



Department
for International
Development



Raising the standard: the Multilateral Development Review 2016



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Agencies included in the Multilateral Development Review 2016

Shown with their common name and/or acronym

African Development Bank (AfDB)

Asian Development Bank (ADB)

Caribbean Development Bank (CDB)

Central Emergency Response Fund (CERF)

Climate Investment Funds (CIFs)

Commonwealth Secretariat

European Bank for Reconstruction and Development (EBRD)

European Commission (EC), specifically:

- Development Cooperation Instrument (DCI)
- European Development Fund (EDF)

European Commission Directorate General for European Civil Protection and Humanitarian Aid Operations, also known as DG Humanitarian Aid and Civil Protection (ECHO)

Food and Agriculture Organisation (FAO)

Gavi, the Vaccine Alliance (Gavi)

Global Environment Facility (GEF)

Global Facility for Disaster Reduction and Recovery (GFDRR)

Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund)

Global Green Growth Institute (GGGI)

Global Partnership for Education (GPE)

Green Climate Fund (GCF)

Inter-American Development Bank (IDB)

International Committee of the Red Cross (ICRC)

International Federation of Red Cross and Red Crescent Societies (IFRC)

International Finance Corporation (IFC)

International Fund for Agricultural Development (IFAD)

International Organisation for Migration (IOM)

Office of the High Commissioner for Human Rights (OHCHR)

Private Infrastructure Development Group (PIDG)

Joint United Nations Programme on HIV / AIDS (UNAIDS)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific and Cultural Organisation (UNESCO)

United Nations High Commission for Refugees (UNHCR)

United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA)

United Nations Peacebuilding Fund (UNPBF)

United Nations Population Fund (UNFPA)

UNITAID

United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)

World Food Programme (WFP)

World Health Organisation (WHO)

World Bank, specifically:

- International Development Association (IDA)
- International Bank for Reconstruction and Development (IBRD)

Key messages of the Review

- Following the decision to leave the EU, the UK will be even more engaged internationally. The multilateral system is vital to the UK and global interests and we will continue to be a committed supporter of it.
- DFID's multilateral partnerships expand the reach of UK development and mobilise tremendous resources and expertise to tackle global challenges. Our significant relationships with leading multilaterals help ensure Britain stands tall in the world.
- The Multilateral Development Review systematically assessed the performance of 38 multilateral institutions that the UK funds through DFID.
- DFID rigorously assessed results and value for money, risk and assurance, transparency and accountability. We asked whether agencies were still relevant for meeting today's most urgent challenges.
- This Review set higher standards than the previous Multilateral Aid Review in 2011. The UK is raising the bar, requiring more from our partners by following the money, the people and the outcomes.
- Most of the international system is performing well. Our multilateral partners ensure that UK development reaches more people, saves more lives and lifts more countries out of poverty.
- Organisations including the World Bank, the Global Fund to Fight AIDS, TB and Malaria (the Global Fund) and Gavi, the Vaccine Alliance (known as Gavi), are achieving exceptional results. The UK will continue to give these agencies strong support, while pressing for even higher standards.
- By working closely with partners across the multilateral system, we have in recent years seen encouraging improvements in delivery at some agencies, including the Food and Agriculture Organisation and International Organisation for Migration.
- Many other organisations are doing a good job, but could do even better. We will work closely with them, and with other countries, to raise their performance. We will link up to 30% of our funding to UN development and humanitarian organisations to improved results.
- A small number of organisations are under-performing, and we are taking immediate action to address this.
- The Review found that the multilateral system as a whole is falling short of its considerable potential because agencies, and the wider UN family, are not working together. The UK will work with partners to ensure there is less competition and duplication between organisations, and more collaboration and coordination instead.
- Across all multilaterals, the UK will push for improved transparency, better value for money and greater accountability. As part of this Review, DFID is setting out more requirements for multilateral agencies, including new openness about management and administration budgets. By opening up the books, we will empower people around the world to hold these powerful institutions to account and introduce a clear incentive for them to deliver value for the world's poorest people.

- The UK will convene and lead a global coalition to support and reform the multilateral system. We will work closely with partners who share our vision of a multilateral system that is even faster, more effective and more efficient.
- It is because the UK is such a committed champion of the multilateral system that we will press hard for radical action to raise its performance. The world's poorest people, and our taxpayers, deserve nothing less.

Foreword from the Secretary of State



In a world of serious threats to UK and global stability - pandemic diseases, international terrorism, and cross-border conflict - Britain's leadership on the world stage is more important than ever. We will strengthen our international partnerships and help build a multilateral system capable of meeting the unprecedented demands of the 21st Century.

The Prime Minister, Theresa May, has made clear that Britain will continue to be a world-leading, outward-looking nation. In her speech to the UN General Assembly in September 2016, she restated the UK's commitment to a global role and to the multilateral system.

She said: "As a new Prime Minister to the UK, my pledge to this United Nations is simple: the UK will be a confident, strong and dependable partner internationally – true to the universal values that we share together."

As the global migration crisis has made clear, the challenges facing the international development system in the 21st Century go beyond anything witnessed before. More than ever, the world needs strong global institutions that are relevant for today and for the future. The UK is a founding member of many of the world's leading international organisations and we remain deeply committed to the spirit and values of the international system. The multilateral system must, however, evolve to stay relevant in our changing world.

The UK is one of the largest donors to the multilateral system. We are proud of our track record as a partner, contributor and problem-solver. In 2010 the UK Government started to conduct a comprehensive and transparent survey of its development and humanitarian funding through the multilateral system. The first Multilateral Aid Review, published in 2011, shook up the multilateral system and led to a real improvement in performance on the ground. Since then, most agencies have improved their value for money, transparency and put in place robust management systems. This Multilateral Development Review continues in this vein. And it demands even higher levels of performance from our multilateral partners. We are raising the bar.

The overall picture that emerges from the Review is very positive, showing that most agencies are performing well. Our best multilateral partners mobilise resources from diverse sources, achieve huge economies of scale and provide a global platform to accelerate action on difficult issues; magnifying the UK's reach. Organisations like Gavi, the Vaccine Alliance, are in many ways one of the best parts of our aid effort, saving millions of lives with our investment.

"As a new prime minister to the UK, my pledge to this United Nations is simple: the UK will be a confident, strong and dependable partner internationally – true to the universal values that we share together."

The Prime Minister,
Theresa May, September 2016

The UK will continue to back high performers with significant funding, whilst also pressing them to improve even further. The successful performance of the Global Fund in this Multilateral Development Review fed directly into our recent decision to increase funding from £800 million to £1.1 billion for the next three years. This will help to save eight million lives. Alongside this, the UK and the Global Fund agreed a stretching performance agreement; setting out clearly, for the first time, specific commitments from the Global Fund to further improve its performance, linked to UK funding.

If we can ask for more from even the best performers, we can ask for more from everyone else too. We will make much greater use of payment by results systems, in order to drive and incentivise improvements in performance, and deliver concrete outcomes on the ground for the world's poorest people.

The Multilateral Development Review found a small number of multilateral organisations are underperforming, and we are taking immediate action to address this. We have drawn up a targeted Improvement Plan to address wide-ranging concerns about UNESCO, in particular its lack of transparency. To help bring the Commonwealth Secretariat up to a better standard, we have introduced a Performance Agreement, with future DFID payments linked to performance. The level of DFID funding to the Caribbean Development Bank's Special Development Fund will also depend on improved delivery and transparency.

The world is changing fast. We all need to raise our game. The great power of the multilateral system is its potential to be more than the sum of its parts. It is precisely because we are so committed to the success of the multilateral system that the UK will work relentlessly to drive up its performance and get the most out of every pound of taxpayers' money. As Secretary of State for International Development, I will champion an open, modern and innovative approach to development and I will work closely with partners who share our vision.

The UK will use its leading position to build a coalition for reform of the global aid system so that it is ready for the challenges of the 21st century. We invite everyone to join us in this effort to transform lives in the poorest places and to help build a more stable, more secure, and more prosperous world.

A handwritten signature in black ink, appearing to read 'P. Patel'.

Rt Hon Priti Patel MP

Secretary of State for International Development

1. The Multilateral Development Review



The UK's vision for the multilateral system

International organisations such as the World Bank, the United Nations (UN) and the Red Cross have been central to the global system for more than 70 years. Together they help to tackle some of the world's biggest challenges, including protracted conflict and security threats, mass migration, extreme poverty, disease, disasters and climate change.

A strong and effective multilateral system is firmly in the UK's national interests. Our bilateral aid programme responds swiftly to global challenges and helps to build a more prosperous, secure and stable world. However, global challenges also require global action. Multilateral organisations, commanding huge resources through their membership, convening power and expertise, are well placed to lead this.

The UK is a major player on the world stage thanks to our world-class diplomatic service, the Government's 2% defence commitment and as the only G7 and G20 country to meet the UN target to provide 0.7% of national income as aid. The UK's development expertise is recognised around the world. The UK was at the forefront of shaping a new global development framework including the 17 Global Goals for Sustainable Development (Global Goals¹).

As a founding member of many of the world's leading international organisations, we remain deeply committed to the spirit and values of the international system. The UK will continue to work closely with those international organisations that we judge to be the most important and the most effective.

The multilateral system must, however, evolve much further and faster to stay relevant in our changing world. Otherwise it will not retain the support of shareholders, including the UK. Organisations must lead by example and challenge themselves to demonstrate results, to embrace transparency and target resources where they will achieve the greatest impact.

During the past five years, the Department for International Development (DFID) has invested around 40% of its resources in multilateral agencies as core support for their work across the globe. As one of the largest donors to multilateral organisations, our commitment to the international system and its values is clear. However, we have a duty to UK taxpayers and the world's poorest people to ensure that every pound of UK aid to multilaterals has the

maximum impact on the ground. We also have a duty to our partners to act as a critical friend.

