its legal obligation regarding the ODA target in the light of the UK's decision to leave the European Union.

29 Each department should, depending on the outcome of the DFID-funded review of transparency performance, produce a plan for the actions required to help it meet the target.

30 Departments should:

- classify their programmes according to the type of performance measure (such as activities, outputs and outcomes) to which they are best suited; and
- then, working together, share information on the approaches they take across these classifications.

Part One

The government-wide perspective

1.1 In this part of the report we look at:

- the range of strategies relevant to Official Development Assistance (ODA) expenditure;
- trends in ODA expenditure across government against the UK Aid Strategy;
- government's consideration of the impact of ODA expenditure;
- HM Treasury's approach to allocating the ODA budget; and
- government's approach to improving the transparency of ODA expenditure.

Strategies relevant to ODA expenditure

1.2 The UK government's work overseas is supported by a broad range of strategies – across government, at departmental level, and focused on themes (examples of which are set out in **Figure 4** on pages 18 and 19). ODA expenditure is looking to achieve a number and mix of type of objectives. This creates complexities in terms of managing programmes and assessing their performance.

1.3 In the countries we visited, different parts of the UK government were contributing to a range of strategies.

- In Turkey, we found that ODA budget was being spent to implement the National Security Council's country strategy, the National Security Council's Illegal Migration Strategy, an embassy-wide Single Business Plan, as well as the Department for International Development's (DFID's) objectives.
- In Pakistan, the various elements of the UK government look to make sure their work is coherent by working to an Integrated Delivery Plan. The plan sets out the shared objectives across the UK government's interventions.

Figure 4

Examples of strategies that influence the UK's Official Development Assistance expenditure

Government departments working overseas are looking to implement programmes funded from Official Development Assistance that support a range of strategies and objectives

Cross-government strategies

- UK aid: tackling global challenges in the national interest (November 2015)
- National Security Strategy and Strategic Defence and Security Review 2015 (November 2015)
- National Security Council Illegal Migration Strategy (November 2016)[1]

Departmental and joint funds strategies

- Department for International Development (DFID)
- Foreign & Commonwealth Office (FCO)
- Department for Business, Energy & Industrial Strategy (BEIS)
- Conflict, Security and Stability Fund (CSSF)

Thematic strategies

- Economic Development Strategy: prosperity, poverty and meeting global challenges (January 2017)
- DFID Strategic Vision for Gender Equality – A Call to Action for Her Potential, Our Future (March 2018)

Notes

1 The National Security Council's Illegal Migration Strategy is not published.

2 The National Security Council and the National Security Secretariat Implementation Groups lead on cross-government strategy for the Conflict, Security and Stability Fund and the Prosperity Fund

Source: National Audit Office

This established a new aid strategy and introduced four objectives to guide the UK's spending on overseas aid. It also set out that an increasing amount of Official Development Assistance would be spent by organisations other than the Department for International Development.

This set out government's approach to national security. It introduced three priorities for the UK's approach, both domestic and overseas. Meeting the Official Development Assistance target is a key feature of the strategy, which makes an explicit link to the UK Aid Strategy.

The strategy establishes a number of goals such as improving the asylum and returns process, reducing unmanaged migration along the eastern and central Mediterranean routes, and addressing the root causes and enablers of forced displacement and illegal migration.

DFID has five objectives – the four set out in the UK Aid Strategy and to "deliver value for money and efficiency".

FCO has three objectives – "to protect our people", "project our global influence", and "promote our prosperity".

BEIS has five objectives including "delivering an ambitious industrial strategy" and "maximising investment opportunities and bolstering UK interests".

The CSSF's work is guided by the priorities set out in the 2015 Strategic Defence and Security Review and the UK Aid Strategy.

DFID sees economic development as supporting the eradication of extreme poverty, delivering the Global Goals, and ending reliance on aid. The Strategy establishes 11 objectives to underpin these aims.

The Strategy builds on DFID's earlier work setting out the four pillars – or objectives – to guide its interventions to improve the lives of women and girls.

Allocating ODA budgets

1.4 HM Treasury is responsible for setting each department's and joint fund's budget, including the amount that counts as ODA. Budget allocations are informed by ministerial priorities. HM Treasury is also responsible for making changes to these budgets, including ODA budgets. Departments are responsible for managing their expenditure – including ODA – in accordance with HM Treasury's *Managing Public Money* guidance.[5] And each department's Accounting Officer is responsible for the proper stewardship of the ODA budget allocated to his or her department.

1.5 In our 2017 report *Managing the Official Development Assistance target – a report on progress*, we set out HM Treasury's approach to allocating the ODA budget in the 2015 Spending Review.[6] It did so after considering bids from departments – both for 'rebadged' existing activities as ODA eligible and for new areas of ODA expenditure. We concluded that HM Treasury had taken an evidence-based approach to allocating ODA budgets to departments. We identified a focus on, for example, programme objectives and the eligibility of expenditure to contribute to the ODA target. We also identified weaknesses in its approach, such as the lack of focus on capability. **Figure 5** shows the evidence HM Treasury requested from departments and areas where it did not.

1.6 HM Treasury is planning the Spending Review 2019. It told us that, as part of its preparations, it was considering departments' performance with regard to ODA expenditure and capability to spend ODA budgets.

1.7 In our 2018 report *Improving government's planning and spending framework*, we concluded that government's approach to business planning did not "…help to break down government silos".[7] We therefore recommended that departments should "demonstrate how they worked with other departments to consider joint bids where objectives are shared". Objectives for overseas aid, like objectives for other government policies, can cut across multiple departments (see paragraph 1.2). The Committee of Public Accounts concluded it was "frustrated at the Treasury and the Cabinet Office's lack of action to prevent departments working in silos".[8] HM Treasury told the Committee that, as part of the 2019 Spending Review, joint bids would be a key focus – although it did not elaborate on how it would encourage this. HM Treasury told us that this approach would apply to the allocation of the ODA budget (some of which is allocated to cross-government funds, which have grown in prominence since 2013), but that it was wary of blurring lines of accountability by giving joint responsibility for funding. It also referred to the work of cross-government boards that focus on particular sectors such as health and climate change. These boards could provide insights into effectiveness issues to support decisions at the next Spending Review.

5 HM Treasury, *Managing Public Money,* 12 May 2012, last updated 20 September 2018.
6 Comptroller and Auditor General, *Managing the Official Development Assistance target – a report on progress*, Session 2017–2019, HC 243, National Audit Office, July 2017.
7 Comptroller and Auditor General, *Improving government's planning and spending framework*, Session 2017–2019 HC 1679, National Audit Office, November 2018.
8 HC Committee of Public Accounts, *Improving government's planning and spending framework*, Seventy-eighth Report of Session 2017–2019, HC 1596, February 2019.

Figure 5
Lessons from the Spending Review 2015

There are important areas on which HM Treasury should focus when it allocates the Official Development Assistance (ODA) budget as part of the Spending Review 2019

We identified positive features of the 2015 Spending Review

- Clear project objectives and costs
- Clear fit with departmental and other objectives
- Clear guidance on how to identify ODA-eligible expenditure and bidding for ODA funding for new projects
- Consideration of the project's ODA eligibility

HM Treasury also convened a challenge panel to consider each bid – made up of officials from HM Treasury, the Major Projects Authority and the Department for international Development

We also identified areas on which HM Treasury did not focus when allocating ODA as part of the 2015 Spending Review

- Assessment of value for money of ODA spending against non-ODA spending
- Consideration of how the department will evaluate the project's effectiveness
- Consideration of the department's capacity and capability to deliver the project

Note

1 We reported on HM Treasury's approach to allocating the Official Development Assistance budget in the Spending Review 2015 in *Managing the Official Development Assistance target – a report on progress*.

Source: National Audit Office

1.8 HM Treasury does not, as part of its approach to allocating ODA budgets to departments, consider the relative value for money of expenditure on an ODA-eligible activity against expenditure on a non-ODA eligible activity. HM Treasury considers that, because of the legislative requirement to meet the ODA target, the position is "fiscally neutral" – that the amount of expenditure required to meet the target is fixed and the choice is therefore to which departments the ODA budget is allocated. As with any ring-fenced expenditure, the fact that it has to meet set criteria to count towards the ODA target limits the options for how departments might spend their budgets, creating a risk to value for money.

Key trends in ODA expenditure

1.9 Since 2013, the first year the UK met the ODA target, the focus of ODA expenditure has changed, which should be viewed against the backdrop of changes in the UK's aid policy. We considered trends in the UK's ODA expenditure against the UK Aid Strategy and other priorities. We found performance was mixed (**Figure 6**).

Figure 6

Performance against key aspects of the UK's Aid Strategy[1]

Shifts in government aid priorities have had both a positive and negative impact on progress against objectives in the UK Aid Strategy

Commitment in the UK Aid Strategy	Performance and progress to date[2]	National Audit Office commentary
"Strengthen resilience and respond to crises" (one of four objectives in the Strategy).	Official Development Assistance (ODA) expenditure on humanitarian interventions increased by 76% between 2013 and 2017 (from £825 million to £1,454 million) and by 15% between 2015 and 2017 (from £1,266 million to £1,454 million). Humanitarian interventions were the largest single area of ODA expenditure in 2017.	The government has met this commitment – ODA expenditure is aligned with the ambition in the UK Aid Strategy. As a consequence, other categories of expenditure have decreased. For example, education spending as a proportion of total bilateral ODA decreased from 13% to 9% between 2013 and 2017 (£905 million to £785 million). **Figure 7** sets out trends in expenditure by category.
Create a £500 million ODA crisis reserve to allow flexibility to respond to emerging crises such as the displacement of Syrian refugees.	The Department for International Development has created and is responsible for oversight of the reserve.	The government has met this commitment.
Increase UK climate finance for developing countries by at least 50%, rising to at least £5.8 billion over five years, to reduce emissions, increase access to energy, build resilience of the poorest and most vulnerable people, and reduce deforestation.	UK government ODA expenditure in 2015 was £1.3 billion; in 2016 and 2017 it was £1.1 billion and £0.9 billion respectively.	Expenditure to date against this target is in line with the annual profile agreed as part of the Spending Review in 2015.
The Department for International Development to spend 50% of its budget in fragile states.[3]	The Department for International Development exceeded this target in 2016 (59%) and 2017 (51%)	The Department for International Development exceeded the target in 2013 (55%), 2014 (55%) and 2015 (57%) – it was therefore meeting the target before the Strategy was introduced.

Figure 6 *continued*
Performance against key aspects of the UK's Aid Strategy[1]

Commitment in the UK Aid Strategy	Performance and progress to date[2]	National Audit Office commentary
Government to continue to give strong support to the world's poorest countries in order to maximise the impact of UK ODA expenditure on poverty.	In 2015, 11% of the UK's bilateral ODA expenditure went to countries classified as 'upper middle income'.[4] In 2017, this figure was 14%. Over the same period, bilateral ODA expenditure to countries defined as least developed and other low income countries declined from 60% to 58% of total bilateral ODA expenditure (**Figure 9**).	ODA expenditure lacks alignment with the UK Aid Strategy. This trend is a consequence of the UK's response to the humanitarian crisis in Syria and its support for the refugee crisis in neighbouring countries, most of which are classified as middle income countries.[5] In addition, the UK government identified some middle income Middle Eastern countries at risk of slipping back into poverty. Our analysis shows that, after adjusting for the situation set out above, spending in upper middle income countries represented 8% of bilateral ODA expenditure in 2015 and 8% in 2017. On the basis of this analysis, the government has met this commitment.

Notes

1 *UK aid: tackling global challenges in the national interest* was published by the Department for International Development and HM Treasury in November 2015.

2 Our analysis focuses on bilateral aid as definitions for multilateral aid are not as complete.

3 Figure 8 shows which countries count as fragile states. There is no single agreed definition of a fragile state. The Department for International Development's working definition of fragile and conflict-affected states includes countries where the government cannot or will not deliver core state functions, such as providing security and justice across its territory and basic services to the majority of its people. The Department for International Development's current list of fragile states can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/722389/Methodology-Note-Fragile-and-conflict-affected-states-and-regions.pdf.

4 Upper middle income countries include Brazil, Turkey and Iraq.

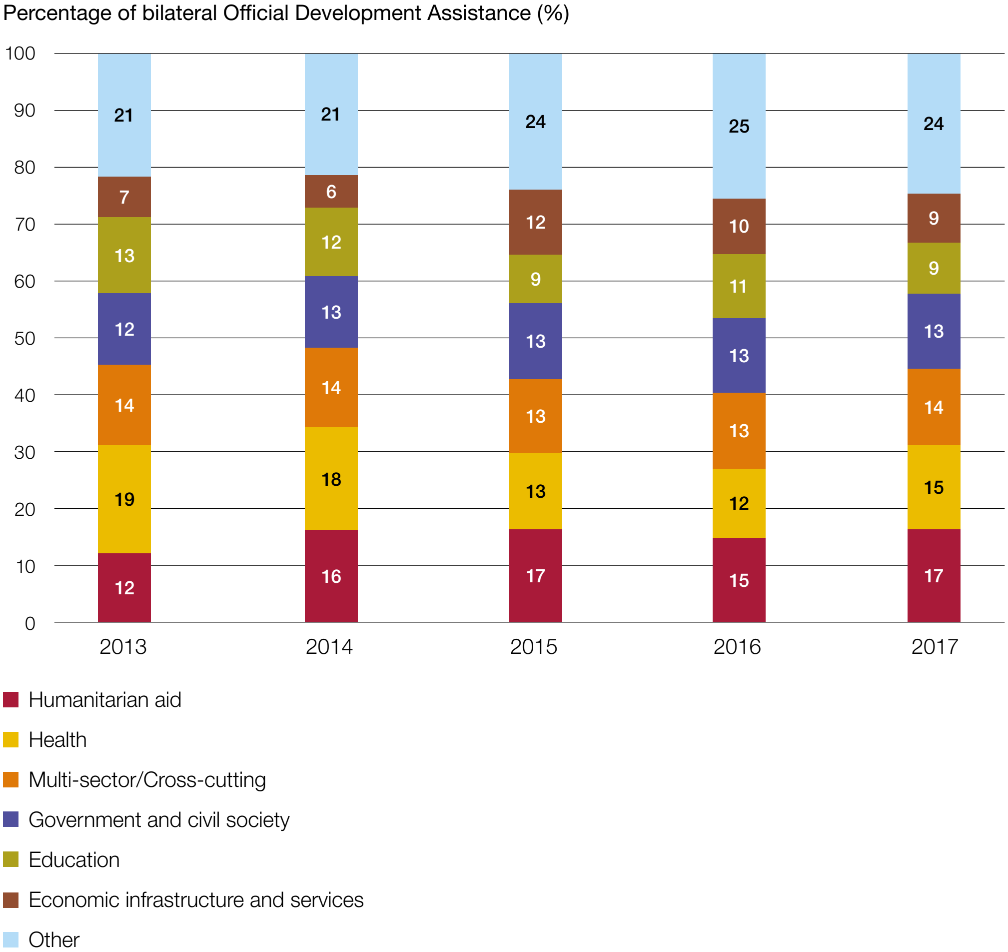
5 Middle income countries neighbouring Syria are Iraq, Lebanon and Turkey.