Why DFID works with multilaterals

DFID's multilateral partnerships amplify the UK's reach and influence on the global stage and make UK taxpayers' money go further.

The organisations that DFID works with each have their own area of expertise. We expect them to work within these priorities, especially organisations with broad mandates like the UN Development Programme (UNDP) or the World Bank. They are divided into different groupings, as follows:

- **Multilateral development banks** such as the World Bank and regional development banks such as the African Development Bank (AfDB). These organisations give grants and loans at highly concessional rates to the poorest countries and at less concessional rates to middle income countries, and support development through technical advice and research. They also support countries to deal with crises.
- **UN agencies**, including specialised agencies such as the World Health Organisation (WHO), which focus on technical standards and advice; **funds and programmes** like UNDP which provide support to national governments to help them to achieve the Global Goals and directly deliver services where needed; and **coordination bodies** like the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA).
- **Global funds**, such as the Global Partnership for Education (GPE) that mobilises resources and evidence to accelerate progress on education.
- **Organisations that work with the private sector**, such as the Private Infrastructure Development Group (PIDG) and the International Finance Corporation (IFC). These invest in businesses and projects in developing countries, to draw in additional private sector funds and to raise the environmental and social standards businesses apply.
- **Specialist inter-governmental organisations** like the International Organisation for Migration (IOM) that build understanding and provide operational solutions and advice on challenges across borders. IOM recently became a related organisation of the UN.
- **Other humanitarian organisations** like the International Committee of the Red Cross (ICRC), which is an independent private organisation, and the International Federation of Red Cross and Red Crescent Societies (IFRC) that help victims of armed conflict and coordinate international relief.

This Review's analysis confirmed that DFID's multilateral partners add real value for the UK. These benefits are described overleaf.

KEY BENEFITS OF WORKING THROUGH MULTILATERALS



They expand the UK's reach. DFID has focused its bilateral programmes on a limited set of countries where it is best placed to make a difference. Through organisations like the World Bank, the UN and global health and education funds, DFID mobilises extra resources for these countries and support for other vulnerable communities, such as the Sahel and Small Island Developing States where DFID does not have large programmes or teams on the ground. Through the UN's Central Emergency Response Fund (CERF), the UK provides humanitarian support across the globe, including for less high profile crises that lack support from bilateral donors.



They are key partners for DFID on important issues that struggle to attract enough attention. The UN Population Fund (UNFPA) and DFID are partners in a global programme to scale up access to family planning supplies and services; in 2014 this helped reach nearly 7 million additional girls and women in 46 countries with family planning.²



They are seen as independent and impartial, so can work in ways that bilateral agencies cannot, for instance on peacebuilding and protecting refugees. This is particularly the case for humanitarian agencies. In addition, UN agencies at large play a key role in countries where the state is weak, such as South Sudan and Somalia. Commonwealth Observer Groups monitored 13 elections in 11 countries in 2014 to 2015, to help improve the democratic process.³ The Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Office of the High Commissioner for Human Rights (OHCHR) protect the rights of minority groups all over the world.



They play a vital role in the agreement and enforcement of international norms, standards and regulations that matter to the UK, from human rights to climate change, to combatting antimicrobial resistance, to reducing the chances of another Ebola outbreak.



They can provide a global platform to accelerate action on difficult issues, and they can coordinate action which goes beyond national and institutional barriers. The United Nations High Commissioner for Refugees (UNHCR) provides specialist support for refugees and asylum seekers wherever they are.



They can provide economies of scale and world class specialist expertise. Through bulk-buying, the Global Fund has helped to reduce the cost of malaria bed nets by 50% over six years, contributing to malaria deaths falling by 60% during the last 15 years.⁴ The multilateral development banks have technical staff to manage complex infrastructure projects, such as building power, transport and water facilities. Multilaterals also have large lending portfolios so that they can spread risk across projects, regions and countries – with relatively risky investments in very fragile contexts being balanced by projects in less complex places.



They mobilise resources from diverse sources. As a public-private partnership, the Global Fund also receives contributions from private sector and other non-government partners. Gavi is funded by a broad coalition, including the International Finance Facility for Immunisation (IFFIm), an innovative funding mechanism which has raised £3.2 billion in ‘vaccine bonds’ from capital markets since 2006.⁵ Multilateral replenishments encourage a wide range of countries that have small bilateral programmes to provide additional funding for international development and to pool their efforts where this is more efficient and effective. This can help to drive up overall standards of value for money across the global aid system.



They use innovative funding mechanisms. International financial institutions (IFIs), including the multilateral development banks and the International Fund for Agricultural Development (IFAD), turn UK funding into larger volumes of affordable loans that are recycled over time to support more countries or projects. For instance, DFID estimates that the World Bank’s non-concessional arm, the International Bank for Reconstruction and Development (IBRD), generates lending worth approximately five times the value of the equity it holds. Such loans play a valuable part in each country’s total development finance, and can create repeated development returns for the UK taxpayer compared to grants that can only be spent once.

DFID’s multilateral support is part of a bigger picture. The UK belongs to many international organisations and some multilaterals receive funds from other UK Government departments. The Department of Health leads on the World Health Organisation and the Department for Business, Energy and Industrial Strategy provides resources to the Climate Investment Funds (CIFs). The Foreign & Commonwealth Office leads on peace and security and human rights, among other issues. DFID works closely with other departments to ensure a coherent UK Government approach, and urges multilateral organisations to do the same with each other.

The Review

The Multilateral Development Review is a detailed assessment of how the multilateral system performs. We have examined every agency which receives more than £1 million of annual core funding from DFID, asked how their work aligns with UK development and humanitarian objectives, and assessed the quality of their organisational performance. The full list of agencies is on the inside cover of this report and the assessment framework is at annex 1.

Agencies were scored in a range of areas, allowing their performance to be compared. Summaries of every agency’s assessment are available at GOV.UK¹, and the main messages from the scoring are discussed in chapter 2.

For the first time, the Review also looked at how agencies work together to deliver the Global Goals and, therefore, whether the multilateral system is delivering as a whole. We carried out analysis on four areas which are priorities for the UK development and humanitarian

¹ <https://www.gov.uk/government/publications/raising-the-standard-the-multilateral-development-review-2016>

effort, and where many multilateral agencies are involved: responding to humanitarian need; developing economic infrastructure; supporting better health outcomes; and addressing gender concerns. The Review's findings on this are also discussed in chapter 2.

DFID's Multilateral Aid Review in 2011⁶ helped drive significant reform across the system. The Multilateral Aid Review Update in 2013 confirmed that all agencies had made progress.⁷ More organisations had adopted results frameworks to explain what they were achieving, most agencies were providing more information on how they allocated, disbursed and accounted for their money, and more organisations were promoting country ownership of development activity.

The UK is one of the world's largest donors to multilateral organisations but our influence extends further than the money we provide.

The 2011 Multilateral Aid Review was also used widely by other donors, several of whom have now conducted similar exercises. The Multilateral Organisation Performance Assessment Network⁸ (MOPAN), which DFID helped to set up, is conducting joint donor assessments of an increasing number of agencies.

For the 2016 Multilateral Development Review we used an updated assessment framework, building on previous analysis to target areas where agencies were found to be weaker. This tougher standard reflects the UK's commitment to ensure maximum value for money.

This Review is also the clearest statement to date of the standards we expect from all our partners. By making our expectations as clear as possible, we will have a robust and transparent way to measure progress. We are clear that where agencies consistently fail to meet our high standards, their funding is at risk.

In this Review we further explain how DFID will drive reform in the international system, meeting our public commitment to challenge our partners to change. The UK is one of the world's largest donors to multilateral organisations but our influence extends further than the money we provide. We set out how we will build a coalition for reform, underlining the UK's position as a globally engaged and outward-looking nation.

2. Methodology and key findings

This chapter summarises key elements of the methodology used, how agencies compared on their scores and what our analysis showed about the way the system was performing. The next chapter sets out the changes the UK wants to see as a result of the Multilateral Development Review and the final chapter explains how DFID will link future funding to performance.

Methodology

DFID conducted detailed agency assessments, collecting evidence and scoring each multilateral partner on two indices. These were: 'match with DFID's development and humanitarian objectives' and 'organisational strengths'. Full details are provided in annex 1. Each agency's performance was summarised and these summaries are available from [GOV.UK](https://www.gov.uk)².

The methodology we used was similar to the first Multilateral Aid Review, but was updated to reflect the new UK and global context, including the Global Goals. DFID also set a tougher performance standard on organisational effectiveness.

The Multilateral Development Review used a range of evidence sources, including publicly available information from agencies and external evaluations and reviews (e.g. other Governments and international networks such as the Multilateral Organisation Performance Assessment Network - MOPAN). DFID received extensive feedback from DFID country office staff, other UK Government staff and others working in developing countries, including British non-governmental organisations (NGOs). The quality assurance and moderation of the assessments involved independent external reviewers.⁹

INDEX 1: MATCH WITH DFID'S DEVELOPMENT AND HUMANITARIAN OBJECTIVES

This section focused on the potential of DFID's multilateral partners to help us achieve the priorities set out in the UK Aid Strategy¹⁰ and DFID's Single Departmental Plan¹¹. For each agency, the Multilateral Development Review looked at:

What it does: how important its work is for DFID to achieve the UK's development and humanitarian objectives, including achieving the Global Goals, and whether their work provides an advantage for DFID as opposed to working bilaterally.

How it delivers: whether it collaborates well with other organisations, supports climate-smart development, takes action to ensure that girls and women benefit from development, and ensures that aid reaches the most vulnerable in society, in keeping with the UK's commitment to the Global Goals.¹²

Where it works: whether it focuses its effort and resources in the right places given its role, and whether it performs well in fragile and conflict-affected states.