Source: National Audit Office

Figure 7

UK Official Development Assistance expenditure by category, 2013 to 2017

Official Development Assistance (ODA) expenditure on humanitarian interventions increased from 12% of total bilateral ODA to 17% between 2013 and 2017. There were corresponding decreases to the proportion of ODA spent on, for example, health and education

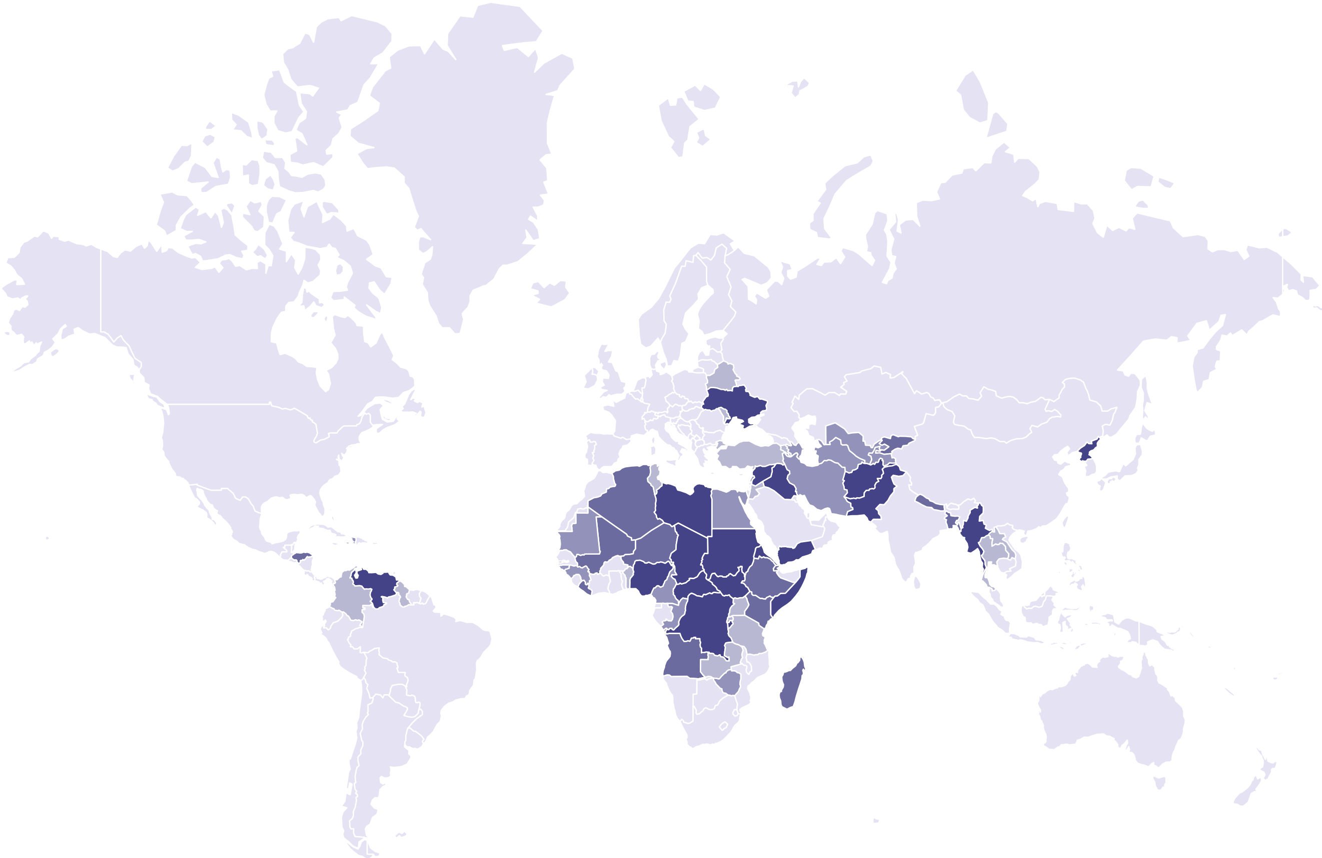


Source: National Audit Office summary of the Department for International Development's Statistics on International Development

Figure 8

Countries classified by the Department for International Development as fragile states

The Department for International Development classifies countries based on an assessment of their fragility



Country fragility status

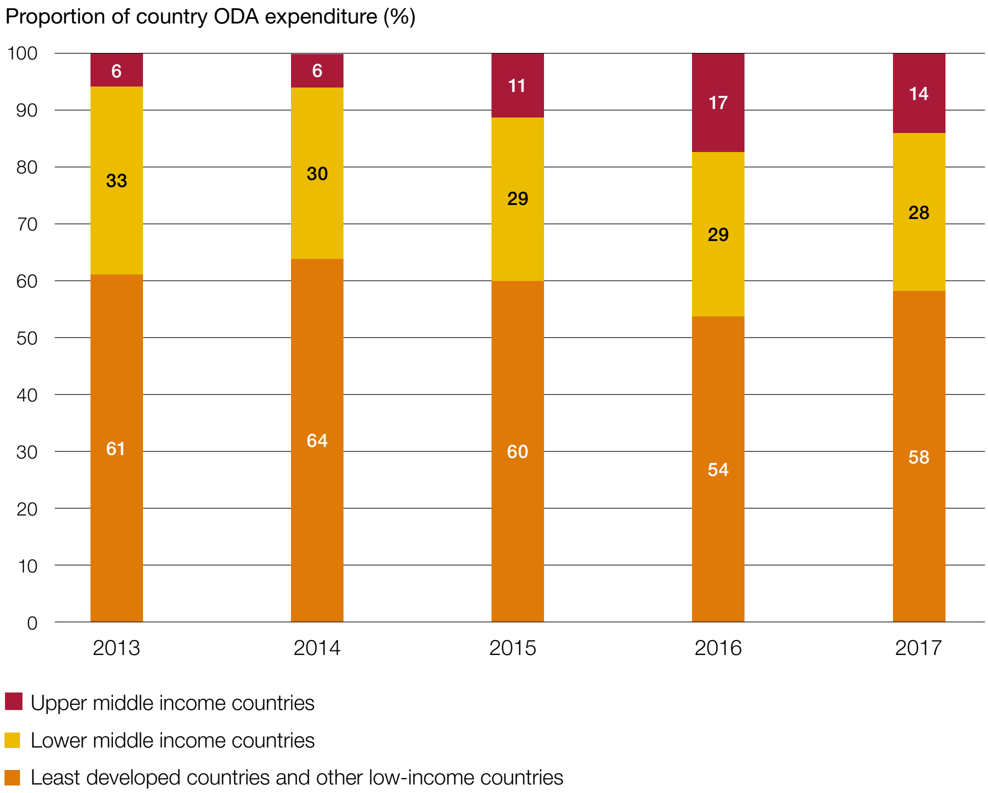
- High fragility
- Low fragility
- Moderate fragility
- Neighbouring 'high fragility' states
- Non-fragile

Source: National Audit Office

Figure 9

Official Development Assistance expenditure by country income classification, 2013 to 2017

The proportion of total Official Development Assistance (ODA) expenditure spent in countries categorised as least developed has declined from 61% to 58% between 2013 and 2017



Note

1 The above analysis is based on the Department for International Development's classification of countries by income.

Source: National Audit Office summary of the Department for International Development's Statistics on International Development

Assessing the impact of ODA expenditure

1.10 The UK Aid Strategy, published by DFID and HM Treasury in November 2015, has four objectives:

- strengthening global peace, security and governance;
- strengthening resilience and responding to crises;
- promoting global prosperity; and
- tackling extreme poverty and helping the world's most vulnerable.

1.11 In our 2017 report *Managing the Official Development Assistance expenditure – an update on progress* we highlighted the absence of clarity over which part of government – either individually or working together – was responsible for assessing progress in its implementation.[9] We also commented that the Strategy did not, for the four objectives, set measurable targets or specify the outcomes government wished to secure from its successful implementation. At the time we reported neither DFID nor HM Treasury had requested information on programme performance of the outcomes achieved.

1.12 In spring 2019, more than three years after the Strategy was introduced, government has agreed a framework for capturing performance and monitoring progress against the UK Aid Strategy. The framework captures examples of inputs; outputs; activities; and outcomes. But the framework does not bring these measures together with expenditure, which would support an assessment of value for money. The framework also sets out barriers to, for example, making improvements in implementation and reporting. It does not set out the actions a department might take where performance had not been as good as expected.

1.13 HM Treasury will use the framework to monitor ODA expenditure between spending reviews and to respond to requests for information. The framework has been approved by officials on a cross-government group with responsibility for considering ODA-related issues. Subject to ministerial approval, the framework can be used in practice.

1.14 As well as establishing the four objectives set out in paragraph 1.10, the other key objective of the UK Aid Strategy was for departments other than DFID to be responsible for an increasing proportion of ODA expenditure. The rationale for this shift in policy was to draw on departments' complementary skills, such as the UK's research and development base. Neither HM Treasury nor DFID completed a detailed assessment of, for example, departments' capacity to manage additional expenditure or the existence of a pipeline of projects against which to apply the increased budget. The decision resulted in the equivalent of £1.3 billion being spent by other government departments in 2017 than would have been the case if the relative proportions of expenditure had remained static. Neither department has plans to assess the actual impact of the decision.

Improving transparency of ODA expenditure

1.15 Government recognises that transparency of both expenditure and performance is a key element in assessing whether value for money has been secured.

- *Managing Public Money* states that public bodies "should make available timely information about their services, standards, and performance".[10]
- The UK Aid Strategy states that the government will take steps to make sure "existing ODA and all new ODA spend is and remains good value for money across government taking further steps to [amongst others] introduce greater transparency and deliver tough, independent scrutiny".[11]

9 Comptroller and Auditor General, *Managing the Official Development Assistance target – a report on progress,* Session 2017–2019, HC 243, National Audit Office, July 2017.
10 HM Treasury, *Managing Public Money*, 14 May 2012, last updated 20 September 2018.
11 Department for International Development and HM Treasury, *UK Aid: tackling global challenges in the national interest*, Cm 9163, November 2015.

1.16 Parliament has raised concerns about the transparency of ODA expenditure. In its June 2018 report *Definition and administration of ODA*, the International Development Committee concluded that government's decision to "move increasing amounts of ODA outside of DFID […] creates inherent risks in three areas" – including transparency.[12,13] The Committee was concerned that departments were not publishing fuller details of their ODA expenditure as this lack of clarity "clouds the public's ability to see good and bad spending".

1.17 Some information is publicly available.

- DFID publishes, bi-annually, the Statistics on International Development.[14] This provides detailed information on ODA expenditure for a calendar year, the basis on which ODA is measured (as well as some historical data). For example, it sets detailed information on how much each department spends, in which countries, and on which areas. The published statistics are based on information provided by departments and cross-government funds.
- The Dev Tracker website, hosted by DFID, sets out details of development projects and programmes for which it and other parts of government have responsibility. Information provided includes country, amount of expenditure and reviews of performance.
- DFID and HM Treasury publish and update allocations of ODA budgets by department and cross-cutting funds for each year of the 2015 Spending Review period.

1.18 We looked at whether departments other than DFID were making details of their ODA expenditure and its impact available in their key public documents. We found information on the amounts of ODA expenditure was also available in departments' annual report and accounts (in the case of six out of seven departments and cross-government funds which accounted for more than 60% of non-DFID ODA expenditure – see **Figure 10**). Despite this, we found that departments made available little additional information on ODA expenditure – such as details of the programmes the budget funded, or the impact or otherwise achieved:

- details of ODA expenditure featured in only one department's Single Departmental Plan; and
- three of the seven departments and cross-government funds referred to the effectiveness of their ODA expenditure in their annual report and accounts.

12 The other two areas were coherence and focus on poverty reduction.
13 International Development Committee, *Definition and Administration of ODA*, Fifth Report of Session 2017–2019, HC 547, June 2018.
14 The Department for International Development publishes UK aid spend for the previous calendar year in Statistics on International Development. It releases provisional spend in the spring and final spend figures in the autumn. This information is designated as a National Statistics publication.

Post publication this page was found to contain an error which has been corrected (Please find Published Correction Slip)

Figure 10

Availability of information on Official Development Assistance spending in departments and cross-government funds' public documents

Very few departments make public information about their Official Development Assistance (ODA) expenditure – such as the amounts for which they are responsible, the programmes this budget funds, or the impacts secured for this spending

Department/ cross-government fund	Source of information	Amounts of ODA expenditure	Projects funded by ODA expenditure	Effectiveness of ODA expenditure	UK Aid Strategy 2015
Department for Business, Energy & Industrial Strategy	Single Departmental Plan	🟢	🟢	🟢	🔴
	Annual Report and Accounts	🟢	🟢	🔴	🟡
Foreign & Commonwealth Office	Single Departmental Plan	🔴	🔴	🔴	🔴
	Annual Report and Accounts	🟢	🟢	🟢	🟡
Home Office	Single Departmental Plan	🔴	🔴	🔴	🔴
	Annual Report and Accounts	🟢	🟡	🟡	🟡
HM Treasury	Single Departmental Plan	🔴	🔴	🔴	🔴
	Annual Report and Accounts	🔴	🟢	🔴	🔴
Department for Health & Social Care	Single Departmental Plan	🔴	🟢	🟡	🟢
	Annual Report and Accounts	🟢	🟢	🟡	🟢
Conflict, Stability and Security Fund	Single Departmental Plan[1]	N/A	N/A	N/A	N/A
	Annual Report and Accounts[2]	🟢	🟢	🟢	🟢
Prosperity Fund	Single Departmental Plan[1]	N/A	N/A	N/A	N/A
	Annual Report and Accounts	🟢	🟢	🟢	🟢

🔴 No information provided

🟡 Some information provided

🟢 Detailed information provided

Notes

1 Cross-government funds are not required to produce Single Departmental Plans.

2 Departments and funds manage a range of projects and programmes of different levels of maturity and length, which may affect whether they can provide information on the effectiveness of these programmes in their annual report and accounts.

Source: National Audit Office assessment of departments' publicly available information

1.19 Outside of these key accountability documents we found some examples of departments making available information on their ODA expenditure.

- Departments with expenditure on climate issues bring together background information on their work together with details of the results achieved in their annual report.
- The Foreign & Commonwealth Office publishes data on all of its ODA expenditure on a quarterly basis.
- The Department of Health & Social Care makes available, through the IATI register, details of its ODA-funded projects, including background details such as projects funded, agents spent against budget and annual reviews.

1.20 As well as establishing the principle behind the transparency of aid expenditure, the UK Aid Strategy set an ambition that all UK government departments that spend the ODA budget will be ranked as 'good' or ' very good' on the international Aid Transparency Index by 2020. The Index is an independent assessment of donor transparency. In July 2017, we reported that coverage of UK departments spending ODA by the Index was limited. This remains the case. **Figure 11** shows that in 2018, two departments were assessed; and one achieved the standard set out in the UK Aid Strategy.

1.21 Achieving the standard is the responsibility of each department. DFID is funding an assessment of departments' progress by Publish What You Fund, the charity responsible for the Aid Transparency Index. It plans to publish the findings from this assessment in December 2019. Government departments will therefore have little time to make any improvements necessary to meet the 2020 deadline. Government has recognised that it still has much to do, but considered departments were making good progress. DFID told us that it had encouraged departments to make a plan to reach a 'good' or 'very good' score. But government has not established milestones against which progress towards the target might be tracked. Nor does government have a plan should Publish What you Fund's assessment take a pessimistic view of the likelihood of success.

Implications for ODA expenditure of the UK's decision to leave the EU

1.22 The European Union is one of the DFID's key partners. In 2017, the UK contributed £1.4 billion of its ODA expenditure – 10% of the total – to the EU (**Figure 12** on page 32). This amount consists of:

- £911 million – an attribution to the EU development budget for aid-related activities from the UK's general contribution to the EU's overall budget. This funds the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG-ECHO) which focuses on, for example, building resilience and responding to crises, and the Directorate-General for International Cooperation and Development (DG-DEVCO) which focuses on, among other things, development policy and aid delivery.
- £443 million – a specific contribution to the European Development Fund, which funds activities focused on, for example, economic, social and human development in countries in Africa, the Caribbean and across the Pacific.

Figure 11

Progress with meeting the international Aid Transparency Index

Only the Department for International Development has met the standard set out in the UK Aid Strategy

	2018	2016	2015	2014	2013
Department for International Development	'Very good' 90.9%	'Very good' 88.3%	'Very good' 80% to 100%	'Very good' 88.3%	'Very good' 83.5%
Foreign & Commonwealth Office	'Poor' 34.3%	No assessment	No assessment	'Poor' 35.8%	'Poor' 34.7%
Ministry of Defence	No assessment	No assessment	No assessment	'Very poor' 9.6%	'Very poor' 12%

Notes

1 The Aid Transparency Index is produced by Publish What You Fund.

2 No assessment was made in 2017.

Source: National Audit Office summary of material published by Publish What You Fund

1.23 Under the terms of the Withdrawal Agreement, the UK will continue to honour its commitments to the European Development Fund up to 2020, with the consequence that it would continue to pay into this fund up to the mid-2020s. The UK government is clear that it wants to continue to work with the EU development institutions if the UK leaves the EU. It is proposing an approach that would allow for the UK's participation in the EU development programmes and in its external spending programmes. The government has emphasised that the UK's continuing participation in the EU's development initiatives would require what it describes as an appropriate level of influence and oversight over its financial contribution.