² <https://www.gov.uk/government/publications/raising-the-standard-the-multilateral-development-review-2016>

INDEX 2: ORGANISATIONAL STRENGTHS

This section focused on the issues that are fundamental to sound corporate governance and where previous Multilateral Aid Review exercises found weaker performance and slower progress.

Results and value: whether the agency is clear about the results it is delivering, and taking action to improve its value for money including by driving down its costs, improving efficiency, and managing and deploying its staff effectively.

Risk and assurance: whether the agency assesses risk and has policies to reduce and manage this; and whether it prevents, detects and takes action against fraud and corruption.

Transparency and accountability: whether the agency strives to exceed global aid transparency standards, and is accountable to partner governments, clients and beneficiaries.

Key findings

Agency performance

The 2016 Multilateral Development Review confirms that DFID's multilateral partners align closely with the UK's strategic development and humanitarian objectives and organisational capacity is improving. But all agencies have scope to do better and some need urgent and radical reforms.

Figure 1 shows how each agency scored on the two indices. Ratings are generally lower on the organisational strengths index, reflecting the tougher standards in this Review compared to the Multilateral Aid Review in 2011. Higher scores on the first index (i.e. few scores of 'adequate') also reflect the fact that DFID exited from agencies in 2011 where there was not a clear enough link to the UK's development and humanitarian objectives. Generally high scores on the first index for humanitarian agencies in this Review reflect the growing global need to deal with disasters, and refugees and other consequences of current crises and conflicts.

Figure 1: Multilateral Development Review agency scores

Multilateral agency	Match with UK development objectives	Organisational strength
African Development Bank	● Good	● Good
Asian Development Bank	● Good	● Very Good
Caribbean Development Bank	● Good	● Adequate
Central Emergency Response Fund	● Very Good	● Adequate
Climate Investment Funds	● Good	● Good
Commonwealth Secretariat	● Adequate	● Adequate
European Bank for Reconstruction and Development	● Good	● Good
European Commission development (DCI and EDF)	● Very Good	● Good
European Commission Humanitarian Aid and Civil Protection	● Very Good	● Good
Food and Agriculture Organisation	● Good	● Good
Gavi, the Vaccine Alliance	● Very Good	● Very Good
Global Environment Facility	● Good	● Good
Global Facility for Disaster Reduction and Recovery	● Adequate	● Adequate
Global Fund	● Very Good	● Very Good
Global Green Growth Institute	Not scored	Not scored
Global Partnership for Education	● Very Good	● Adequate
Green Climate Fund	Not scored	Not scored
Inter-American Development Bank	● Good	● Good
International Committee of the Red Cross	● Very Good	● Good
International Federation of Red Cross and Red Crescent Societies	● Very Good	● Adequate
International Finance Corporation	● Good	● Good
International Fund for Agricultural Development	● Good	● Good
International Organisation for Migration	● Good	● Adequate
Office of the High Commissioner for Human Rights	● Good	● Adequate
Private Infrastructure Development Group	● Good	● Good
UNAIDS	● Good	● Adequate
UNFPA	● Good	● Good
UNICEF	● Very Good	● Good
UNITAID	● Very Good	● Good
United Nations Development Programme	● Good	● Good
United Nations Educational, Scientific and Cultural Organisation	● Adequate	● Weak
United Nations High Commission for Refugees	● Good	● Adequate
United Nations Office for the Coordination of Humanitarian Affairs	● Good	● Adequate
United Nations Peacebuilding Fund	● Very Good	● Adequate
UN Women	● Good	● Adequate
World Food Programme	● Good	● Good
World Health Organisation	● Very Good	● Adequate
World Bank (IDA and IBRD)	● Very Good	● Very Good

Scoring legend

Rating and colour	● Weak	● Adequate	● Good	● Very Good
Score	0 to 2.0	2.01 to 2.5	2.51 to 3.0	3.01 to 4

The results of the Review are not directly comparable to those of the Multilateral Aid Review in 2011, as we now use a tougher assessment framework. However, the detailed assessments found that all agencies had introduced reforms since 2011. At the same time, few agencies scored ‘Very Good’. Only three achieved this ranking on both indices: the World Bank, the Global Fund and Gavi, demonstrating the critical role they play in delivering concrete results in challenging settings and their all-round organisational effectiveness. A further six agencies – including the International Committee of the Red Cross, the Asian Development Bank, the European Civil Protection and Humanitarian Aid Operations (ECHO), European Commission development (DCI and EDF), UNICEF and UNITAID scored a Very Good and Good on either index.

A large number of agencies - roughly a third - were grouped around the middle, performing well but with clear room for improvement. These agencies were rated as “Good” performers for their relevance to UK development and humanitarian priorities as well as their organisational effectiveness. This includes some of the regional development banks, development finance institutions, two climate organisations, and several UN agencies.

A further third of agencies’ performance was more mixed. This includes many humanitarian agencies and several UN development agencies. All of these agencies have one or more organisational weaknesses. The UK will work even more closely with these agencies to ensure maximum value for money for the UK’s investment.

A small number of organisations are under-performing in critical areas of corporate governance, such as control of costs and transparency, and on delivering results. Under-performance in these areas is not acceptable to the UK. We will take immediate action in response, as explained in chapter 4.

We know from the first Multilateral Aid Review that calling out poor performance can help to catalyse change. Our objective, public assessments of poor performance were a wake-up call for many agencies. DFID stopped core funding to four agencies¹³ and demanded urgent reforms from four more to retain UK funding - the Food and Agriculture Organisation (FAO), the International Organisation for Migration (IOM), UN Education Science and Culture Organisation (UNESCO) and the Commonwealth Secretariat.

The Multilateral Development Review confirms that FAO and IOM have stepped up to the challenge and turned their performance around. DFID worked closely with these agencies to agree reform plans and to monitor progress. We also seconded a specialist results adviser to IOM to help them to develop their systems. FAO now has a clearer strategic vision and reports on results, it has modernised its management structure, and delivered significant efficiency savings of over US\$100 million between 2011 and 2015. At IOM, internal reform has meant they can respond more rapidly to crises and operate at larger scale. This has been essential during recent events.



Stepping up: Internal reform has improved IOM's performance, including its response to crises. © DFID/Zoe Paxton

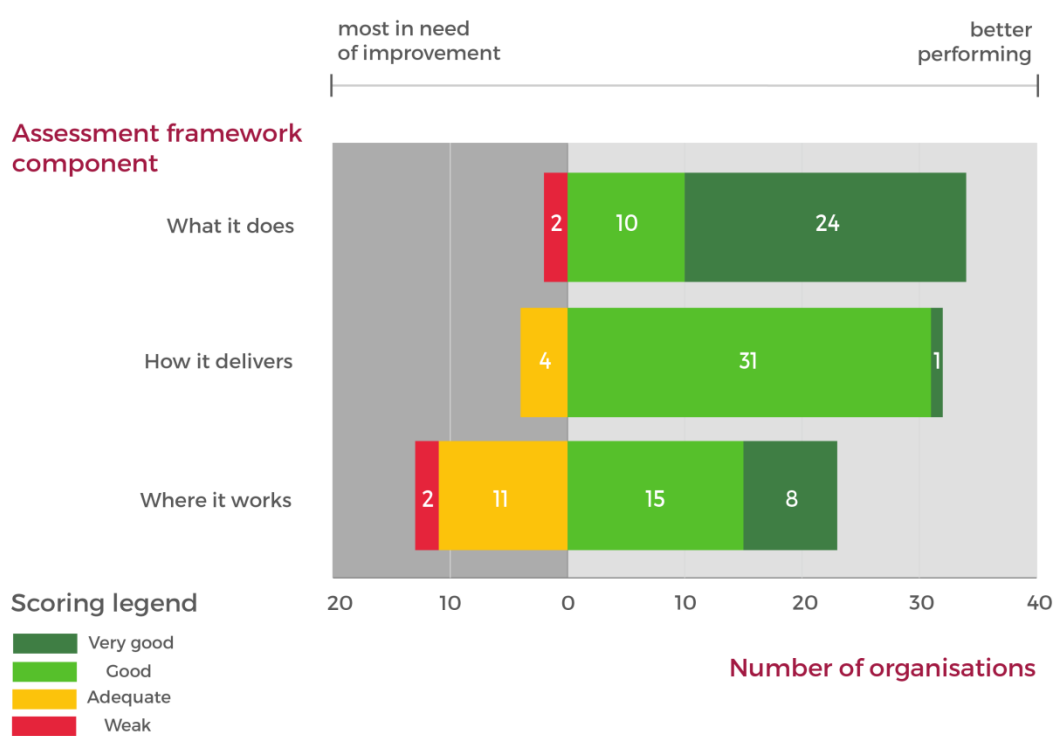
The two other agencies have not yet done enough. While the Commonwealth Secretariat has worked to sharpen its strategic focus and reduce the number of projects it manages, its commitment to delivering better value for money has not been demonstrated. At UNESCO there was a period of positive momentum after the 2011 review, which included an agreement to publish data to International Aid Transparency Initiative (IATI) standards and initial steps towards results-based budgeting. However progress has since stalled. Recent audits highlighted important systemic weaknesses in the management of core funding and organisational effectiveness.

Performance across the system

Collectively, organisations perform much better against some components than others - but each organisation has their specific strengths and weaknesses. There are also differences in the way different types of organisation have performed. The UK will use this analysis to target its reform efforts. The next chapter identifies common reform priorities that the UK will drive across the system.