1.24 As well as decisions regarding expenditure the government has also made two other commitments:

- to provide continuity in duty-free access to the UK market by continuing to offer tariff reductions to around 25 other developing countries; and

  [No details are currently available as to what form these initiatives would take practice or their status].

- to replicate the EU's Economic Partnership Agreement, which promotes trade with African, Caribbean and Pacific countries.

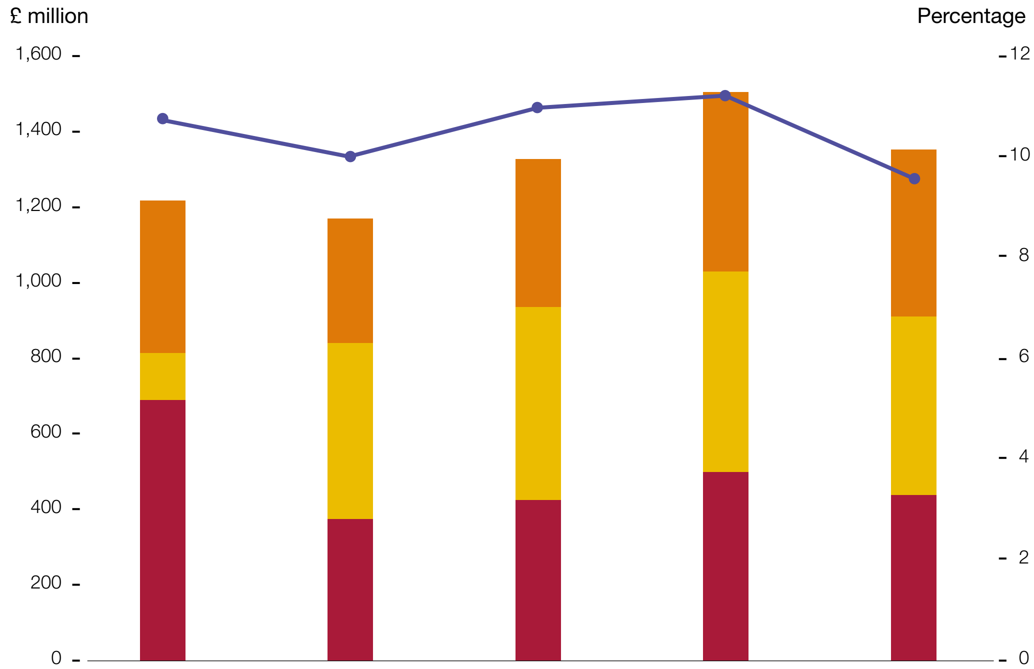
  [To date, the UK has signed Economic Partnership Agreements with Eastern and Southern Africa (Madagascar, Mauritius, Zimbabwe, and the Seychelles), the Pacific (Fiji and Papua New Guinea) and The Caribbean Forum of the African, Caribbean and Pacific Group of States].[15]

15 Fifteen Caribbean Community states plus the Dominican Republic.

Figure 12

The UK's contribution to the EU developmental budget – 2013 to 2017

The UK's payments to the EU contributed 10% to the total Official Development Assistance (ODA) spending in 2017 – slightly lower than when the UK met the ODA target for the first time in 2013



	2013	2014	2015	2016	2017
EU attribution – Department for International Development (£m)	689	374	426	498	439
EU attribution – other bodies (£m)	124	467	509	533	472
European Development Fund (£m)	407	327	392	473	443
EU funding as a percentage of total Official Development Assistance spending (%)	11	10	11	11	10

Note

1 An estimate of the UK's share of EU Development Budget.

Source: National Audit Office presentation of information in the Statistics on International Development (November 2017)

1.25 DFID told that us that, in summer 2018, it prepared scenarios for future ODA expenditure based on whether the UK leaves the EU with a deal or not. It recently refreshed these. DFID told us that value-for-money considerations were central to its planning and that it was confident that it could find programmes and projects on which to spend the money that is currently routed through the European Union. The scenarios include both bilateral and multilateral alternatives.

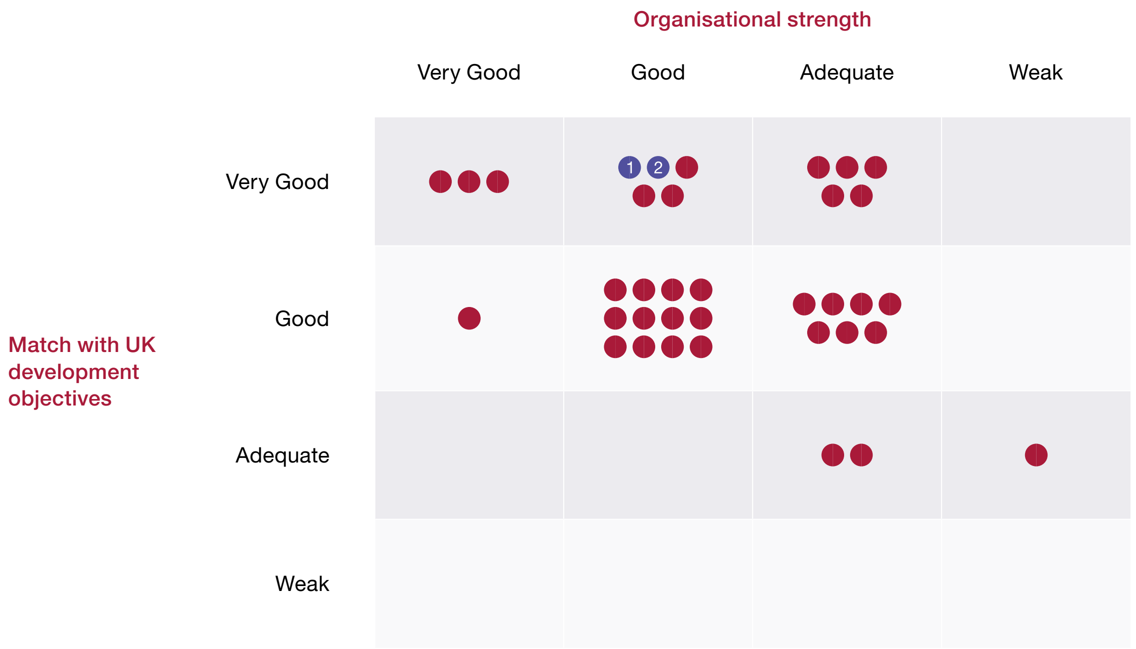
1.26 In 2016, DFID assessed the performance of the multilateral organisations it funded. Its review considered issues such as results and value for money, risk and assurance, and transparency and accountability. DFID considered three European Union organisations as part of the review.

1.27 Its results were brought together under two headings – *match with UK development objectives* and *organisational strength*. The three European Union organisations were assessed as 'very good' and 'good' against these criteria.[16] As **Figure 13** shows only three of the other 36 bodies considered as part of the review achieved a better combination of scores.

Figure 13

Department for International Development – Multilateral Aid Review scores

Only three multilateral organisations achieved a better combined assessment than the two European Union institutions considered by the Department for International Development as part of its most recent assessment of the multilateral organisations it funded



1 European Commission Humanitarian Aid and Civil Protection.

2 European Commission Development (Development Cooperation Instrument and European Development Fund).

● Each dot represents a multilateral organisation reviewed by the Department for International Development.

Notes

1 Two organisations were not assessed by the Department for International Development – Global Green Growth Institute and the Green Climate Fund.

2 The three organisations assessed as very good in both categories were Gavi, the vaccine alliance; the World Bank; and the Global Fund.

Source: National Audit Office summary of the Department for International Development's *Raising the standard: the Multilateral Development Review 2016,* December 2016

16 Department for International Development used four scores – weak; adequate; good; and very good.

Part Two

Programme and country office findings

2.1 In this part of the report, we look at whether departments:

- take a robust approach to portfolio and programme management; and
- have assessed the effectiveness of the programmes they manage.

Managing a portfolio of programmes

2.2 Strong country portfolio management is essential to ensure programmes complement each other and maximise overall impact. In 2015, the Independent Commission for Aid Impact (ICAI) reported that "a key success factor [in achieving sustainable impact] is coherence across Department for International Development (DFID) programmes operating in the same space, as well as with initiatives by partner countries and other development partners." In each of the countries we reviewed, the UK government had taken steps to maintain oversight of the range of programmes managed by different departments and donors. The approaches taken varied in line with the number of departments and type of programmes (see examples below).

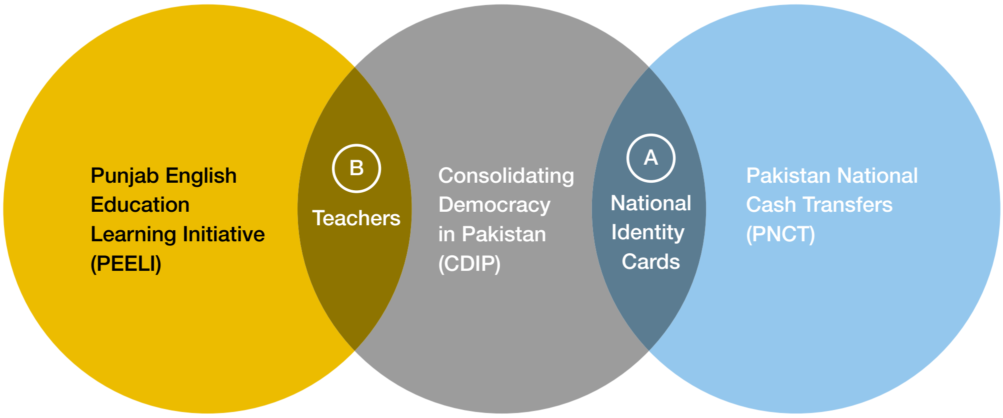
- **Pakistan.** The UK Mission has an Integrated Delivery Plan to provide a framework of common objectives for all UK government departments operating in Pakistan. The Mission has thematic boards responsible for overseeing the implementation of those objectives. Despite the portfolio management procedures in place in Pakistan, we saw, in the Consolidating Democracy in Pakistan programme, an example of unforeseen consequences of one programme on another (**Figure 14**).
- **China.** The UK government spends Official Development Assistance (ODA) through cross-government programmes with different objectives such as the Prosperity Fund (Foreign & Commonwealth Office (FCO)), Newton Fund (Department for Business, Energy & Industrial Strategy (BEIS)) and the Chevening programme (FCO). Each has its own governance structure and projects delivered under these programmes are required to take account of the policies and delivery frameworks set out by the relevant department. As these programmes operate in different sectors, the risk of overlap or duplication is low. However, we noted that there was room for improvement in portfolio management across the Newton Fund in all countries. The mid-term evaluation of this fund identified a need for improved collaboration in the design of research proposals to ensure collaborative as opposed to parallel working. BEIS told us that it has taken action to improve its approach to portfolio management.

- **Somalia.** To prevent overlap or duplication when designing new programmes, DFID has in place country office mechanisms to identify what programmes are being managed by different sector teams within DFID Somalia, by other UK government departments and by other donors (**Figure 15**).

Figure 14

An example of the practical implications of working together overseas

Individual programmes can have unplanned consequences for other programmes



B **Negative impact:** CDIP trained schoolteachers to be election officials for the July 2018 elections in Pakistan. This compromised PEELI as those teachers were not then available to complete the training planned for them during the summer holidays.

A **Positive impact:** CDIP has helped 405,000 women to acquire National Identity Cards. This has potentially helped some beneficiaries of the PNCT programme as a National Identity Card is one of three requirements for beneficiaries to be eligible for cash transfers.

Source: National Audit Office review

Figure 15

How UK government departments work together overseas – an example

In Somalia, the Department for International Development (DFID) has a good system in place to identify who is doing what, to make sure its portfolio of programmes complements that of other departments and other donors

DFID's regional and centrally managed programmes

During the design phase, the team:

- consults across all other sector and policy teams;
- uses DFID's Policy and Programme Forum to have discussions with both UK and locally based staff;
- consults policy leads, Heads of Profession and technical advisors; and
- consults the Head and Deputy Head of DFID's office about the business case before final approval.

Other UK government department programmes

Cross-departmental working includes:

- close liaison with the British Embassy, the Foreign & Commonwealth Office and the Conflict, Security and Stability Fund to make sure programmes are aligned with the UK Aid Strategy, the Africa Strategy, and the UK government's strategy for Somalia; and
- consideration of programme management and compliance issues such as shared operational risks.

Other donor programmes

The team uses various forums to make sure that all stakeholders are aware of programmes objectives and that lessons learned are being shared (such as the Aid Coordination Unit and the Somalia Development Reconstruction Facility).

Source: National Audit Office

2.3 The allocation of ODA budgets to departments – and the fact that this money must be spent on eligible activities – can have an impact on their spending decisions. This in turn could have an impact on value for money across the portfolio – both ODA and non-ODA – of a department's expenditure.

- Chevening Scholarships are available to the citizens of 160 countries, not all of which are eligible for ODA expenditure (such as Australia and Japan).[17] FCO told us it could see value in funding more scholars in non-eligible countries, but it does not do so because of the need to meet the ODA target.
- The Eastern Route Programme is a Conflict, Security and Stability Fund (CSSF) programme, based in Turkey, run by the FCO and Home Office. It is intended to address the objectives in the UK National Security Council's strategies for Turkey and for irregular migration. With 98% of the programme funded ODA-eligible budget, we were told that activities which might help address the Strategy's objectives might be passed for consideration by programmes with non ODA funding.
- More generally, the CSSF uses a mix of ODA and non-ODA budgets, providing greater flexibility in terms of the types of programmes and projects it can support.

Managing programmes

2.4 HM Treasury and DFID have issued value-for-money guidance for UK ODA expenditure. This sets outs the broad requirements and guiding principles that should inform departments' processes and decisions (**Figure 16**).

2.5 We found that all departments we reviewed had in place structures to help them plan, implement and monitor programmes. Their approach varied according to the nature of the programmes they supported, including programme duration, delivery mechanism and accountability arrangements.

- **DFID** expects each programme to have a business case and a performance framework at the outset, and for a programme's performance to be reviewed annually and evaluated on completion.
- **BEIS** delegates authority, for some of its ODA-funded programmes such as the Global Challenges Research Fund and the Newton Fund, to its delivery partners to select, fund, manage and monitor the performance of individual projects. BEIS meets with its implementing partners to discuss performance and receives quarterly returns from them showing changes in financial profile and setting out activities. But it is not clear how BEIS brings together information on expenditure and performance to help judge value for money.

17 Funded by the Foreign & Commonwealth Office and partner organisations, Chevening offers two types of award – Chevening Scholarships and Chevening Fellowships. The recipients of which are selected by British embassies and high commissions.

- The **British Council** requires standard project management documentation for all projects while recognising that the amount of detail should be proportionate to the size of the project. In line with this approach, for the two country specific projects we reviewed which were part of wider programmes, we saw programme documentation which set out outcomes for the programme as a whole. At a project level, both set targets for outputs such as attendance at events and developing links with other organisations, but not for impact. For one of these projects, the British Council had completed evaluations which considered, amongst other things, impact. For the other, as this was at an early stage, it had started to collect information which could be used to establish baselines against which impact for similar initiatives in the future might be measured.

Figure 16
Departments' approach to designing, implementing and monitoring programmes and projects

Departments take similar approaches to oversight of programmes and projects

Agree a business case	• A business case, proportionate to the size and risk of the project should be produced. Particular attention should be paid to the risks to delivery of specific programmes and mitigating actions. It must be underpinned by rigorous evidence and draw on lessons learned from the project completion reports and evaluations of past programmes. • Departments should seek HM Treasury approval for novel or complex Official Development Assistance programmes, regardless of value.
Establish a theory of change	• A theory of change should set out why UK support is needed for the programme, on what the budget will be spent, over what period of time, and through which bodies. • It should also set out intended outcomes – and what assumptions are being made for the programme to be successful, as well as the context in which the programme is operating.
Agree a log frame	• A log frame is essentially a summary of milestones and outputs (which might be financial, non-financial, or qualitative) which allows a programme's progress to be assessed. The log frame may be amended in the light of experience. • The log frame helps a department consider value for money.
Monitor progress and performance	• Monitoring helps assess whether a programme is on track to deliver as planned and helps to identify emerging problems. • As well as assessing performance against the log frame, monitoring should also include consideration of quality assurance. • Projects should have regular assessment of progress while they are ongoing as well as post completion reviews to record performance over the life of the whole programme.
Identify and evaluate outcomes	• Programmes should be evaluated against the objectives and intended outcomes and outputs set out in the business case. Programmes should be reviewed at appropriate intervals throughout the project; and evaluation can be designed as a one-off exercise during the life of the programme or once it has concluded.

Source: National Audit Office summary of HM Treasury and Department for International Development guidance

Monitoring and reviewing performance

2.6 DFID and HM Treasury's guidance for departments spending ODA states that they should establish results frameworks at the programme's design phase. The guidance states that departments should then monitor results over the project, and that strong results frameworks should track programme inputs and activities; outputs; outcomes; and longer-term impacts. Each part of the results chain should be measured using clearly defined indicators, with baselines, milestones and realistic targets and with a timeframe for monitoring and assessment.

2.7 **Figure 17** sets out the challenges departments face in assessing the performance of their ODA-funded programmes, against good practice, illustrated with examples from our review of 26 programmes.[18]

Figure 17

Challenges departments face in measuring the performance of programmes funded by Official Development Assistance expenditure

Departments might struggle to assess the progress and performance of their programmes funded by Official Development Assistance expenditure for several reasons

Performance measure criteria[1]	Challenges faced by departments	Examples[2]
Relevant to what the organisation is aiming to achieve	Some outcomes are difficult to measure – because of the nature of the activity or the long-term nature of the intervention.	Aid-related front-line diplomacy. The value of Foreign & Commonwealth Office diplomacy is through maintaining access to government at a high, strategic level to allow the work of the mission to be carried out effectively. However, there is an imperfect link between cause and effect.
Avoiding **perverse incentives**	There is a risk of driving the wrong behaviours through excessive focus on what can be easily measured.	Facility for Refugees in Turkey programme. An implementing organisation in Turkey felt under pressure to report high volumes of refugees going through its service centre at the expense of the quality of the support.
Attributing performance – the activity measured must be capable of being influenced by actions that can be attributed to the organisation; and it should be clear where accountability lies	Where multiple donors are involved in a programme, it can be difficult to attribute results to individual donors.	Department for International Development (DFID) Somalia told us that for output-level results it attributes its share based on the proportion of the budget it contributes to joint programmes.
Well-defined – with a clear, unambiguous definition so that data will be collected consistently, and the measure is easy to understand and use	For some multilateral projects, departments are unable to set their own 'monitoring frameworks' (log frames) to measure impact.	EU Facility for Refugees in Turkey. The UK's log frame is based on the EU log frame – it sets out the outputs and outcomes that align with UK interests and priorities.

18 HM Treasury, Cabinet Office, National Audit Office, Audit Commission, Office for National Statistics, *Choosing the Right FABRIC – A Framework for Performance Information*, 2003.

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Figure 17 *continued*

Challenges departments face in measuring the performance of programmes funded by Official Development Assistance expenditure

Performance measure criteria[1]	Challenges faced by departments	Examples[2]
Timely – producing data regularly (to track progress) and quickly (to still be useful)	Long-term projects may have to use data produced infrequently.	Provincial Health and Nutrition Programme. The programme is investing in key data sources, including Pakistan's Demographic Health Survey. DFID will not be able to review impact until the 2017-18 survey results are available in 2019, at which point progress against data from the 2012-13 survey can be assessed.
Reliable – accurate enough for its intended use and responsive to change	Departments sometimes rely on third parties and technology to collect data.	Accelerating the Rise in Contraceptive Prevalence in Uganda. The programme had issues with the falsification of results by one implementing partner which resulted in the suspension of the project for a period in 2014-15.
Comparable with past periods or similar programmes elsewhere	Log frames are under constant review and are normally updated annually to align with recommendations in the annual review.	UK is more demanding than some other donor countries. Departments sometimes share log frames with other donors to facilitate comparability.
Verifiable – with clear documentation behind it, so that the processes which produce the measure can be validated	In some fragile and conflict affected states, security and access to programme sites for monitoring, evaluation and lesson learning can be a challenge.	Responding to a recommendation from the Independent Commission for Aid Impact, DFID Somalia told us that it had invested in access to remote monitoring and digital data collection as it did not have physical access to many of its programmes.

Notes

1 HM Treasury, Cabinet Office, National Audit Office, Audit Commission, Office for National Statistics, *CHOOSING THE RIGHT FABRIC – A Framework for Performance Information*, 2003.

2 The examples are taken from our review of 26 ODA-funded programmes. Appendix Two of this report sets out our approach in more detail.

Source: National Audit Office

2.8 The focus of the results frameworks in the programmes we reviewed varied. They ranged from simple input or output measures at the most basic level, through to comprehensive performance frameworks that measure inputs, outputs, outcomes and impacts, with annual milestones (**Figure 18** overleaf). Of the four departments we reviewed, DFID had the most detailed results frameworks for programmes and the most consistent approach to regular assessment through its annual review process. Given that DFID spent 72% of total ODA in 2017 and has a much longer history of delivering development programmes, this is unsurprising.

Figure 18

Results frameworks used by departments and cross-government funds with Official Development Assistance expenditure

Departments used a range of different approaches to capture results, but not all allowed an assessment of the programme's effectiveness

Results type	Programme	Description
Qualitative	Somalia: Reconciliation Activities (Foreign & Commonwealth Office).	Assessed strength of Al Shabaab capacity and capability.
Activities	Newton Fund (Department for Business, Energy & Industrial Strategy).	Quarterly reporting on activity and spending.
Outputs	Women of the World (British Council).	Number of attendees at events; development of links with other organisations.
Outcomes and impact	Provincial Health and Nutrition Programme (Department for International Development).	Outcome: increase in contraceptive prevalence rate (against a baseline). Impact: reduction in the maternal mortality ratio (against a baseline).

Source: National Audit Office review of 25 programmes funded by Official Development Assistance expenditure

2.9 As part of its ongoing approach to monitoring performance, DFID requires all programmes to have annual reviews. These consider progress on outputs, outcomes, the theory of change and value for money of the programme. Review teams are largely made up of members of the programme team. There are three key stages to the process.

- Review teams assess and rate each programme output using a five-point rating scale from 'C' (outputs fail to meet expectations) through to 'A++' (outputs substantially exceed expectations).
- An overall output score is calculated automatically, taking account of each output's weighting and rating (which is converted into a numerical score). This score is converted back into an overall rating for the programme.
- DFID monitors the results of annual reviews through a Portfolio Quality Index (PQI) score, which amalgamates all annual review scores for the previous 12 months. Between April 2017 and December 2018, 88% of programmes reviewed scored A or above (they met or exceeded expectations).

2.10 DFID is continually looking to improve its review process. Its most recent internal assessment of annual reviews in 2017 concluded that they were well established and valued as both an approach to oversight of performance and as a way to identify lessons for improvement across the organisation. It also identified some weaknesses around scoring, and concluded that:

- programme teams felt a need to achieve certain scores for the PQI score to avoid programmes coming under pressure to be closed; and
- there was a conflict between being open and honest about programme performance (including lessons learned and having the annual review published).

The assessment recommended that over the life of each programme, there should be some level of independence from the programme team in producing annual reviews. In response, DFID changed the guidance and templates for the annual review and the results framework and communicated these changes to programme teams.

2.11 DFID's guidance for scoring annual reviews acknowledges that a heavily weighted indicator score can lead to an overall score that may feel at odds with overall progress. Our analysis of the scores for 43 annual reviews across 17 programmes showed that some of DFID's programmes scored well in annual reviews despite poor performance against individual outputs.[19] Seven of 17 programmes we reviewed had at least one annual review in the past six years in which the programme's overall annual review grade exceeded the grades achieved by half or more of the programme's individual outputs. The overall grade may not fairly reflect actual performance and may therefore be misleading.

2.12 We also found it hard to track performance on some programmes because of frequent changes to targets across the life of the programme. DFID is aware of this issue as it has been raised in four reports in the past three years. For example, in 2017 DFID's internal report on its annual reviews found that 80% of results frameworks in the sampled annual reviews had changed in some way during the annual review period; and in 2018, a report by ICAI found that output targets had been reduced in 22 out of 24 programmes reviewed for its report on programme and portfolio management.[20]

2.13 ICAI found that DFID often sets ambitious targets for programmes at the design phase, only to revise them downwards in light of experience. While recognising that programme log frames (monitoring frameworks) are not meant to be static and adjustments are to be expected, ICAI concluded that the flexibility of targets made it difficult to assess whether a positive annual review reflected good programme performance or a lack of ambition in the targets. DFID responded by strengthening its guidance on writing annual reviews and requiring changes to log frames to be recorded.

19 Seventeen of the 26 programmes we examined had one or more annual review.
20 Independent Commission for Aid Impact, *DFID's approach to value for money in programme and portfolio management – a performance review*, February 2018.

2.14 The 2015 Aid Strategy states that project performance of all ODA projects must be regularly assessed and that poor performing programmes should be closed and their funds redeployed. Timely monitoring allows departments to reallocate money to more effective elements of programmes during the programme's lifetime. In February 2018, ICAI concluded that DFID had improved its identification of underperforming programmes and then responding with remedial action (such as closing programmes and reallocating resources).

2.15 We saw evidence of resources being reallocated in some DFID programmes.

- The team responsible for the Punjab Education Support Programme Phase II reallocated £9 million from a component designed to improve access to finance for low-fee private schools (which was not performing well) to two new components to improve education outcomes for girls in low-performing districts of Punjab.
- The team responsible for the Provincial Health and Nutrition Programme in Pakistan reduced the amount available to provincial governments by £11.5 million when performance measures were missed. It reallocated the funds to meet emerging priorities, such as integrated disease surveillance and response.

2.16 Our review of 26 programmes identified examples of teams making positive changes to their programmes in the light of reviews; however, we also found examples where teams were slow to respond and allowed poorly performing activities to continue (**Figure 19**).

Evaluating performance and extending programmes

2.17 DFID's and HM Treasury's value-for-money guidance for UK ODA expenditure states that programme evaluation provides valuable information on the efficiency, effectiveness and sustainability of interventions. This information can be used to inform the development of future programmes as well as support the delivery of current programmes.

2.18 In the programmes we reviewed we found varied practice in the extent to which departments used evaluation to inform contract extensions, recognising that departments need to balance continuity of provision against merits of learning lessons. In some cases, a business case addendum had been submitted, making a clear case for the extension with reference to supporting evidence. For others, programme phases overlapped so that the second phase started before the first phase had been fully evaluated (**Figure 20** on page 44).

Figure 19

Adjusting programmes in response to programme reviews

We found examples of departments taking action in response to performance reviews and examples of where this had not happened

Programme	Review recommendation	Programme adjustment
Examples of taking action in response to review recommendations		
Provincial Health and Nutrition Programme (Department for International Development)	The Ebola outbreak highlighted deficiencies in the development and implementation of surveillance response systems against Ebola and other infectious disease outbreaks and the lack of strong health systems needed to prevent and respond to epidemics.	In July 2015, the Department for International Development gave Public Health England a £1.6 million grant to support the Government of Pakistan's efforts to achieve compliance with International Health Regulations and set up an Integrated Disease Surveillance System.
Pakistan National Cash Transfers Programme (Department for International Development)	A mid-term review took stock of achievements to date, performance challenges and lessons learned, and recommended refocusing the programme.	The Department for International Development refocused support in the remaining years of the programme on institutional development, strengthening of targeting and payment systems, and expansion of the conditional cash transfers programme. It also developed a new framework for distributing money to reflect the programme's revised focus.
Migration Fund Eastern Route (Foreign & Commonwealth Office/Home Office)	An internal audit report found failures in finalising indicators, baselines and targets at the programme's outset, which meant that the programme's impacts could not be monitored effectively.	The team accepted the recommendation that results frameworks should be finalised from the outset and that monitoring and evaluation would form a core part of the design of new programmes.
Examples of programmes where review recommendations had not been implemented or were outstanding		
Punjab Education Support Programme II (Department for International Development)	The November 2017 annual review recommended that the programme team should decide on the future of the programme's classroom construction component following a value-for-money analysis of this part of the programme.	In response the programme team reviewed options and in consultation with the Department for International Development's central procurement department determined that the classroom construction component should continue with a reduced scope of work.
Newton Fund (Department for Business, Energy & Industrial Strategy)	In 2016, an evaluation team recommended a more comprehensive and consistent approach to gathering evidence about the outputs and outcomes generated by the Fund.	In December 2018, a mid-term review concluded that despite earlier recommendations there was no coherent approach to collating data (due to technical difficulties the Department for Business, Energy and Industrial Strategy had encountered developing its approach). This limited the evaluation of performance. It also concluded that weaknesses created an accountability issue for the Department for Business, Energy & Industrial Strategy with regard to its understanding of how funds were spent, where and with what results. In early 2019, the Department for Business, Energy & Industrial Strategy commissioned work to develop performance measures. The results from this work are expected in July 2019.

Source: National Audit Office review of 26 programmes funded by Official Development Assistance expenditure

Figure 20

Examples of programme extensions/multiple phases in the programmes we reviewed

We identified some examples of programmes extended with the support of a business case, and others with an overlap between the programme's second phase starting and a full evaluation of the first phase

Programme	Description of extension
Newton Fund	In the 2015 UK Spending Review it was agreed to extend and expand the Fund from a five-year, £375 million programme to a seven-year, £735 million programme. This preceded the mid-term evaluation which covered the four years implementing the Newton Fund to July 2018.
Somalia Stability Programme	Phase II of the Somalia Stability Programme was started in November 2015, three months before the end of Phase I.
Punjab Education Support Programme Phase II	Phase I of the programme was not complete but was referenced in the business case for Phase II.
Expanding Social Protection in Uganda – Phase II	At the start of 2019, around £19 million of the £50 million budget for the programme was unallocated. This was due to a slow start to the programme in 2015 and then slower than expected spend in 2018 due to problems with one of the delivery partners. The Department for International Development is looking to make a case for carrying forward around £10 million of the £19 million for 2020-21 and 2021-22 – based on progress made by the Uganda government with one aspect of the programme (grants to senior citizens). If the extension is approved, the remaining funds will be returned to HM Treasury.

Source: National Audit Office review of 26 programmes funded by Official Development Assistance expenditure

2.19 Given the lengthy business case and procurement processes required for commissioning large programmes, DFID's guidance for contract amendments (including extensions) requires the submission of amendment applications at least 12 months before a contract ends. Teams should provide evidence of good performance and continuing value for money in their submissions. DFID told us that annual and mid-term reviews provide valuable evidence for this purpose. Teams used recommendations from these reports to inform future business cases and contract extension applications.

2.20 In its review of DFID's tendering and contract management, ICAI found that contracts were frequently amended beyond their planned budget or duration owing to inappropriate contracting choice.[21] This can be costly and disruptive. It also found that difficult and complex programmes frequently had inception periods that are too short. While short inception periods may occasionally be suitable, these should be based on programme need. DFID responded by running a series of workshops to improve programme teams' contract management skills and by extending the inception phase of programmes to get the design right at the beginning, to avoid problems with implementation.

21 Independent Commission for Aid Impact, *Achieving value for money through procurement, Part 2: DFID's approach to value for money through tendering and contract management – a performance review*, September 2018.

Appendix One

Our audit approach

1 We have, to date, produced three reports on Official Development Assistance (ODA). This report builds on our previous work to consider the effectiveness of ODA expenditure. To do this we examined whether:

- the allocation of ODA focuses sufficiently on effectiveness;
- departments' ODA projects are meeting their planned objectives; and
- the centre of government maintains good oversight of the effectiveness of ODA spending.

2 Our audit approach is summarised in **Figure 21** overleaf.

Figure 21
Our audit approach

What is the government trying to achieve?

The government has a target of spending 0.7% of gross national income on overseas aid. Meeting the target became a legal requirement in 2015.

The 2015 UK Aid Strategy outlines that Official Development Assistance (ODA) spending should "meet our promises to the world's poor and put international development at the heart of our national security and foreign policy".

How it is looking to do this?

The UK Aid Strategy outlined four strategic objectives for ODA spending:

- strengthening global peace, security and governance;
- strengthening resilience and response to crises;
- promoting global prosperity; and
- tackling extreme poverty and helping the world's most vulnerable.

What have we looked at?

Whether ODA spending across government is effective.