Index 1: Match with UK development objectives

Figure 2: Scores for ‘match with UK development objectives’



What agencies do: the Review highlights that the UK’s international development and humanitarian objectives closely match those of the multilaterals we work with. Two thirds of core-funded agencies perform roles that are seen as highly critical to achieving our objectives, including the Global Goals. The scores also confirm that multilaterals expand on, diversify and reinforce the work that DFID does directly in countries. Scores among the humanitarian multilaterals were particularly high, reflecting a backdrop of growing global need. A few agencies score lower, reflecting a weaker match with DFID objectives or that DFID has other options to achieve the objective.

How they deliver: this component looked at how well multilateral agencies work together and at their work on three issues that DFID has put at the heart of its development work: girls and women, climate-smart development, and reaching the most vulnerable. Despite improvement since 2011, the assessments found significant scope for further progress on partnership behaviour and on gender. The box below provides an example of good practice, highlighting the International Committee of the Red Cross' (ICRC) approach to addressing sexual and gender-based violence in humanitarian contexts. Half of all the agencies reviewed should do more to ensure that disadvantaged social groups, such as people with disabilities, benefit from their work. The biggest room for improvement in this part of the assessment was for agencies to ensure that they were considering whether they could have a positive impact on issues related to climate change, from investments in infrastructure to helping governments and communities to plan ahead for future risks.

Where agencies work: multilateral agencies that provide funding to developing countries are increasingly prioritising the most subsidised resources, such as grants and cheap loans, for the poorest countries. They are also making these decisions on a range of poverty measures, not just crude measures of national income, which we welcome. However it is less clear how organisations that provide technical support prioritise this on the basis of need. This is still a scarce resource and should be targeted to countries that need it most. Compared to 2011, more multilaterals are prioritising fragile and conflict-affected states in their policies and statements, but the review highlights that performance on the ground remains inconsistent.

ICRC and gender programming in humanitarian responses

ICRC is one of the highest scoring agencies on gender, and has taken particular action on preventing and responding to sexual and gender-based violence (SGBV) in conflict. The UK has pushed strongly for this, launching a global campaign to prevent sexual violence in conflict in 2014.

SGBV issues are difficult to expose, as victims often do not report incidents for fear of stigma or further violence. ICRC has published comprehensive guidance on integrating SGBV issues into humanitarian responses from the outset, with ICRC teams being instructed to automatically assume that sexual violence takes place in armed conflicts, in order to improve their response. ICRC works to provide protected spaces for women to seek help and support including medical assistance and counselling. An organisation-wide training programme in 2014 ensured all ICRC staff were better equipped to address the issue of sexual violence.

ICRC has also raised awareness of the issue through public campaigns on 'Women in War' and collaboration with civil society groups. They work both preventatively (out of conflict) and in live conflicts with militaries and other armed groups to build protection for vulnerable groups by promoting better adherence to International Humanitarian Law. They do further work to gain armed groups' agreement not to use SGBV as a 'weapon' in conflicts.



An ICRC staff member trains a psychosocial worker at a 'listening house' to support victims of violence (including sexual violence) due to the conflict in DRC. ©ICRC/Elodie Schindler

Infrastructure for fragile and conflict-affected states: Private Infrastructure Development Group (PIDG)

The international system needs to increase its impact in fragile and conflict-affected states. This is particularly true for infrastructure projects. Many private companies avoid these markets because of the risks involved. Yet the infrastructure needs in fragile states are enormous, preventing some of the very poorest from accessing markets, basic services, energy and clean water.



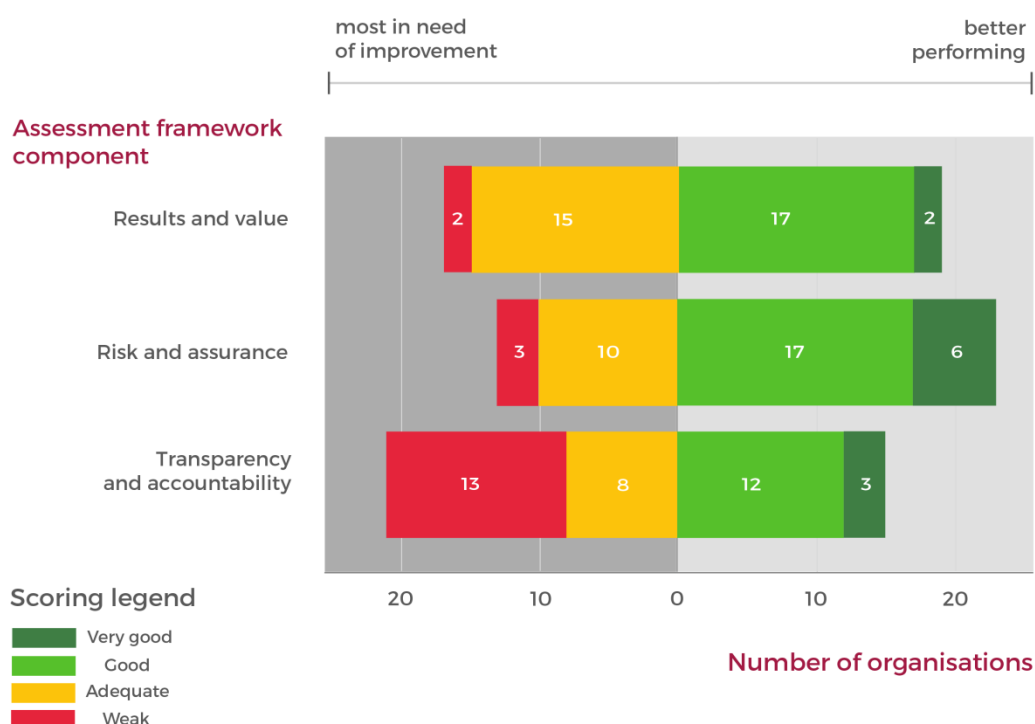
Nyumba Ya Akiba cement plant under construction in DRC. © EAI/PIDG

As a result of the UK's efforts, PIDG projects are increasingly concentrated in fragile and conflict-affected states and by 2014, they attracted 49% of its project investment. This includes financing to build and operate the first new cement plant for at least 40 years in the Democratic Republic of Congo, through the Nyumba Ya Akiba project.

Index 2: Organisational strengths

The assessment set tough standards for this index compared to the first Multilateral Aid Review, including new questions on fraud, risk and transparency.

Figure 3: Scores for organisational strength



All agencies provided evidence of improvements since 2011, with the multilateral development banks and global funds performing particularly well.

Results and value: the Review found significant improvements to systems since 2011, including widespread use of results frameworks and more use of independent evaluations (see box below on CIFs). However, too many organisations still claim all of the results for a project, even when they are only providing some of the project's funding. The Review shows that agencies must also do more to ensure they are striving for maximum results from design all the way through to delivery. This starts with choosing the most effective interventions. The UK expects multilaterals to use relevant, local and global evidence on intervention choice, so as to maximise the impact of their efforts. We expect to see a clear commitment to using scarce resources in an efficient way, which makes the maximum possible difference for the largest number of poor people (see box below on the Global Fund's new approach to this).

Evaluation and learning: Climate Investment Funds

The UK has worked with the Climate Investment Funds to embed evaluation in their programmes so we can better understand what works, where and why, and whether this can be replicated or adapted for other countries and situations. This work will be expanded from early 2017 through a new learning partnership with DFID that will take good practice models of evidence-based approaches from other fields and apply it to work on climate change. This will help to improve the impact that the CIFs achieve, as well as informing work on the newer Green Climate Fund.

Choosing the right intervention: the Global Fund

A study published by the Center for Global Development¹⁴ notes that many cost-effective interventions in health are not being used by the international system as widely as they should, and that money is being spent on less cost-effective treatments and services. A variation in the cost-effectiveness and impact of different interventions has profound implications when countries and their multilateral partners choose and design interventions to save human lives. At DFID's request, the Global Fund has agreed to set out its expectations on the highest value interventions and to develop a Value for Money framework for countries to guide the design of its grants.

The Review found that agencies have implemented new controls to improve their cost-effectiveness and some agencies have made significant savings as a result. But there is still too much inefficiency, especially in back-office functions. We are clear that organisations tasked with assisting some of the world's most vulnerable people must bear down on their own costs. This includes stricter control of daily allowances and travel expenses but also the pay levels of senior staff and boards. The Multilateral Development Review found progress on staffing policies and plans, including more open recruitment and diversity targets. But agencies need to go further and bring in more robust performance management, stronger leadership skills and greater incentives for staff to work in the toughest places where they can make the greatest difference.

The Review also underlined the importance of supply chains to drive down costs. When multilaterals use their purchasing power they can have a significant impact on prices. The following box highlights Gavi's success in reducing vaccine prices. Multilateral agencies and other partners who took part in the World Humanitarian Summit earlier this year signed up to common efficiency targets under The Grand Bargain for Humanitarian Action, described on page 24. The next step should be to agree concrete steps to tackle inefficiency in areas like freight and cash transfers to vulnerable communities.

Reducing procurement costs: Gavi, the Vaccine Alliance



A young baby receives a polio vaccination in Kinshasa, Democratic Republic of the Congo © Gavi/2015/Phil Moore

When Gavi was launched in 2000, nearly 30 million of the children born every year in the world's poorest countries were not fully immunised. Most vaccines, particularly new ones, were simply too expensive for developing countries and so millions of children died every year from easily preventable diseases.

Gavi has transformed the vaccine market by pooling demand for vaccines across developing countries. This increases certainty

for manufacturers and enables them to produce more vaccines at a lower price. This also incentivises other manufacturers to enter the market and increase competitiveness.