Our evaluative criteria

Whether the allocation of ODA focuses sufficiently on effectiveness.

Whether departments' ODA projects are meeting their planned objectives.

Whether the centre of government maintains good oversight of the effectiveness of ODA spending.

Our evidence (see Appendix Two for details)

Interviews with HM Treasury, the Department of International Development, and a range of other ODA spending departments and review of related documents to understand government's approach to resource allocation and its consideration of effectiveness.

Review of 26 programmes to understand departments' focus on effectiveness and whether objectives are being achieved.

Analysis of Statistics on International Development data to identify trends and gather contextual information.

Interviews with the Department for International Development and HM Treasury, together with a review of documentation supporting government-wide initiatives to assess performance and transparency.

Literature review and written consultation with overseas donors to develop an understanding of the approach taken by comparable organisations to spending ODA effectively and to understand the impact of a spending target on effectiveness.

Our conclusion

Government's success in meeting the ODA spending target is clear – it has done so for the past five years. It provides clear reporting on which departments and other bodies are spending the ODA budget and on what types of assistance. And we found good evidence of individual programmes securing impact.

But government's consideration of the effectiveness of the £14.1 billion of spending annually needs to catch up with these achievements. Currently, there is insufficient focus on departments' capacity to implement programmes and on their effectiveness. Centrally, government makes limited use of performance information generated by departments, inhibiting its ability to make changes to improve effectiveness. Consequently, it still remains unclear whether government is achieving its objectives in the 2015 UK Aid Strategy. Widening ODA expenditure to other departments has increased risks to effectiveness and it is not clear whether the intended benefits of drawing in wider skills have been realised. Government's desire to demonstrate the value secured from ODA spending is further undermined by its lack of progress improving transparency, a key objective of its own aid strategy.

Given these outstanding issues, we cannot be confident that all ODA expenditure, across the full range of activities delivered by government departments, is securing value for money.

Appendix Two

Our evidence base

1 We have reached our independent conclusion on the effectiveness of government's Official Development Assistance (ODA) spending by analysing evidence collected between October 2018 and April 2019. Our approach is outlined in Appendix One.

2 In designing and carrying out our work, we took account of previous National Audit Office reports on ODA (see paragraph 1 of Appendix One).

3 We interviewed staff from the Department for International Development, the Foreign & Commonwealth Office, the Department for Business, Energy & Industrial Strategy, the Joint Funds Unit and HM Treasury:

- In departments and bodies with responsibilities for the management of ODA funded programmes and projects we covered issues such as background to particular projects and programmes and the approach taken to their oversight (from setting targets to monitoring and then reporting performance).
- At HM Treasury we covered issues such as its approach to the allocation of ODA budgets.

4 We reviewed key documents, including the following:

- The 2015 Spending Review.
- Departments' annual reports and accounts and Single Departmental Plans.
- Business cases, performance reviews and evaluations related to particular projects and programmes.
- Guidance on programme and project management – both department specific and cross-government.

5 **We reviewed 26 programmes funded by ODA** – six in Pakistan, and five in each of Turkey, Somalia, Uganda and China. The countries were selected against criteria such as amounts of ODA expenditure, the focus of UK government involvement and the range of UK bodies managing programmes and projects in each country.

- For each project we considered the approach taken to, for example, setting objectives, monitoring performance and assessing impact, and reporting performance.
- We completed visits to Pakistan and Turkey. We interviewed UK government officials responsible for management of the UK work in each country as well as teams with responsibility for management of individual projects and programmes. We also interviewed, for some of the projects and programmes, implementing partners and beneficiaries.

6 **We analysed the Statistics on International Development (covering each year from 2013 to 2018)** to understand changes in ODA expenditure over time, by department and by sector.

7 **We completed a desk-based literature review, to help build our understanding of ODA expenditure.** The review looked at issues including the benefits and unintended outcomes associated with the ODA target and the challenges in measuring the effectiveness of ODA expenditure.

8 **We consulted with donor organisations (public sector bodies equivalent to the Department for International Development) in other countries to get their perspectives on ODA expenditure.** The consultation focused on understanding, for example, how ODA was managed in different countries and the challenges in measuring the effectiveness of the ODA expenditure.

We received responses from Canada, Denmark, Germany, Norway and the Netherlands.

Appendix Three

Details of the programmes we reviewed

The programmes we looked at

1 In **Pakistan** we reviewed six programmes including three managed by the Department for International Development (DFID), two managed by the British Council and one managed by the Conflict, Stability and Security Fund (CSSF) (**Figure 22** overleaf).

2 In **Somalia** we reviewed three programmes managed by DFID and two CSSF programmes (**Figure 23** on page 51).

3 In **Uganda** we reviewed five programmes managed by DFID (**Figure 24** on page 52).

4 In **Turkey** we reviewed five programmes managed by a range of departments and cross-government funds (**Figure 25** on page 53).

5 In **China** we reviewed five programmes including one managed by the Foreign & Commonwealth Office, two managed by the Department for Business, Energy & Industrial Strategy, and two managed by the British Council (**Figure 26** on page 54).

Figure 22
Pakistan programmes

Description	Funder	Budget (£m)	Duration
Punjab Education Support Programme II			
To improve access, retention and the quality of education for all children in primary and secondary schools of Punjab Province in Pakistan.	Department for International Development	384.2	2013–2020
Pakistan National Cash Transfers Programme			
To reduce poverty and improve living standards and educational attainment in the poorest families by providing regular payments to the female head of household.	Department for International Development	300.3	2012–2020
Provincial Health and Nutrition Programme			
To improve reproductive, maternal, new born and child health services to the population of Punjab and Khyber Pakhtunkhwa, which comprises 70% of the total population in Pakistan.	Department for International Development	160.0	2013–2019
Women of the World (WOW)			
WOW is a festival to celebrate women and girls and looks at the obstacles they face across the world. Activities include talks, performances, workshops, music and mentoring.	British Council	0.3	2017–2020
The Punjab Education and English Language Initiative (PEELI)			
By enhancing the quality of classroom teaching at the primary level, its aim is to contribute to improved student learning outcomes. PEELI will help around 250,000 primary school teachers, teacher trainers and head teachers to develop their knowledge and skills.	British Council	3.1	2017–2020
Consolidating Democracy in Pakistan			
The programme's intended outcome is a democratic system in which government institutions are more capable, parliament is more accountable and the state as a whole is more responsive to the needs and aspirations of the Pakistani people.	Conflict, Stability and Security Fund	31.5	2016–2019

Source: National Audit Office summary

Figure 23
Somalia programmes

Description	Funder	Budget (£m)	Duration
Somaliland (Somalia) Programme This programme aims to provide Security and Justice Sector Reform by increasing civilian oversight and professionalisation of the Somaliland Army and Coastguard; increasing the effectiveness and accountability of the Judiciary and Prosecutors, and improving court security and administration; increasing the capacity of the Somaliland Police to provide security in an effective and human rights compliant manner, and improving human resource and financial management; maintaining the human rights compliance and security of Hargeisa prison.	Conflict, Stability and Security Fund	£6.7 (Official Development Assistance (ODA)) This is an ODA and non-ODA blended programme. The spend reported against this programme is the ODA element alone	2017–2019
Supporting Counter Extremism Programme in Somalia To complement work under both the Security Sector and Rule of Law, and Political Programmes, this programme concentrates on activities that weaken Al Shabaab through non-military means.	Conflict, Stability and Security Fund	£25.3 over 4 years until 2019-20 (of which £6.2 per annum/£25.0 million overall is ODA-able)	2016-17–2019-20
Support to the Economic Recovery of Somalia This project will deliver on the economic priorities of the Federal Government of Somalia by supporting the World Bank's Multi Partner Fund (MPF) to: 1 build more effective and efficient public institutions through support to Public Financial Management and Public Sector Management; and 2 to improve the business enabling environment by building critical infrastructure, supporting the development of key sectors, helping create jobs and improving access to finance and training, with a focus on women and girls.	Department for International Development	£69.4	2014–2020
Somalia Stability Programme (Phase 1) The Department for International Development's support will build a greater number of areas of stability in Somalia, benefiting approximately 4 million Somalis. **Phase 2** The purpose of this project is to promote stability across Somalia. This is a flexible adaptable instrument that will develop a portfolio of projects aimed at strengthening local governance and reducing conflict in Somalia.	Department for International Development	Budget Phase 1: £34.8 Budget Phase 2: £34.8	Phase 1: 2012–2016 Phase 2: 2015–2020
Multi-year Humanitarian Programme 2013 to 2017 To meet the most urgent humanitarian needs of conflict and disaster-affected populations through provision of life-saving assistance which will benefit up to 200,000 people per year and provision of livelihood assistance, which will benefit up to 300,000 vulnerable people per year and help them increase their level of resilience.	Department for International Development	£339.5	2013–2017

Source: National Audit Office

Figure 24
Uganda programmes

Description	Funder	Budget (£m)	Duration
On and off Grid Small Scale Renewable Energy in Uganda			
To improve the environment for private investment in Uganda's renewable energy sector by accelerating the market for off grid solar energy and supporting the construction of at least 15 on-grid small-scale power plants.	Department for International Development/ Department for Business, Energy & Industrial Strategy	27.5	2013–2024
Expanding Social Protection in Uganda – Phase II			
To embed social protection in national policy, programmes and budgets in Uganda through capacity building of Ugandan stakeholders and institutions.	Department for International Development	6.7	2015–2020
Contributing to the control of Malaria in Uganda			
To improve malaria control in Uganda by distributing 1.5 million insecticide-treated bed nets to hospitals, expanding household spraying and training of health workers on better use of malaria kits and treatment of fever in children.	Department for International Development	47.0	2013–2017
Enhancing Resilience in Karamoja, Uganda			
To increase the resilience of targeted communities to climate extremes and weather events. The programme will support 700,000 people to cope with the effects of climate change.	Department for International Development	53.0	2013–2017
Accelerating the Rise in Contraceptive Prevalence in Uganda			
To increase the use of modern methods of contraception in Uganda through proven non-state sector family planning service delivery channels such as outreach services, social marketing and social franchising.	Department for International Development	30.7	2011–2017

Source: National Audit Office summary

Figure 25
Turkey programmes

Description	Funder	Budget (£m)	Duration
Migration and Returns Fund – Eastern Route Programme The Programme includes projects designed to support and continue to build capacity in Turkey's front-line migration institutions and develop Turkey's migration policy framework.	Foreign & Commonwealth Office	8.3	2017–2019
The UK's contribution to the Facility for Refugees in Turkey The Facility helps people who have fled the conflict in Syria and now live in Turkey. Turkey hosts the largest number of refugees in the world, including 2.7 million Syrians. Support includes food, education, health care and job opportunities.	Department for International Development	285.0	2016–2021
Provision of Technical Assistance to the Syria Crisis Response To improve the humanitarian advisory services and monitoring and evaluation capacity to support the response to the Syria/Iraq crisis.	Department for International Development	9.0	2015–2020
Newton Fund – Institutional Links – Turkey The Newton Fund Institutional Links scheme will target those countries and regions that currently are less research active and less well linked into the international research arena, and that may still have potential for further building of research and innovation capacity.	Department for Business, Energy & Industrial Strategy (funder) British Council (Implementer)	1.4	2015-16
Aid-related front-line diplomacy in support of aid flows to Turkey Project facilitation costs covering planning, implementation and resources as part of Official Development Assistance projects in Turkey.	Foreign & Commonwealth Office	5.0	2015-16

Source: National Audit Office summary

Figure 26
China programmes

Description	Funder	Budget (£m)	Duration
Chevening scholarships in China			
Assistance in line with UK objectives on Chevening Scholarships in China which enables future leaders and influencers to pursue postgraduate study at UK higher education institutions, returning to contribute to the development of their home country.	Foreign & Commonwealth Office	2.3	2018
Newton Fund – China Kadoorie Biobank			
The China Kadoorie Biobank investigates the main genetic and environmental causes of common chronic diseases in the Chinese population.	Department for Business, Energy & Industrial Strategy	5	2015–2019
Newton Fund – China Agri-tech			
The Agri-Tech Fund is a cross-disciplinary programme that aims to make use of the UK's strengths in small satellite technologies and expertise in satellite-derived data products to help provide facilities and technologies that will support research-driven, decision-making tools for farmers and policy-makers in China as well as across the globe.	Department for Business, Energy & Industrial Strategy	27 (of which 13.5 is UK Official Development Assistance funding)	2014–2019
Skills for Social Entrepreneurs			
This programme supports the establishment and growth of individual social enterprises and advises policy-makers and leaders in business and civil society who want to create the right environment for social enterprise to flourish.	British Council	3.9	2010–2015
International Higher Education			
This is a programme of university-level collaboration designed to support China's ambitious education reform, driving the move towards a knowledge economy and to position the UK as preferred partner of choice.	British Council	2.2 (including £420,000 non-Official Development Assistance)	2018–2020

Source: National Audit Office summary

Appendix Four

Country case studies

1 This appendix summarises some details on each of the five countries we examined as case studies for our report. The analysis is based on ODA that can be attributed to a recipient country.

Pakistan

Background to UK aid in Pakistan

2 The UK government has identified that helping to ensure a prosperous and stable Pakistan is critical for the future of millions of poor Pakistanis, and the stability and security of both the region and the UK.

3 Almost one-third of Pakistan's population lives in poverty (more than 60 million people), with women most seriously affected. 22.6 million children do not go to school and half of the population, including two-thirds of women, cannot read or write. One in 11 children die before their fifth birthday, every year 9,700 women die in childbirth and 44% of children under five are stunted. Pakistan's population is set to grow by 40 million people in the next 15 years and the economy needs to grow by more than 7% a year to create jobs for this growing young population.

4 There is major inequality based on geography, gender, ethnicity, disability and faith and a significant modern slavery problem among the poor, minorities, women and children. Pakistan carries a high risk of natural disasters; it has the second highest number of refugees in the world and continues to suffer from extremism and militancy. Consolidating the growing democracy and capacity of government institutions remains essential.

5 **Figure 27** on pages 58 and 59 sets out some key facts about Official Development Assistance (ODA) expenditure in Pakistan.

Somalia

Background to UK aid in Somalia

6 Somalia is one of the world's poorest and most fragile states and one of the most challenging operating environments in which the UK works. Improving security is a priority, including managing the threat that terrorism poses to Somalia, the region and potentially further afield.

7 It sits at the bottom of most development league tables, with widespread poverty and inequality, very low human development indicators, endemic violence and discrimination against women and girls, a persistent humanitarian crisis, and a weak economy. Four out of five Somalis live below the national poverty line, and more than one in 10 of Somalia's 12 million people are now internally displaced as a result of conflict and humanitarian crisis. State capability and financial governance are weak, and corruption is a concern. Environmental conditions in many parts of Somalia are extreme and the effects of climate shocks add significantly to the risks to lives and livelihoods.

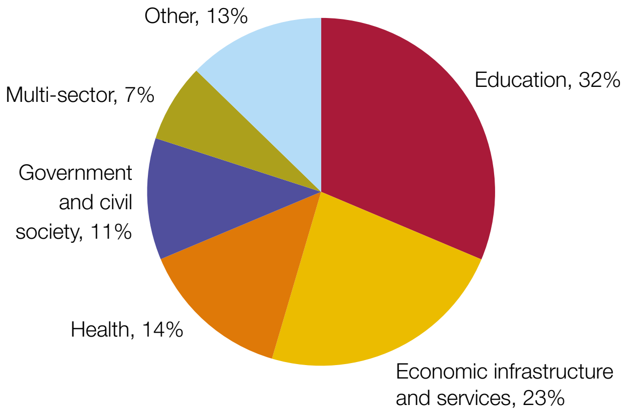
8 **Figure 28** on pages 60 and 61 sets out some key facts about ODA expenditure in Somalia.