Gavi has succeeded in significantly reducing prices for many vaccines – saving approximately £900 million over the past five years.¹⁵ The current total cost to Gavi of immunising a child with pentavalent, pneumococcal and rotavirus vaccines is US\$20; a reduction of more than 43% since 2010.¹⁶ These vaccines help to prevent the main killer infections, including pneumonia and diarrhoea. Gavi's vaccine programmes have saved the lives of more than 4 million children between 2011 and 2015.¹⁷

Risk and assurance: DFID expects all organisations to have a zero tolerance approach to fraud and corruption; acting immediately if it is found, working with authorities to bring perpetrators to account and pursuing aggressive loss recovery approaches. The Review confirmed that all agencies have systems in place to detect and combat fraud, with the multilateral development banks having some of the best developed. In many cases though, there was not enough evidence of how well systems functioned in practice. DFID expects agencies to be proactive in identifying and dealing with risks and fraud, calling out corruption wherever and whenever it happens, and applying lessons to prevent future cases. They must also ensure they have robust risk and assurance systems in place at all levels. This should include clear rules for staff managing projects and assets, excellent oversight at a corporate level (by senior management and the Board), and independent audit with the power to make sure findings are followed up.

Transparency and accountability: agencies are taking this more seriously, with much more data now published in an accessible way, based on the standards of IATI, a foundation that the UK helped to set up. DFID expects all its partners to meet IATI standards as a

minimum. Most agencies are now following this standard. Three more¹⁸ have committed to become compliant by the end of 2016. However, 10 agencies remain uncommitted. Some agencies, for example UNDP (see box below), have gone beyond the basic requirements and are demonstrating a culture of transparency across their operations, such as increased use of client surveys and beneficiary feedback mechanisms. Such behaviour was necessary for agencies to achieve the highest scores.

UNDP's progress on transparency

UNDP has been a member of IATI since its establishment in 2008, and has jointly led its Secretariat since 2013. Since 2014, UNDP has been ranked top of Publish What You Fund's Aid Transparency Index.¹⁹ The agency has worked hard to be open and transparent about its programme activities. In recent years UNDP has expanded its transparency portal (open.undp.org) so that it now includes project and financial information for 2015 on more than 5,000 live projects worldwide, with a combined budget of US\$5 billion. The improved quality and quantity of its data is being used to improve internal management and programme efficiency.

UNDP also promotes transparency standards with its partners, and supports the countries it works in to use transparency to improve services like health and education.

Leadership and collaboration

A common theme in many agency assessments was that agencies were working relatively well internally, but failing to work properly with each other. To respond to the complex, global challenges agencies face, collaboration is essential. Until this happens, the system as a whole will fall short of its potential.

The Review examined this challenge by looking at four issues in detail: the humanitarian system, global health, economic infrastructure and girls and women. In each case we examined the number of organisations that work in the sector, whether they collaborate or compete, whether there is an effective coordination mechanism which all agencies respect, and the quality of partnership with agencies outside the multilateral system – regional organisations, national governments, civil society and the private sector.

Humanitarian support

In the humanitarian sector, the Emergency Relief Coordinator, at the global level, and Humanitarian Coordinators, at the country level, play key roles, supported by the UN Office for the Coordination of Humanitarian Affairs (UNOCHA). Agreements reached at the World Humanitarian Summit commit humanitarian actors to work together better to deliver collective outcomes. The Grand Bargain (see overleaf) is a positive step which the UK will press to see implemented as soon as possible. We will also advocate for the international community, and individual countries, to do more to help prevent and prepare for disasters. This is far more cost effective over the long term and saves lives, but incentives are often weak in the short term. Collective global action is essential.

The Grand Bargain for Humanitarian Action

The first-ever World Humanitarian Summit in May 2016 saw widespread agreement on the need to reform the humanitarian system. This resulted in donors and humanitarian agencies signing the 'Grand Bargain for Humanitarian Action'.²⁰

We expect it to:

- Improve sector governance through stronger leadership in country, increased transparency, and more participation of those receiving aid.
- Increase collaboration by bridging the humanitarian-development divide, supporting local and national responders, funding multi-year plans and joint / impartial needs assessments.
- Promote efficiency through smarter forms of financing, reduced management costs, harmonising reporting and increasing the use of cash assistance, leading to up to US\$1 billion saved by 2020.



Food items funded by the UK are distributed by the World Food Programme in Taiz, Yemen, February 2016. © WFP/Ahmed Basha.

Over the coming years DFID will drive this Grand Bargain to ensure it delivers its full potential.

Health support

In our increasingly globalised world, we urgently need a strong international health system. During the Ebola outbreak in West Africa in 2015, affected countries' national systems were unable to cope and it became a crisis. In the international health sector, there are many agencies with potentially overlapping roles. This is inefficient and unsustainable. Globally, progress on nutrition has lagged because of insufficient coordination across the health, education and agricultural sectors. This urgently needs to be addressed in order to achieve the Global Goals.

The World Health Organisation (WHO) has a clear mandate to direct and coordinate international action on health. It needs to become more effective to do this, urgently implementing a reform plan. In the past, other health agencies have not trusted WHO to perform its role fully.

At the same time, it is important to achieve the right balance of effort across the international health system. Funds dedicated to particular priorities can and do achieve impressive results – as the Global Fund has done on AIDS, TB and malaria. But these results will be hard to sustain unless developing countries have strong national health systems that can fund and deliver services.

Economic infrastructure

Better economic infrastructure, such as transport and energy networks, is essential to support jobs and sustainable growth in developing countries, so they can graduate from aid. The multilateral development banks, the International Finance Corporation (IFC) and PIDG are all major investors in this area. They also provide valuable technical advice to governments and help to generate additional funding from across the private sector. International coordinating structures exist – including Sustainable Energy for All, the Global Infrastructure Hub and Global Infrastructure Financing Facility – but these are still at an early stage. The real test will be whether they can accelerate project implementation, mobilise more diverse funding sources and help countries switch to climate-smart strategies. In transport, there is no clear international lead body that can help organisations see where the needs are greatest, what others in the field are planning and agree a clear strategy. This leadership gap needs to be addressed.

Girls and women

The UK has put girls and women at the heart of its international development work and we expect our partners to do the same, in line with the Global Goals. Most agencies now have gender policies and some have promising strategies, but these are still at an early stage and too few agencies are set up to track results on the ground. The lead UN agency, UN Women, has a key role in setting standards on gender equality, supporting countries to put in place strong legislative frameworks, and coordinating action across the UN system. It needs to do more to establish its leadership, challenging other agencies to go further and demonstrating how it can add value to their work rather than establishing its own programmes. The shared UN system for tracking success in putting girls and women at the heart of programmes is a positive step.

Crosscutting challenges

Looking across the four sectors, the studies conclude that competition between agencies is still too common, causing duplication and delay. Weaknesses in collaboration among agencies that depend on each other are preventing the best collective results. To achieve its full potential, the multilateral system needs to be more nimble in co-operating to deliver common goals.

Competition between agencies is still too common and must end.

However, the Multilateral Development Review does note some improvements. This includes progress on One UN (an initiative to ensure UN agencies work better together in developing countries) and better dialogue between the World Bank and the UN at senior levels – as we've seen on the Syrian and refugee crises. It also recognises the effort by the different parts of the World Bank Group to make better use of the Group's public and private sector finance and technical skills; between the different multilateral development banks to move from mobilisation of 'billions to

trillions' (especially to help meet funding gaps in infrastructure); and across climate funds. These improvements are welcome, but must go much further and faster. As an illustration of the challenge, 24 UN development system agencies still maintain 1,432 separate offices in 180 countries.²¹ This is neither effective nor efficient.

Looking at where the One UN initiative made the greatest difference, it is clear that the signals agency heads sent at the country level to their staff about the importance of collaboration had a major impact. This underlines the need for more collaborative leaders in the international system, and to judge agencies on their collective performance on vital

issues like family planning, nutrition or in dealing with country crises like Yemen or Syria, not just their individual results.

The international development and humanitarian system has become increasingly complex in recent years, with thousands of different operators from multilateral and bilateral agencies to philanthropic foundations, to charities and private sector contractors. In some cases, new players are more efficient and effective. But proliferation also increases overheads and makes coordination harder.

New multilateral organisations should only be created where they add value. Wherever possible, the first step should be to look at ways to improve or adapt existing organisations to meet new challenges. Shutting agencies is very difficult, because so many countries have to agree. Instead, the UK has prioritised those agencies it works with. Some agencies such as the Global Fund and Gavi acknowledge that their role should be time-limited. For others, combining functions to give a stronger mandate and create efficiencies might be the right way forward, as happened with UN Women. FAO, International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP), for example, all work on agriculture and food security and are all based in Rome. They should consider efficiency gains from more collaboration. The multilateral development banks and development finance institutions that fund the same economic infrastructure projects could make significant savings by collaborating on project preparation and assessments.

3. DFID's future approach to multilaterals

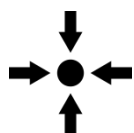
The UK is committed to, and ambitious for, the international system. Our long-standing and significant relationship with many of the world's leading multilaterals helps ensure Britain stands tall in the world.

This Multilateral Development Review has shown that the UK, through DFID, invests in agencies that deliver results that are important to the UK and to the international community. But it is precisely because we care about the international system and we are passionate about results for the poorest that we will continue to push for further, faster progress. We have a duty to UK taxpayers to invest the UK's international aid resources and effort where we can make the greatest difference.

DFID will work across the international system and with individual agencies to achieve faster progress on reforms and even better results on the ground. This will be grounded in clear standards which we expect our partners to meet in each area of the Review. The outcomes we are seeking and how they can be achieved are described below.

The changes required

To accelerate results and maximise value for money, DFID will push for five key changes across the international system.



Targeting resources for maximum impact

We will press all agencies to put in place rigorous systems to ensure they are selecting the most effective interventions with the highest rate of return for each pound invested. We will push multilaterals for further progress on targeting grants and loans to countries most in need, who are least able to self-finance their development, and to reduce the share of financing that is going to better-off middle and high income countries. We will press the World Bank, in particular, to commit to a monitorable and quantified plan to significantly shift the share of lending that goes from its non-concessional lending arm from high income and upper middle income countries down to lower middle income countries. We will also continue to work to ensure that it effectively supports countries to deal with crises. Our long term vision is for developing country governments to reduce their dependence on aid and to benefit more from trade and investment, as well as to mobilise more domestic resources and tax receipts to invest in their development. The multilateral system needs to step up and help more countries to transition away from aid by mobilising other resources in line with the Addis Ababa Agenda for Action.²²



A truly transparent, efficient system

Organisations must become fully transparent and accountable, so the public can trace aid funding and the results it delivers. DFID will demand that our partners meet international aid transparency standards, if they do not already, and pass the same expectation to their partners. Waste and inefficiency have no place in organisations devoted to the public good. We expect partners to explain to the public how they manage their resources. Agencies should be working towards full transparency by publishing all spending over £500²³ in the same way we do in DFID. We also expect them to publish information on salaries and other benefits such as travel policies and per diem rates. Ultimately we want all agencies to be fully transparent about what, why, where and how they spend money. Agencies must improve their reporting of results so it is clear when results achieved are part of a joint project. To monitor the Global Goals, we need more results to be disaggregated by factors including gender, age and disability, so it is clear who is getting help and whether some groups are being left behind. We want to see much greater use of beneficiary feedback mechanisms, so those who are supposed to be benefiting can give their view on what works best for them. Finally, we want to see key organisations, including the World Bank and the United Nations Development Programme (UNDP), continuing to lead in promoting transparency across the international community, driving strong fiscal transparency and open government and helping people and governments in developing countries to use aid information.



Working together to maximise results

The best leaders motivate their teams to deliver results, even in the toughest circumstances. They work with others to pool resources and achieve shared objectives, instead of competing for profile. We need more leaders like this in the international system, creating pressure to raise standards from within. Several senior international positions are being recruited in the next 12 months. The UK wants to see the best people in these jobs. Antonio Guterres, the incoming UN Secretary General, has a once-in-a-generation opportunity to make sure the system comes together and performs at its best. The UK stands ready to support him in this crucial effort. We will build on the sector analysis done for this Review to target improvements in key sectors, especially health – we cannot have a repeat of the ‘system failure’ we saw in the early response to the 2014 Ebola outbreak. The UK will look to the UN system for more decisive leadership and collaboration on achieving the Global Goals, and will ask all agencies to live up to their commitment to Leave No One Behind. We will expect decisive responses to growing challenges including antimicrobial resistance, modern slavery and child exploitation; and faster progress on longstanding problems including access to family planning, better nutrition and quality education.



A transformed humanitarian system

At the 2016 World Humanitarian Summit, the world agreed a clear vision for a radically improved humanitarian system by 2030. Improvements to the system go beyond UN actors – we must harness the capacity and comparative advantage of the multilateral development banks, governments, civil society and the private sector. Ultimately, national and local actors should be at the centre of the reformed system. Humanitarian aid will remain critical but should only be used when other instruments cannot be effective. Development actors need to invest more in disaster resilience and preparedness, including innovative insurance schemes. We also want to see a radical shift in the way the system responds to protracted crises, including long-term refugee situations. Wherever possible, development actors, including the multilateral development banks, should invest in jobs, basic services and social protection. We also expect agencies to coordinate responsibly. When an international response is required, agencies need to stand behind a single, impartial assessment of needs, and respect the mandate of co-ordinating bodies. Finally, we need more cost-effective responses: more investment in preparedness will help, but we also need greater use of pooled funding; shorter delivery chains; consolidation of common services and administrative costs.



Economic development in action: open and more productive economies for millions of better jobs

Lack of jobs can exacerbate conflict and increase pressure for young people to migrate in search of a better life. The scale of the challenge is clear. In Africa, more than half the population is under the age of 25 and 11 million young people are expected to enter the labour market every year for the next decade.²⁴ The multilateral development banks (MDBs) and development finance institutions (DFIs) must do more to meet this challenge by helping developing countries to transform their economies to become more productive. This is the only way to generate better jobs on a large scale. We expect the MDBs and DFIs to develop better indicators to regularly report on the amount of private finance they catalyse to accomplish this; on their support to improving economic productivity (particularly in the non-agricultural economy), and on their impact on jobs. They need to take higher risks and, if needed, accept lower returns to deliver more development impact in the toughest markets. They must help developing countries take advantage of trading and investment opportunities and ensure the businesses they engage with adopt responsible practices in their supply chains. To track progress on jobs created we also need a major push between the IFIs and the UN system to improve the quality, frequency and transparency of data and reporting on labour markets, firm productivity and private finance leveraged. We expect international organisations to support the UN High Level Panel on Women's Economic Empowerment²⁵ by working in new partnerships with government, civil society and business to take concrete actions against the key drivers of change outlined in the panel's report. Finally, we expect all multilateral agencies to promote climate-smart development in line with the Global Goals and the Paris Agreement²⁶.

How we will drive change

The UK is committed to challenging and reforming the international system. As one of the world's largest donors to multilateral organisations, we will use our influence to achieve reform and link decisions on future funding to improved performance.

This will include the widespread use of performance agreements (see chapter 4). We will push for reform through governing bodies and through high level meetings with key players, including the new UN Secretary General.



The UNICEF National Ambassador for Ethiopia speaks at the Girl Summit, London © DFID/Marisol Grandon

To achieve real change, we will focus on building a coalition of like-minded countries, international partners and reformers within multilateral agencies. These partners will share our vision of a more open, effective and efficient international system that can take on the great global challenges of our time, and works in the interests of the world's poorest and most vulnerable.

We will target other influential countries, including major funders and powerful voices on the global stage. We will use the UK's influence in global groupings like the G7 and G20 to push for change. The group of governments who support the

Multilateral Organisation Performance Assessment Network (MOPAN) represent 95% of development funding to multilateral organisations;²⁷ this could become a powerful group to drive change as the quality and quantity of its reviews increases.

We will also build coalitions around specific themes where progress is lagging or we need to drive new ways of working. The UK has a strong track record of catalysing international action on difficult issues. This includes the Girl Summit (2014), the Supporting Syria and the Region conference (February 2016) and the Anti-Corruption Summit (London 2016).

The UK pushed hard to ensure the Global Goals focused on eradicating extreme poverty and included critical issues such as gender, peace, security and good governance, and continued a commitment to



The Supporting Syria and the Region Conference, February 2016 © Rob Thom/Crown Copyright

Leave No One Behind. Earlier this year we worked closely with the US, the European Commission (DG ECHO), Canada and the Netherlands to secure reforms at the World Humanitarian Summit. These processes and events can get new and neglected issues, such as female genital mutilation and child marriage, on the global agenda and secure concrete commitments from a range of powerful stakeholders.

We will also work with experts at the technical level to secure changes. At the UN and the World Bank, the UK has been one of the leading actors in negotiations to update the standards and legal frameworks that govern multi-donor trust funds – a growing part of the multilateral system which the UK uses often. In October 2016, DFID hosted Chief Procurement Officers from nine of the largest agencies, who agreed to work together to drive efficiency savings in new areas like freight and logistics, building on lessons learned from the health sector.

The underlying principles of the Global Partnership on Effective Development Cooperation (GPEDC)²⁸ also align with the Multilateral Development Review: transparency, results, partnership and developing country ownership. In future, we look to the GPEDC to help drive faster progress on results that matter to poor people, with a greater return on each pound invested, and ask all members to commit to full transparency.

Strategic dialogue and engagement

The UK's significant financial contributions, our public commitment and our capacity to engage across the range of multilateral policy give us prominent positions in the governing bodies of multilateral agencies. Through our board membership, at board meetings and in committees, we work closely with other member countries to hold managers to account and to secure improvements to policies and regulations where evidence shows these are necessary.

We will build on these positions by reinforcing our bilateral engagement with our most important partners. Ministers and senior officials will lead regular strategic dialogue sessions to track performance of multilateral agencies that receive large volumes of DFID funding or are particularly important for delivery of DFID's core priorities. These reviews will look across the portfolio – at central funding, lessons from DFID country offices and other parts of the UK Government where appropriate.

Sharing expertise

DFID will also expand and refocus its programme of secondment and staff exchange with agencies to support key reform priorities and fill identified skills gaps within priority agencies. DFID secondees are a vital part of our engagement, bringing valuable technical skills to agencies which need them, and providing DFID and the UK Government with a pool of experience of how our partners work.

4. DFID's investment in multilaterals: linking funding to performance

The UK is proud of its commitment to provide 0.7% of its national income as aid; this commitment is reflected in DFID being a very significant funder of a large number of multilateral agencies.

The UK's funding should not be taken for granted by any agency. DFID will prioritise partnerships with organisations that are tackling the biggest challenges of our time; and can demonstrate to our satisfaction that UK taxpayers' money is achieving maximum value for money.

After the 2011 Multilateral Aid Review, DFID increased funding to organisations that were judged to represent good or excellent value for money. DFID stopped core funding to four other organisations: the United Nations Industrial Development Organisation (UNIDO), the International Labour Organisation (ILO), the United Nations International Strategy for Disaster Reduction (UNISDR) and UN Habitat.

Four more agencies - the Commonwealth Secretariat, the Food and Agriculture Organisation (FAO), the International Organisation for Migration (IOM) and the United Nations Educational, Scientific and Cultural Organisation (UNESCO) - were formally warned that their funding was at risk unless they could improve their performance in agreed areas. They were subsequently placed in a "special measures" programme, where their progress was regularly monitored and reviewed at senior level. Progress was then assessed publicly in the 2013 Multilateral Aid Review Update. The FAO stands out in this 2016 Review as a much improved performer. This improvement was underpinned by strong direction from the top of the organisation.