Figure 27

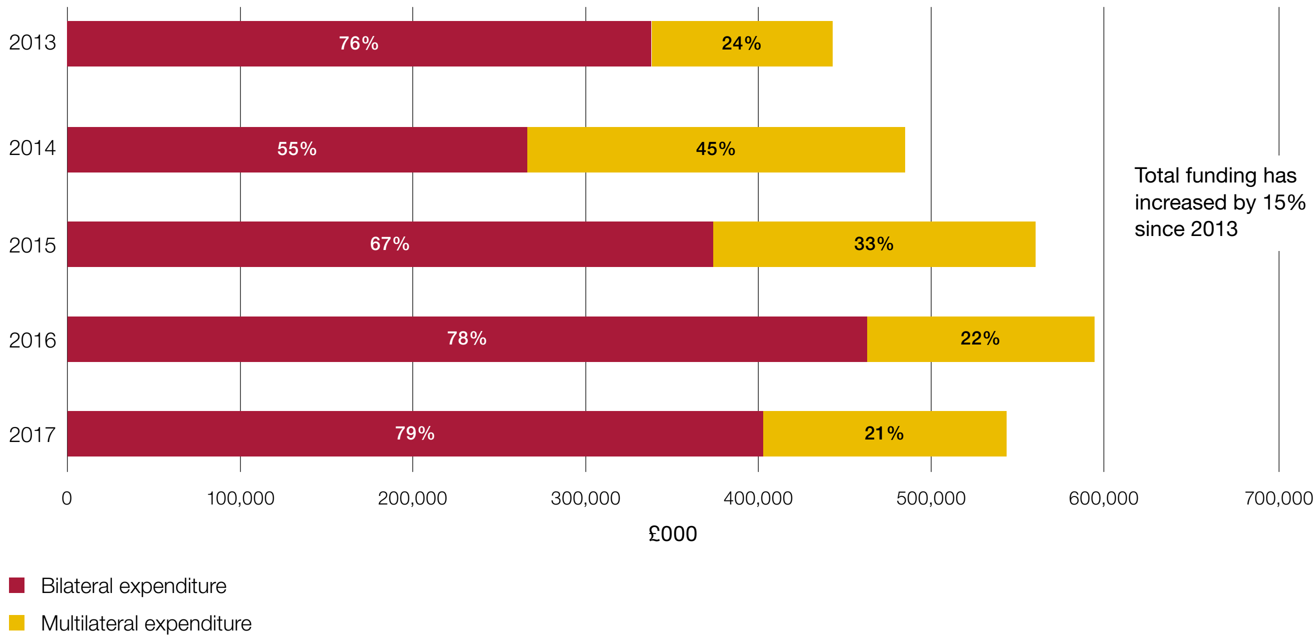
Key facts about Official Development Assistance (ODA) expenditure in Pakistan

- **Highly fragile** state, **lower middle income** country.
- **Number 1** recipient of UK total ODA in 2013–2017, accounting for 6.1% of UK total ODA in this period.
- **The top three organisations** which provided UK bilateral ODA to Pakistan in 2017 were the **Department for International Development (91%), the Conflict, Stability and Security Fund (5%) and the Foreign & Commonwealth Office (4%).**
- The majority of UK bilateral ODA expenditure was in the **'Education' and 'Economic infrastructure and services'** sectors in 2017.

UK bilateral ODA expenditure in Pakistan – 2017



UK total ODA expenditure in Pakistan – 2013 to 2017



Source: National Audit Office summary of the Department for International Development's Statistics on International Development, Department for International Development List of Fragile States

Funding departments and other bodies, 2013–2017:

Department for International Development	CSSF (The Conflict, Stability and Security Fund)	Foreign & Commonwealth Office	The Scottish Government	Department for Business, Energy & Industrial Strategy	CDC
£1,699m	£81m	£58m	£3m	£1.4m	£0.4m

UK bilateral ODA expenditure on education in Pakistan – 2017

Type of assistance provided

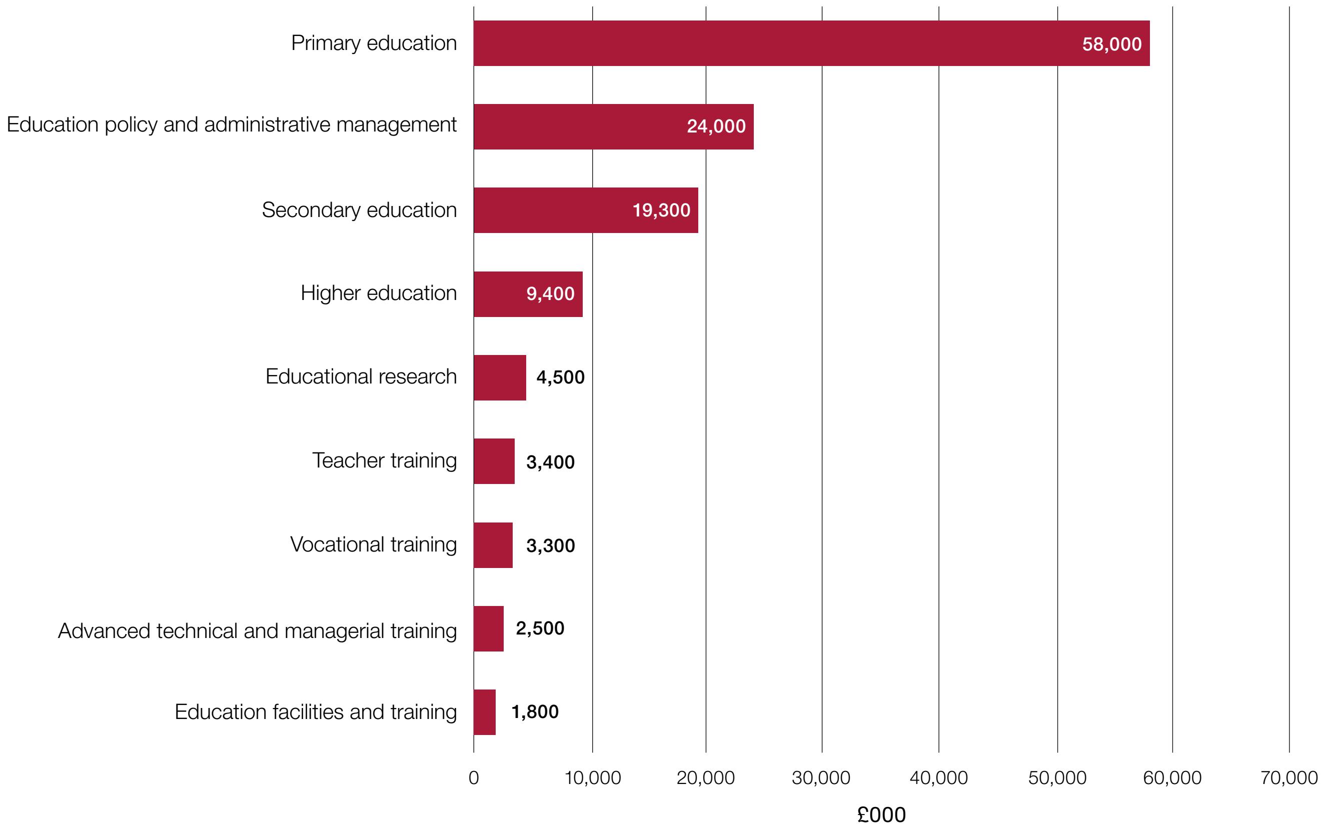
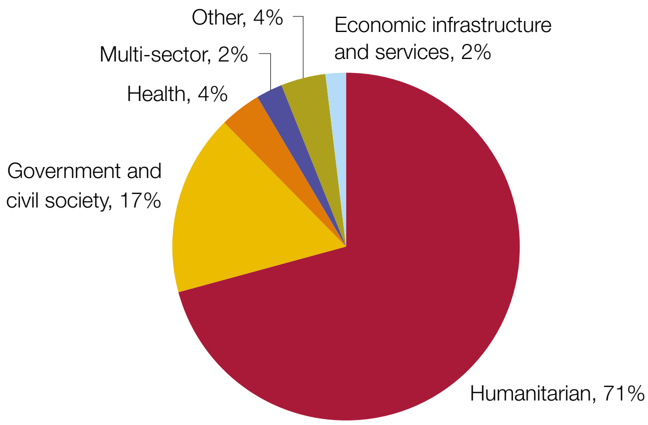


Figure 28

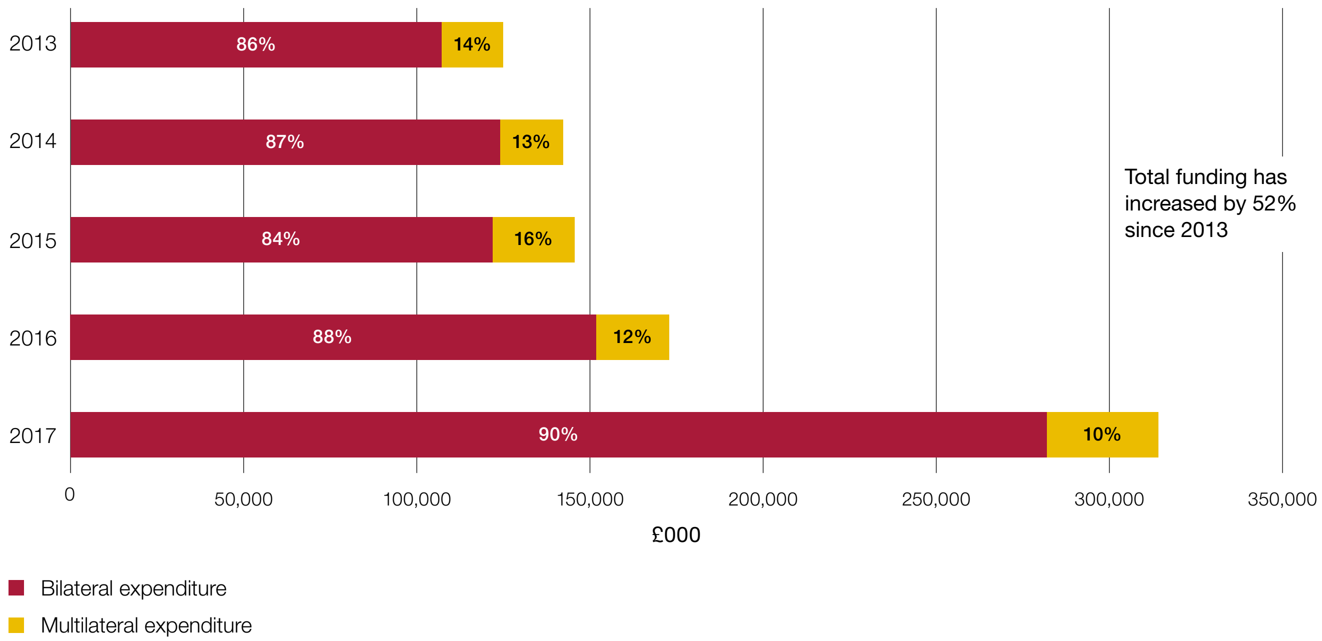
Key facts about Official Development Assistance (ODA) expenditure in Somalia

- **Highly fragile** state, **low income** country.
- **Number 14** recipient of UK total ODA in 2013–2017, accounting for 2.1% of UK total ODA in this period.
- **The Department for International Development (93%) and the Conflict, Stability and Security Fund (7%)** provided more than 99% of UK bilateral ODA to Somalia in 2017.
- The majority of UK bilateral spend was in the **'Humanitarian Aid'** sector in 2017.

UK bilateral ODA expenditure in Somalia – 2017



UK total ODA expenditure in Somalia – 2013 to 2017



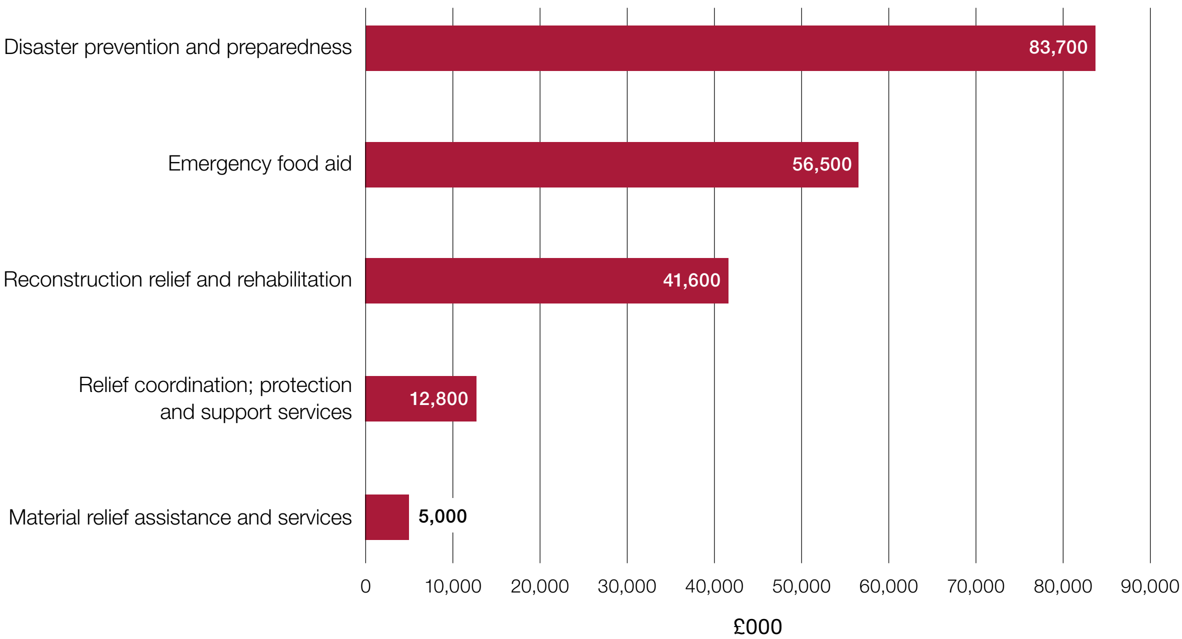
Source: National Audit Office summary of the Department for International Development's Statistics on International Development, Department for International Development List of Fragile States

Funding departments and other bodies, 2013–2017:

Department for International Development	CSSF The Conflict, Stability and Security Fund	Foreign & Commonwealth Office	Department for Business, Energy & Industrial Strategy
£705.8m	£61.5m	£19.2m	£0.1m

UK bilateral ODA expenditure on humanitarian assistance in Somalia – 2017

Type of assistance provided



Uganda

Background to UK aid in Uganda

9 Uganda's influence and relative stability in the region makes it a priority country for UK objectives. Despite reducing national poverty rates over the past decade, Uganda remains very poor and inequality is growing. 63% of Uganda's 35 million people are either poor or at risk of falling back into poverty due to dependence on subsistence agriculture. Half the population is under 15 years old (the world average is 27%) and women have on average 5.4 children.

10 High population growth rates have a negative impact on economic growth and create challenges for education and health services. More than 700,000 young people enter the labour market each year with few job opportunities.

11 Uganda hosts more than one million refugees, predominately from South Sudan, and is the third largest refugee hosting nation in the world. This number is expected to continue to increase. Refugees are unlikely to return home in the near future because of conflict and political instability.

12 The UK looks to help Uganda overcome the challenges of growing inequality and slowing growth rates through international efforts to boost business opportunities by creating jobs and increasing investment in regional trade. The Department for International Development (DFID) works with the Foreign & Commonwealth Office, Ministry of Defence, Department for International Trade, UK Export Finance and British Council to achieve the UK's objectives in Uganda.

13 **Figure 29** on pages 64 and 65 sets out some key facts about ODA expenditure in Uganda.

Turkey

Background to UK aid in Turkey

14 Turkey hosts the highest number of refugees in the world including 3.6 million Syrians. The UK supports the European Union (EU) Turkey Joint Action Plan in which Turkey agreed to work with the EU to continue helping Syrian refugees and to take further steps to prevent irregular migration to the EU.

15 DFID provides refugees and Turkish host communities with services and support to assist Turkey in absorbing the burden of such a large number of refugees and looks to create the conditions that mean refugees are less likely to fall prey to people smugglers and attempt the perilous journey to Europe. DFID's support to the Facility for Refugees in Turkey, as part of the EU Turkey Joint Action Plan, has contributed to a reduction of irregular migrants to the EU from more than 200,000 in October 2015 to 4,000 in the same month of 2017.

16 **Figure 30** on pages 66 and 67 sets out some key facts about ODA expenditure in Turkey.

China

Background to UK aid in China

17 China is the largest and fastest-growing emerging economy in the world and provides substantial aid, trade and investment to the developing world. Following the closure of the UK's bilateral aid programme in China in 2011, the UK and China established a new Global Development Partnership in 2011. Through this partnership, DFID is working with China to develop a range of programmes in key sectors including agriculture and food security, disaster risk reduction, global health, trade, and investment.