This Multilateral Development Review raises the bar on standards of multilateral effectiveness and the value for money that the UK expects. DFID will now go further in linking funding to performance - both results achieved on the ground and the pace of institutional reform. We will not shy away from taking tough decisions if any agency's performance falls below the standard we expect. This is already affecting funding decisions, as outlined below.

DFID will adopt explicit performance agreements with more agencies, even excellent performers like the Global Fund and Gavi, to drive continual improvement. DFID already links its funding to the Global Partnership for Education (GPE) to improved organisational performance, with 50% of our pledge dependent on progress on a specific set of reforms (see box). From now on, up to 30% of DFID's core funding to UN humanitarian and development agencies will be set aside and allocated according to performance. Funds will only be disbursed to agencies that meet pre-agreed performance targets. Some of these targets will be joint, to encourage collaboration or where success depends on the combined actions of different agencies, for example on nutrition. For a minority of agencies not initially subject to joint targets, for example to the Joint United Nations Programme on HIV/AIDS (UNAIDS) and World Health Organisation (WHO), the proportion of performance funding may go higher.

Linking funding to performance: Global Partnership for Education

DFID has been working closely with the Global Partnership for Education (GPE) to deliver improved organisational performance. As part of this process, 50% of the UK's 2014 pledge to the partnership (total value, £210 million) is contingent on its progress on delivering effective reform, particularly around monitoring and evaluation strategies.

Collaboration to deliver these reforms has meant GPE has already secured the first



Girls solving a problem together at GPE-funded Pong Tamale Experimental Primary School, Ghana © GPE/Stefan Bachenheimer

tranche of funding, worth £50 million, which is due to be disbursed by the end of 2016. The UK advocated strongly at the GPE Board to ensure the adoption of GPE's new Results Framework and Risk Management Policy in 2015. Since then, DFID has worked with GPE to develop these documents, drawing on DFID best practice where possible. The Results Framework will shortly become operational.

DFID will continue to manage all its core funding and its multilateral relationships robustly. As part of DFID's commitment to transparency, new funding agreements and the results DFID expects to see from these are set out in publicly available business cases. Progress against these is tracked and published annually.

A new approach to performance-based funding

DFID will tailor its approach to maximise incentives for reform and results, targeting weaknesses identified through the Multilateral Development Review and driving progress on our top priorities. We will identify triggers that best match the scale and range of an organisation's functions, as we have in the UK's new Performance Agreement with the Global Fund (at Annex 3). For example:

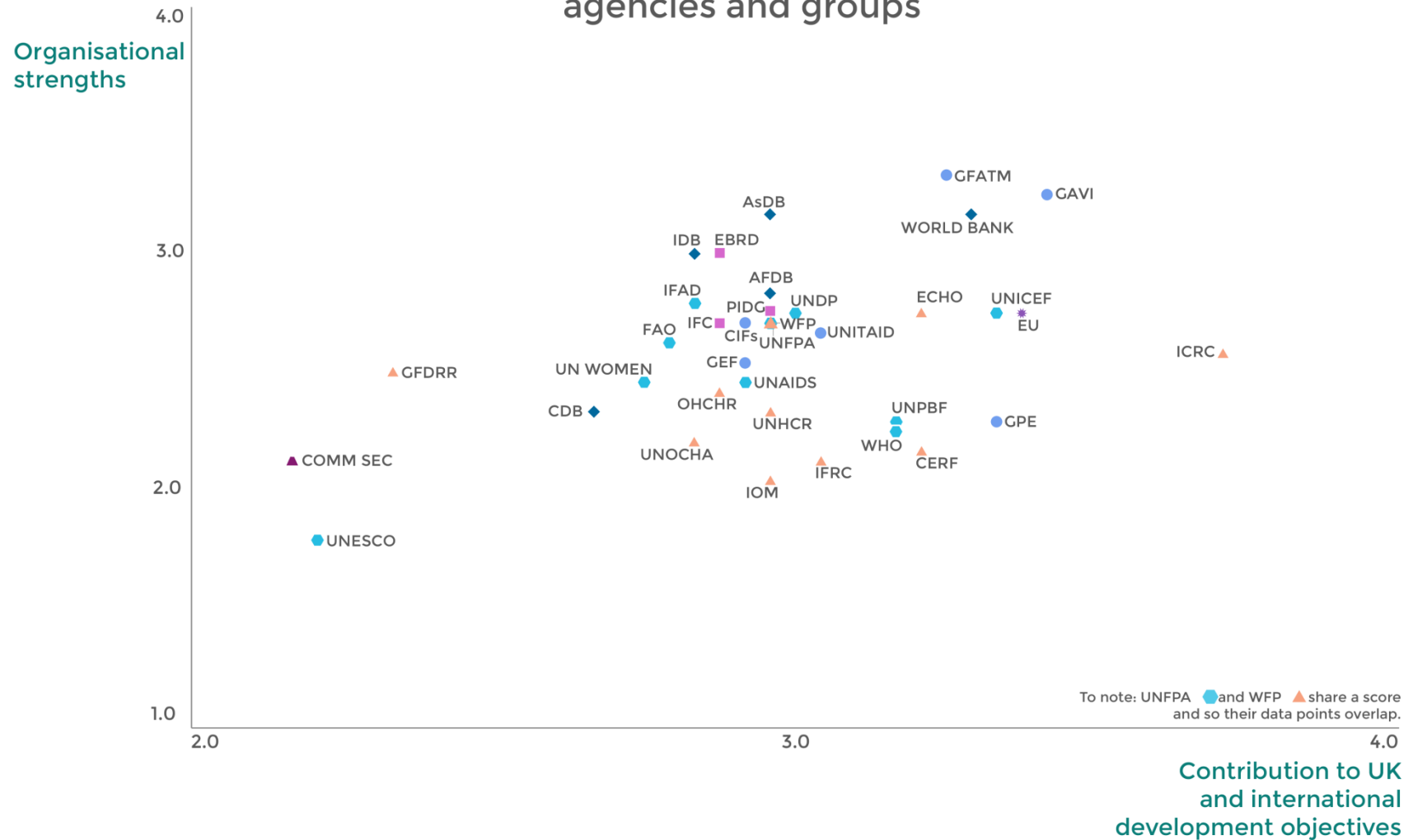
Maximising impact: the UK will work with agencies that use rigorous evidence to identify the most effective and highest return interventions. We will back agencies that invest in skilled leaders and project managers who overcome challenges to deliver results in the toughest environments.

Payment by results: our Performance Agreement with the Global Fund links 15% of our funding to achieving specific results in developing countries, such as the number of HIV patients using antiretroviral drugs and bed net coverage for malaria.

Efficiency savings: DFID's humanitarian funding will be linked to implementation of Grand Bargain commitments, including the efficiency target of \$1 billion by 2020.

Targeting the right countries: the UK has successfully challenged the World Bank to increase the amount of support it provides to the poorest countries and to fragile and conflict-affected states. We are also pushing for an increase in the share of lending to lower middle income countries that still face significant development challenges, compared to better off countries that are able to self-finance their development or to pay higher prices.

Figure 4: Performance of Multilateral Development Review agencies and groups



Grouping legend

- Development finance institutions and funds supporting private sector development
- Global funds for health, education and climate change
- Multilateral development banks using highly concessional and/or less concessional funds
- Other
- European Commission excluding humanitarian
- Humanitarian organisations
- UN organisations excluding humanitarian

Driving continual improvement

As shown at figure 4, the Review has identified both strong and weak performers. We are challenging all organisations, even the strongest, to improve their performance. Where agencies have consistently been under-performing, we are taking immediate action.

The strongest performers

For organisations which are performing well, such as the Global Fund, the World Bank and Gavi, the UK will continue to provide strong support. But there is room for improvement even in these highest-performing organisations and we will continue to press for ever higher standards.

The UK increased its funding to the Global Fund from £800 million to £1.1 billion in the recent replenishment, and linked this to the new Performance Agreement (see annex 3). The UK's future funding to the World Bank's concessional lending arm, the International Development Association (IDA), will be announced shortly. The conditions for this funding are being negotiated as part of the international replenishment process.



A woman who has received training through a World Bank-financed Women's Entrepreneurship Development Project in Ethiopia © Stephan Gladieu/World Bank

The good performers

These organisations are doing a good job, but could do better. DFID will work closely with them to raise performance, linking future funding to agreed results targets. For example, DFID will link its future funding to the Private Infrastructure Development Group (PIDG) to delivery against the new 'One PIDG' strategy, making sure it delivers a greater pipeline of investments and more support for the poorest countries and fragile and conflict-affected states.

We will also expand our use of results-based financing. For UN agencies, many of which fall in this category, we plan to move quickly. In future up to 30% of our funding to the UN system will depend on pre-agreed results being achieved. We will encourage agencies to expand the use of payment by results linking funding to concrete outcomes on the ground.

The mixed performers

Among these mixed performers, five agencies show a particular disparity between their critical importance to the UK's objectives and their organisational performance: the WHO, the UN Peace Building Fund (UNPBF), the International Federation for the Red Cross and Red Crescent (IFRC), GPE and the UN's Central Emergency Response Facility (CERF). These organisations have a vital role to play but they are not performing as well as they should. DFID will work closely with the rest of the UK Government and other stakeholders and with the organisations themselves to identify priorities for reform and will track progress.

The poorest performers

A number of organisations are not meeting our standards of delivery, and the UK will use its global leadership to take action, working closely with others, to turn these organisations' performance around.

UNESCO

The UK is deeply committed to the vital issues that UNESCO works on, including the protection of international culture and heritage, and the promotion of education and learning in developing countries.