18 Although DFID does not have an ODA aid programme in China, ODA is spent in China through cross-government programmes such as the Newton Fund (funded by the Department for Business, Energy & Industrial Strategy), the Prosperity Fund (funded by the Joint Funds Unit) and the Chevening programme (funded by the Foreign & Commonwealth Office).

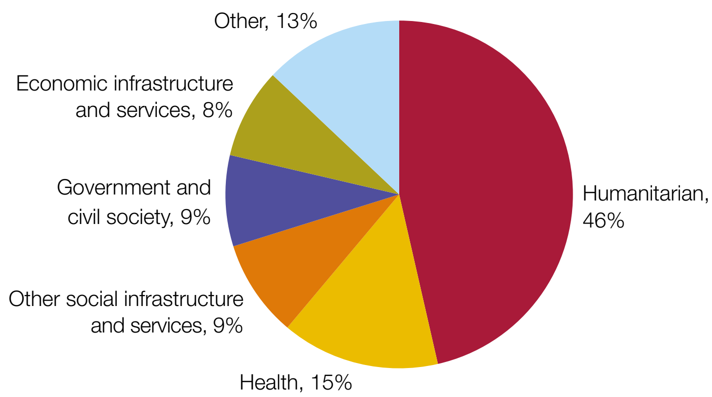
19 **Figure 31** on pages 68 and 69 sets out some key facts about ODA expenditure in China.

Figure 29

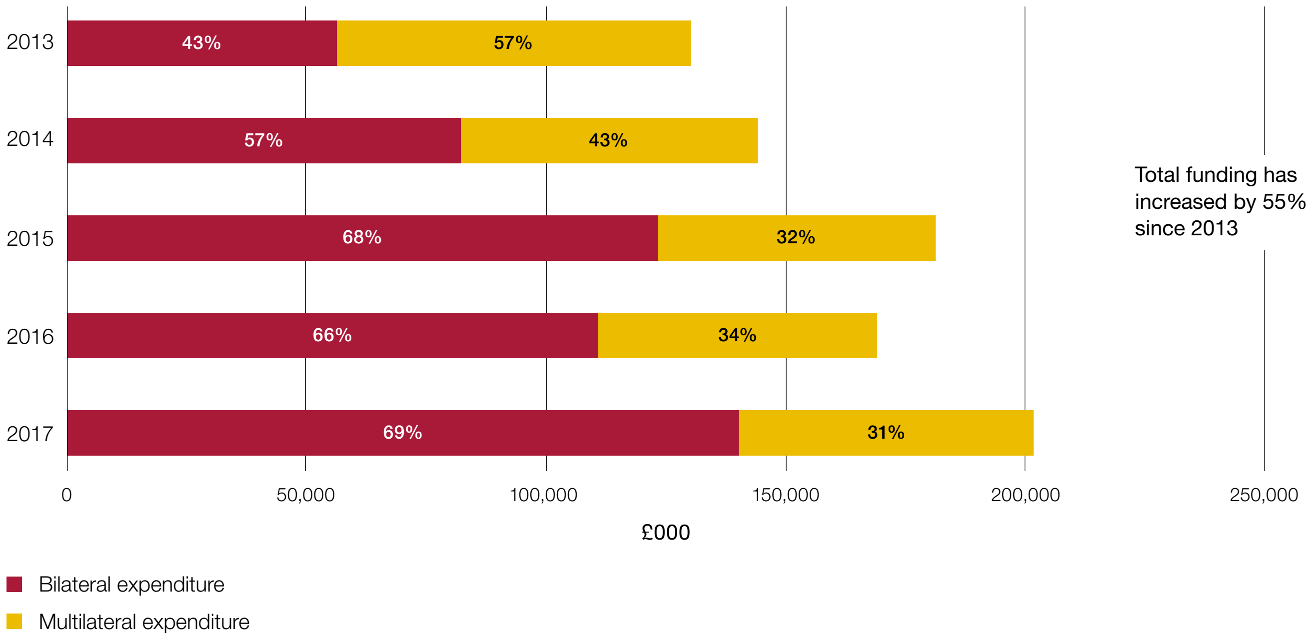
Key facts about Official Development Assistance (ODA) expenditure in Uganda

- **Neighbours 'high fragility' states**; least developed country income status.
- **Number 16** recipient of UK total ODA in **2013–2017**, accounting for 200% of UK total ODA in this period.
- **The Department for International Development (91%) and the Department for Business, Energy & Industrial Strategy (7%)** provided more than 98% of UK bilateral ODA to Uganda in 2017.
- The majority of UK bilateral spend was in the **'Humanitarian'** sectors in 2017.
- **79%** of bilateral **'Humanitarian'** expenditure was on **'material relief assistance and services'** and **20%** was on **'relief coordinations; protection and support services'.**

UK bilateral ODA expenditure in Uganda – 2017



UK total ODA expenditure in Uganda – 2013 to 2017



Source: National Audit Office summary of the Department for International Development's Statistics on International Development, Department for International Development List of Fragile States

Funding departments and other bodies, 2013–2017:

Department for International Development	Department for Business, Energy & Industrial Strategy	Foreign & Commonwealth Office	CDC Investment works	Department for Environment Food & Rural Affairs
£539.2m	£50.4m	£7.8m	£3.3m	£3.3m

UK bilateral ODA expenditure on humanitarian assistance in Uganda – 2017

Type of assistance provided

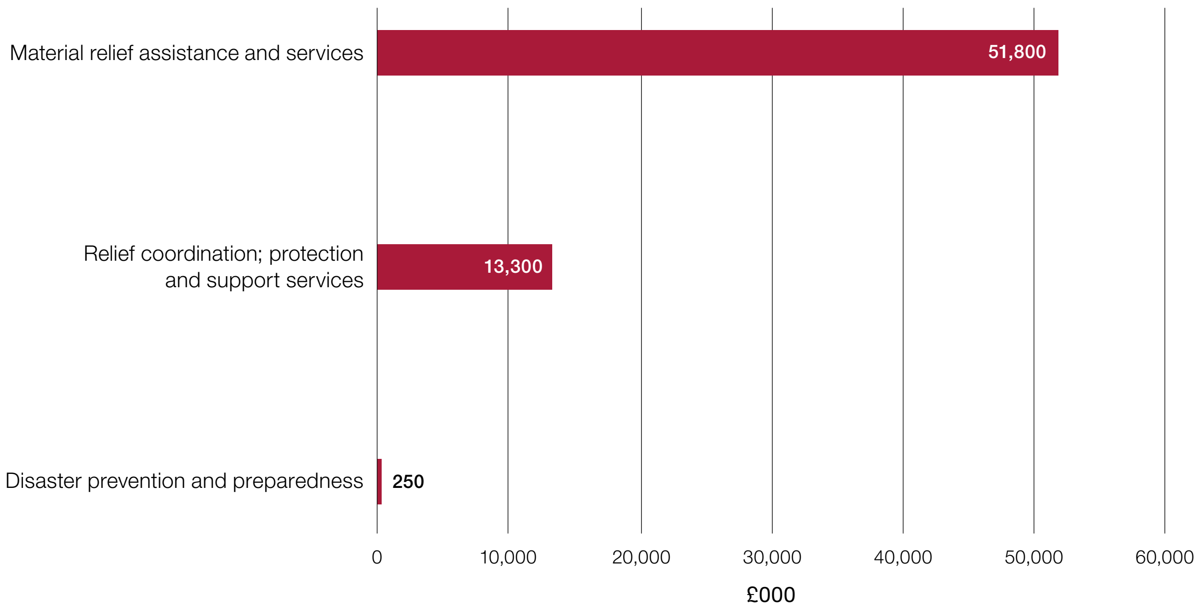
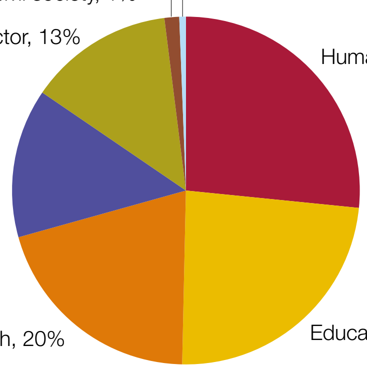


Figure 30

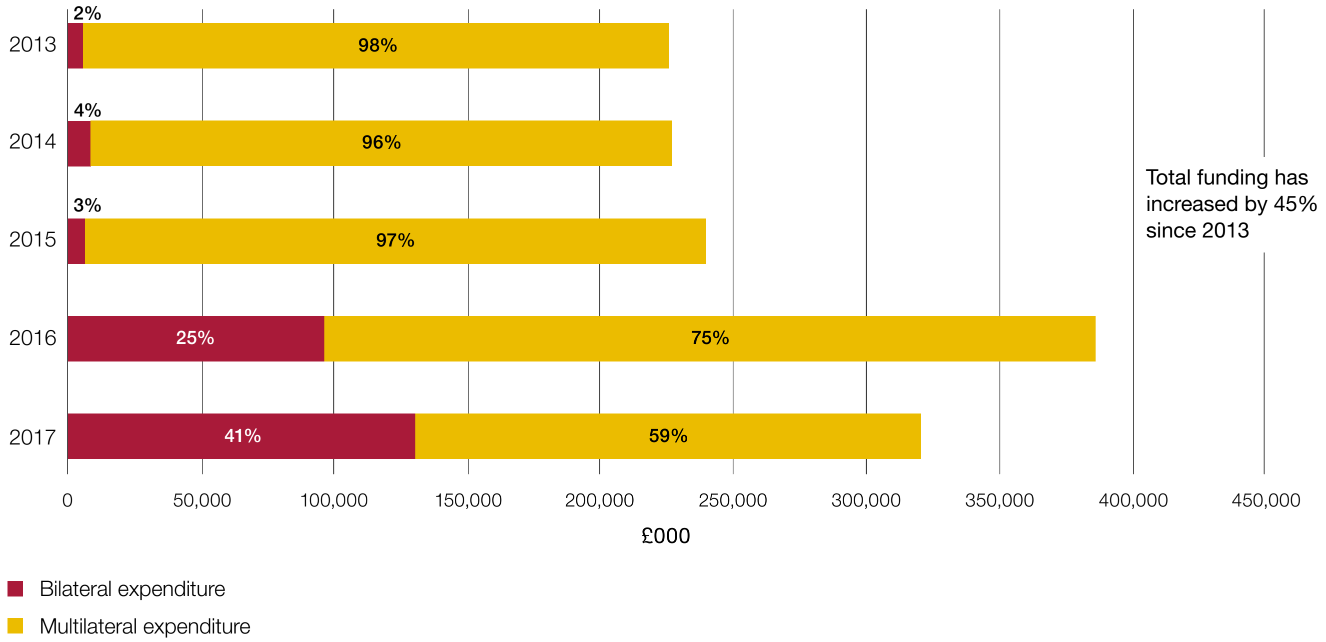
Key facts about Official Development Assistance (ODA) expenditure in Turkey

- **Neighbouring 'high fragility'** states, **upper middle income** country.
- **Number 8** recipient of UK total ODA in 2013–2017, accounting for 3.3% of UK total ODA in this period.
- **The top three organisations** which provided UK bilateral ODA to Turkey between 2013–2017 were the **Department for International Development (86%), the Foreign & Commonwealth Office (9%) and the Department for Business, Energy & Industrial Strategy (3%).**
- The majority of UK bilateral spend was in the **'Humanitarian'** and **'Education'** sectors in 2017.

UK bilateral ODA expenditure in Turkey – 2017



UK total ODA expenditure in Turkey – 2013 to 2017



Source: National Audit Office summary of the Department for International Development's Statistics on International Development, Department for International Development List of Fragile States

Funding departments and other bodies, 2013–2017:

Department for International Development	Foreign & Commonwealth Office	Department for Business, Energy & Industrial Strategy	CSSF The Conflict, Stability and Security Fund	Prosperity Fund
£219.0m	£24.2m	£7.9m	£1.3m	£1.0m

UK bilateral ODA expenditure on humanitarian aid in Turkey – 2017

Type of assistance provided

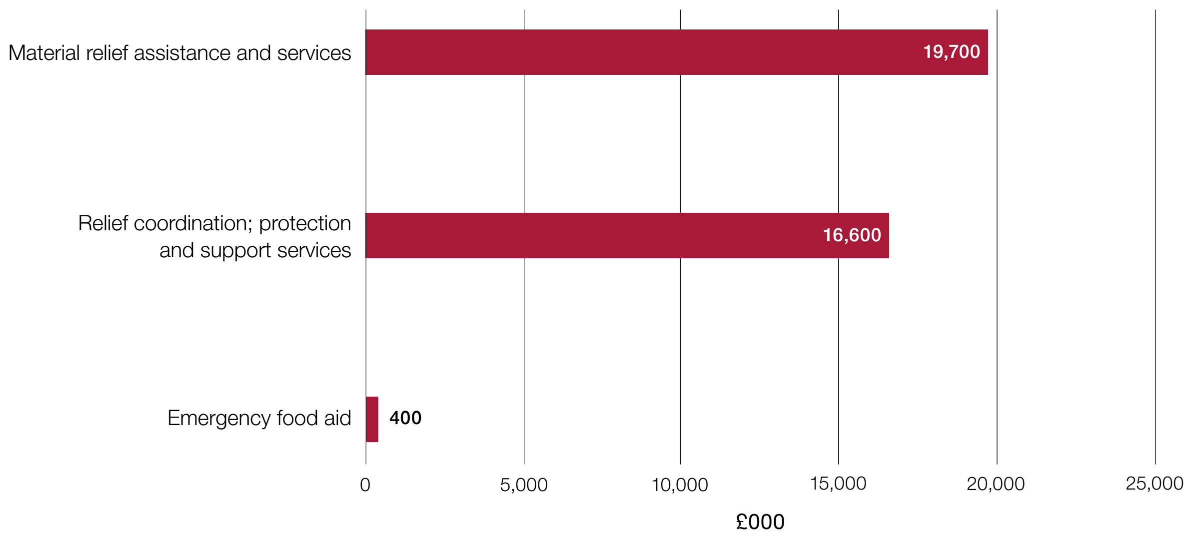
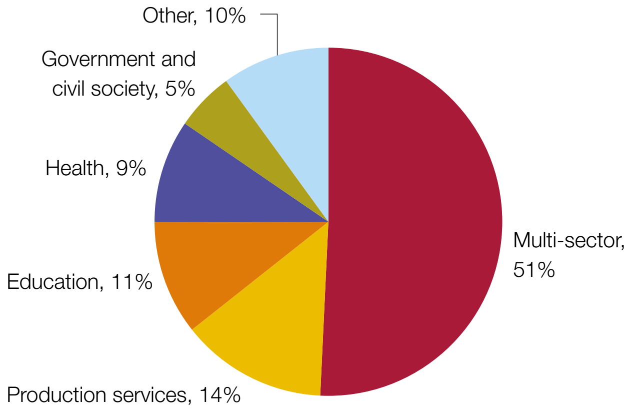


Figure 31

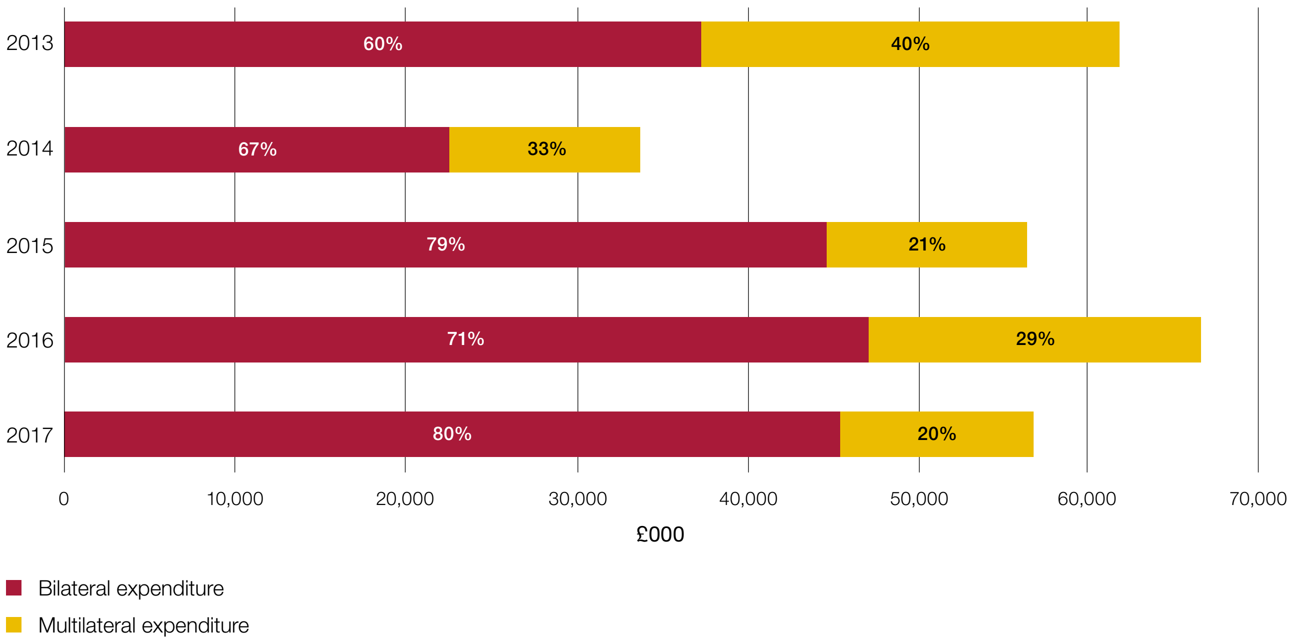
Key facts about Official Development Assistance (ODA) expenditure in China

- **Upper middle income** country.
- **Number 53** recipient of UK total ODA in 2013–2017, accounting for 0.4% of UK total ODA spend in 2016.
- **The top three organisations** which provided UK bilateral ODA to China in 2017 were the **Department for Business, Energy & Industrial Strategy (57%), the Foreign & Commonwealth Office (26%) and HM Government (15%).**
- The majority of UK bilateral spend was in the **'Multi-sector'** sector in 2017.

UK bilateral ODA expenditure in China – 2017



UK total ODA expenditure in China – 2013 to 2017



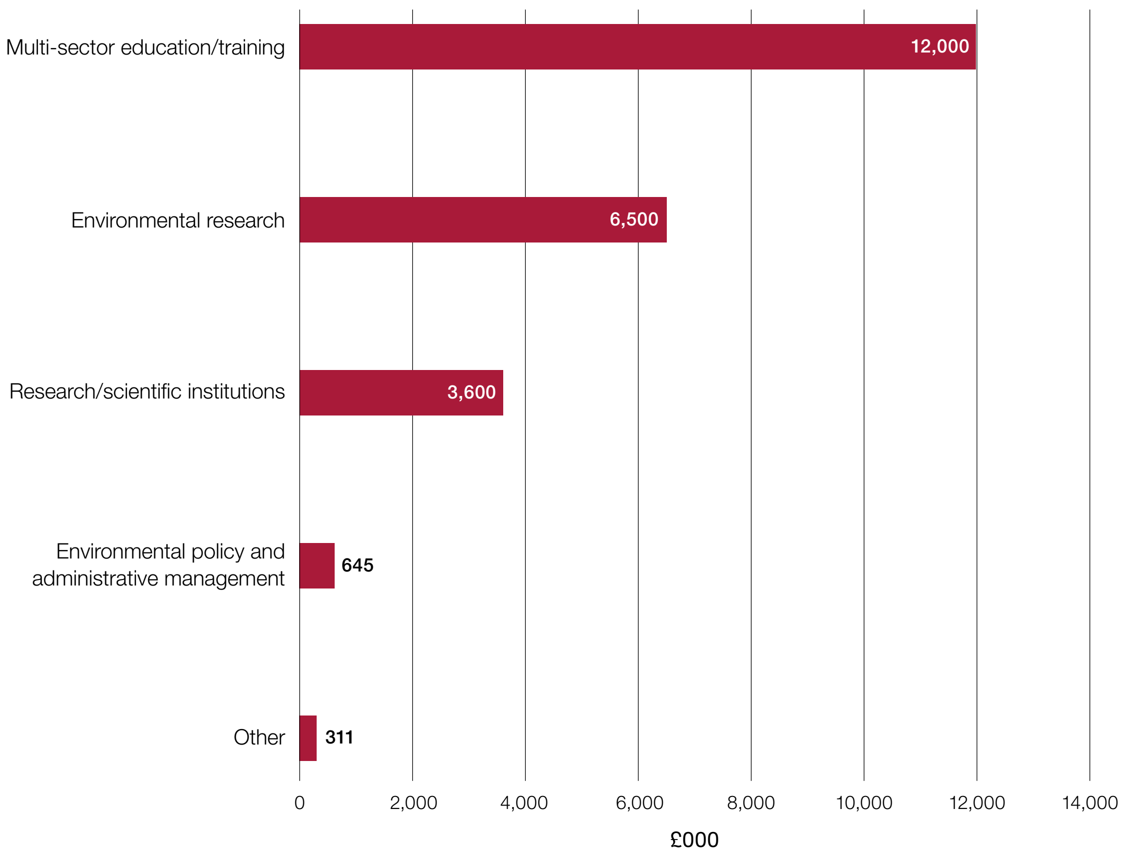
Source: National Audit Office summary of the Department for International Development's Statistics on International Development, Department for International Development List of Fragile States

Funding departments and other bodies, 2013–2017:

Foreign & Commonwealth Office	Department for Business, Energy & Industrial Strategy	CDC Investment works	HM Government	Department of Health	Department for Environment Food & Rural Affairs
£89.3m	£73.7m	£18.1m	£14.3m	£0.9m	£0.8m

UK bilateral ODA expenditure on multi-sector support in China – 2017

Type of assistance provided



Report by the Comptroller and Auditor General

The effectiveness of Official Development Assistance expenditure

HC 2218 Session 2017–2019

ISBN 9781786042729

Ordered by the House of Commons to be printed on 19 June 2019

CORRECTION

In paragraph 16 on page 12:
The third sentence currently reads “In 2017, the year for which the most up-to-date information is available, £1.3 billion of the UK’s ODA expenditure – 9% of the total – was through EU institutions.” This needs to be corrected to say “In 2017, the year for which the most up-to-date information is available, £1.4 billion of the UK’s ODA expenditure – 10% of the total – was through EU institutions”.

The final sentence currently reads “Depending on the nature of the UK’s exit from the EU, and given the annual nature of the target, the government may need to redistribute up to £1.4 billion quickly – a situation which would create a risk to value for money (paragraphs 1.21 to 1.26 and Figure 13). This needs to be corrected to say “Depending on the nature of the UK’s exit from the EU, and given the annual nature of the target, the government may need to redistribute up to £1.4 billion quickly – a situation which would create a risk to value for money (paragraphs 1.22 to 1.27 and Figure 12).

The revised paragraph should read:

16 The impact of EU Exit on ODA expenditure remains unclear. The European Union is one of the UK’s key partners for its international development interventions. In 2017, the year for which the most up-to-date information is available, £1.4 billion of the UK’s ODA expenditure – 10% of the total – was through EU institutions. The government has agreed to honour part of this commitment – to the European Development Fund (£443 million in 2017) – until 2020. DFID has stated that it is in the UK’s interest that it continues work with the EU once the UK leaves the EU. What this relationship looks like in practice and the impact it will have on the distribution of the ODA budget and the achievement of the target are currently unclear. DFID told us that it has developed plans for a number of scenarios. Depending on the nature of the UK’s exit from the EU, and given the annual nature of the target, the government may need to redistribute up to £1.4 billion quickly – a situation which would create a risk to value for money (paragraphs 1.22 to 1.27 and Figure 12).

In paragraph 1.18, second bullet on page 28:
The second bullet currently reads "only two of the seven departments and cross-government funds referred to the effectiveness of their ODA expenditure in their annual report and accounts". This needs to be corrected to say "three of the seven departments and cross-government funds referred to the effectiveness of their ODA expenditure in their annual report and accounts"

The revised paragraph should read:

1.18 We looked at whether departments other than DFID were making details of their ODA expenditure and its impact available in their key public documents. We found information on the amounts of ODA expenditure was also available in departments' annual report and accounts (in the case of six out of seven departments and cross-government funds which accounted for more than 60% of non-DFID ODA expenditure – see **Figure 10**). Despite this, we found that departments made available little additional information on ODA expenditure – such as details of the programmes the budget funded, or the impact or otherwise achieved:

- details of ODA expenditure featured in only one department's Single Departmental Plan; and
- three of the seven departments and cross-government funds referred to the effectiveness of their ODA expenditure in their annual report and accounts.

BACK

In paragraph 1.22 on page 30:
The second sentence currently reads "In 2017, the UK contributed £1.3 billion of its ODA expenditure – 11% of the total – to the EU (Figure 12 on page 32)." This needs to be corrected to say "In 2017, the UK contributed £1.4 billion of its ODA expenditure – 10% of the total – to the EU (Figure 12 on page 32)."

The revised paragraph should read:

1.22 The European Union is one of the DFID's key partners. In 2017, the UK contributed £1.4 billion of its ODA expenditure – 10% of the total – to the EU (**Figure 12** on page 32). This amount consists of:

- £911 million – an attribution to the EU development budget for aid-related activities from the UK's general contribution to the EU's overall budget. This funds the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG-ECHO) which focuses on, for example, building resilience and responding to crises, and the Directorate-General for International Cooperation and Development (DGDEVCO) which focuses on, among other things, development policy and aid delivery.
- £443 million – a specific contribution to the European Development Fund, which funds activities focused on, for example, economic, social and human development in countries in Africa, the Caribbean and across the Pacific.

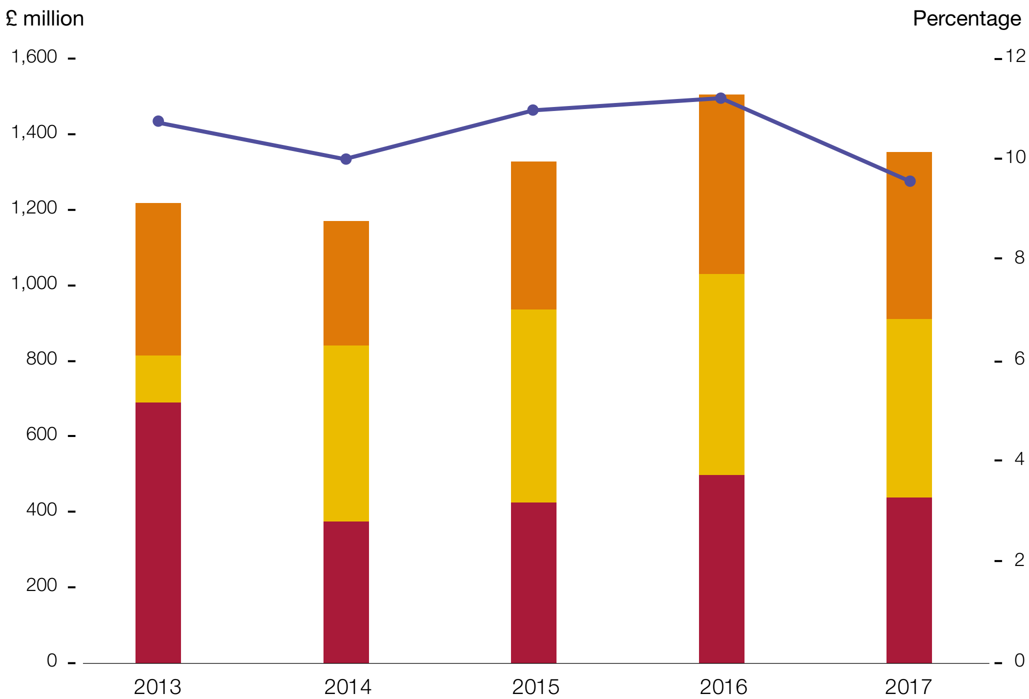
BACK

In Figure 12 on page 32:
The figure records £495 million against European Development Fund for 2017. This needs to be corrected to £443 million.

The revised figure is as follows:

Figure 12
The UK's contribution to the EU developmental budget – 2013 to 2017

The UK's payments to the EU contributed 10% to the total Official Development Assistance (ODA) spending in 2017 – slightly lower than when the UK met the ODA target for the first time in 2013



	2013	2014	2015	2016	2017
EU attribution – Department for International Development (£m)	689	374	426	498	439
EU attribution – other bodies (£m)	124	467	509	533	472
European Development Fund (£m)	407	327	392	473	443
EU funding as a percentage of total Official Development Assistance spending (%)	11	10	11	11	10

Note
1 An estimate of the UK's share of EU Development Budget.

Source: National Audit Office presentation of information in the Statistics on International Development (November 2017)

BACK

In Figure 17 on page 38, the following correction is needed :

Under the Examples column, the sentence 'The Consolidating Democracy in Pakistan programme team took a similar approach, attributing 20% of the impact – the additional number of voters – to its funding in line with the UK's 20% of total programme funding.' needs to be deleted

The revised figure is as follows:

Figure 17

Challenges departments face in measuring the performance of programmes funded by Official Development Assistance expenditure

Departments might struggle to assess the progress and performance of their programmes funded by Official Development Assistance expenditure for several reasons

Performance measure criteria[1]	Challenges faced by departments	Examples[2]
Relevant to what the organisation is aiming to achieve	Some outcomes are difficult to measure – because of the nature of the activity or the long-term nature of the intervention.	Aid-related front-line diplomacy. The value of Foreign & Commonwealth Office diplomacy is through maintaining access to government at a high, strategic level to allow the work of the mission to be carried out effectively. However, there is an imperfect link between cause and effect.
Avoiding **perverse incentives**	There is a risk of driving the wrong behaviours through excessive focus on what can be easily measured.	Facility for Refugees in Turkey programme. An implementing organisation in Turkey felt under pressure to report high volumes of refugees going through its service centre at the expense of the quality of the support.
Attributing performance – the activity measured must be capable of being influenced by actions that can be attributed to the organisation; and it should be clear where accountability lies	Where multiple donors are involved in a programme, it can be difficult to attribute results to individual donors.	Department for International Development (DFID) Somalia told us that for output-level results it attributes its share based on the proportion of the budget it contributes to joint programmes.
Well-defined – with a clear, unambiguous definition so that data will be collected consistently, and the measure is easy to understand and use	For some multilateral projects, departments are unable to set their own 'monitoring frameworks' (log frames) to measure impact.	EU Facility for Refugees in Turkey. The UK's log frame is based on the EU log frame – it sets out the outputs and outcomes that align with UK interests and priorities.

Figure 17 *continued*

Challenges departments face in measuring the performance of programmes funded by Official Development Assistance expenditure

Performance measure criteria[1]	Challenges faced by departments	Examples[2]
Timely – producing data regularly (to track progress) and quickly (to still be useful)	Long-term projects may have to use data produced infrequently.	Provincial Health and Nutrition Programme. The programme is investing in key data sources, including Pakistan's Demographic Health Survey. DFID will not be able to review impact until the 2017-18 survey results are available in 2019, at which point progress against data from the 2012-13 survey can be assessed.
Reliable – accurate enough for its intended use and responsive to change	Departments sometimes rely on third parties and technology to collect data.	Accelerating the Rise in Contraceptive Prevalence in Uganda. The programme had issues with the falsification of results by one implementing partner which resulted in the suspension of the project for a period in 2014-15.
Comparable with past periods or similar programmes elsewhere	Log frames are under constant review and are normally updated annually to align with recommendations in the annual review.	UK is more demanding than some other donor countries. Departments sometimes share log frames with other donors to facilitate comparability.
Verifiable – with clear documentation behind it, so that the processes which produce the measure can be validated	In some fragile and conflict affected states, security and access to programme sites for monitoring, evaluation and lesson learning can be a challenge.	Responding to a recommendation from the Independent Commission for Aid Impact, DFID Somalia told us that it had invested in access to remote monitoring and digital data collection as it did not have physical access to many of its programmes.

Notes

1 HM Treasury, Cabinet Office, National Audit Office, Audit Commission, Office for National Statistics, *CHOOSING THE RIGHT FABRIC – A Framework for Performance Information*, 2003.

2 The examples are taken from our review of 26 ODA-funded programmes. Appendix Two of this report sets out our approach in more detail.

Source: National Audit Office

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National Audit Office

Design and Production by NAO External Relations
DP Ref: 006453-001

£10.00

ISBN 978-1-78604-272-9