However, UNESCO's organisational effectiveness and governance continues to fall short of our standards. UNESCO was put into special measures for its poor performance after the first Multilateral Aid Review in 2011. Despite some attempts to improve, and the UK's intensive efforts over several years to expedite change, the organisation has not delivered sufficient organisational reform and continues to display structural weaknesses in many critical areas.

This Multilateral Development Review has concluded that UNESCO is in need of dramatic improvement. It is failing in its effectiveness and in its organisational capability. We would like to see UNESCO demonstrate real resolve to change this.

Working closely with like-minded countries, DFID will press UNESCO to urgently improve transparency at all levels, learning from leading agencies in this field, such as UNDP and UNICEF. UNESCO must meet higher standards of openness concerning the decisions made by senior management, committees and the board. They must be fully transparent about all spending, including off-budget expenditure. UNESCO must also publish the results of its investments, and value for money must be improved across the organisation - including back-office efficiencies, procurement processes, programme decisions and better targeting of resources to poorer countries.

Weaknesses in recruitment must also be addressed, and appointments must be meritocratic. UNESCO's risk management systems must be strengthened, and well-resourced; independent oversight and assurance functions must be put in place.

DFID has drawn up a targeted, measurable Improvement Plan against which UNESCO will be evaluated, to exert maximum pressure for reform. These changes will require a reform-minded culture at UNESCO, and widespread commitment to reform within the organisation, from member states and external partners. It is imperative that people who value UNESCO's mandate take these grave concerns seriously and join forces to support change.

The Commonwealth Secretariat

The Commonwealth is a unique and important institution, providing a crucial forum for 52 countries to work together to tackle global challenges, champion democracy and fundamental freedoms, and promote prosperity for all. The UK's commitment to the Commonwealth is unwavering.

However, the Commonwealth's implementing body - the Commonwealth Secretariat – continues to underperform, as it has done since the 2011 Multilateral Aid Review. Improvement is essential if DFID is to continue to fund the organisation's Commonwealth Fund for Technical Cooperation. The Secretariat requires urgent organisational reform, while the Co-operation Fund needs greater strategic focus. The Secretariat and the Fund are both unsustainably reliant on UK funds.

The Secretariat is in need of reform if it is to fulfil its crucial role at the heart of the Commonwealth. DFID will link its future contribution to the Commonwealth Fund for Technical Co-operation to performance improvements in transparency, results measurement, human resource management, risk management, financial management and budget discipline. The Fund must also secure a more equitable burden share among its donors.

DFID has produced a Performance Agreement designed to help bring the Commonwealth Secretariat up to an acceptable standard in these areas. The UK will work closely with the Secretariat and our fellow members of the Commonwealth to ensure meaningful and urgent change, particularly in the run-up to the Commonwealth Heads of Government Meeting in 2018.

The Caribbean Development Bank

The Caribbean Development Bank (CDB) is a key partner for the UK, in a region to which we are deeply committed. We showed this commitment earlier this year by creating a significant new partnership - the UK Caribbean Infrastructure Fund (UKCIF), which will invest in much-needed infrastructure across the region.

It is heartening to see some progress in reform at the CDB over recent years, including more funding to combat climate change, results monitoring, gender awareness and increased overall lending.

However, the CDB, and particularly the Bank's Special Development Fund, is still performing below the standard DFID expects, and below its own targets.

The Multilateral Development Review has found delivery to be weak and uneven, with a high proportion of projects extended for years due to slow implementation, and limited progress made in critical areas, such as transparency.

UK support to CDB must go hand in hand with reform. With this in mind, the level of the UK's future contributions to the Bank's Special Development Fund will be dependent on improved delivery, and the Bank meeting International Aid Transparency Initiative standards.

We will work with the CDB to ensure that the separate UK Caribbean Infrastructure Fund is managed successfully and effectively. This is a bilateral programme where the UK can exercise much greater levels of oversight and control than the Special Development Fund. A DFID team will be embedded within the CDB to ensure delivery within the UKCIF.

Global Facility for Disaster Reduction and Recovery

DFID took the opportunity not to renew core funding to the Global Facility for Disaster Reduction and Recovery (GFDRR) earlier in 2016. While we welcome GFDRR's success in building an international consensus to tackle the risks of disaster, this Review found that other organisations are now playing more active roles in reducing such risks at country level. DFID will continue to work closely with the World Bank to integrate this important work into its core operations, and we do not rule out working with GFDRR on specific programmes in future.

Other considerations

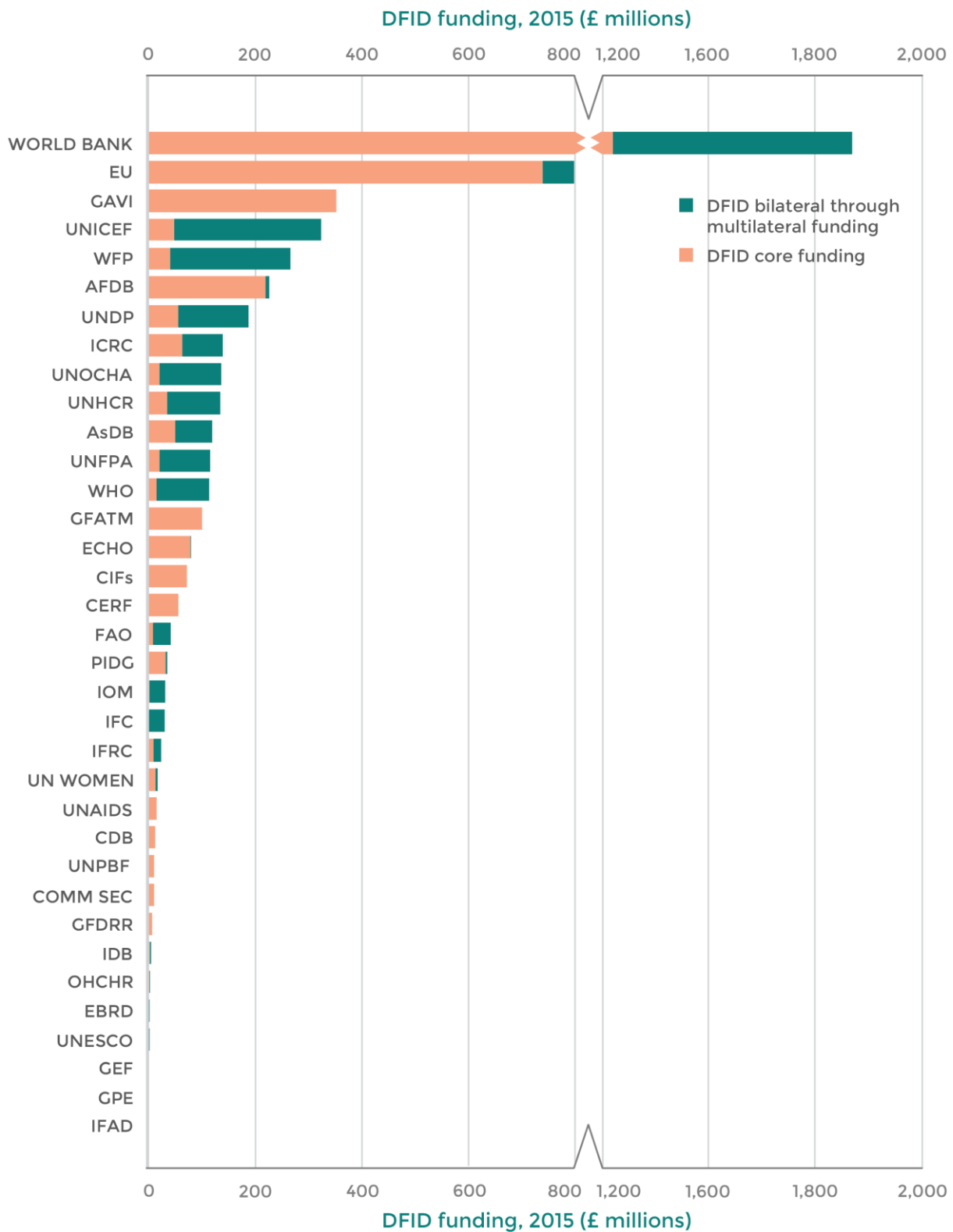
Annex 3 shows the performance of the agencies in this Review relative to the level of DFID core funding. DFID will continue to look carefully at the different types of funding we are providing to agencies to ensure maximum value for money.

We recognise that core funding is a particularly valuable resource for agencies because it goes to their headquarters and provides flexibility to work across different areas of their mandate. It also funds central policy and coordination and evaluation work which is critically important to achieving results, but may attract less funding from the private sector or private donors.

On the other hand, where DFID's funding is to achieve a specific purpose or for a particular country or region, we will use earmarked funding instead. This is managed like a contract for delivery in a particular country or region and on a set of pre-agreed results. During the last five years, this type of funding has accounted for around 20% of DFID spend. It is known as "bilateral through multilateral" funding.

The mix of funding varies by type of agency (figure 5). For example, 85% of DFID's support to UNICEF is given as earmarked funding to deliver services on child health, education, nutrition and safe sanitation in poor countries. By contrast, UNAIDS focuses on political advocacy, protection of human rights, data, research and technical support and DFID, therefore, provides funding to UNAIDS centrally.

Figure 5: Mix of DFID funding to Multilateral Development Review agencies, 2015



The UK's decision to leave the EU will have implications for DFID's future partnerships with the EU bodies included in this Review. In the meantime, the UK continues to work with the EU, meeting our obligations, including funding to the European Development Fund (EDF) to support the poorest countries in Africa, the Caribbean and the Pacific, and humanitarian work via the Directorate General Humanitarian Aid and Civil Protection (DG ECHO).

In deciding future funding levels to international agencies, DFID will continue to take into account the level of the UK's funding relative to others. We will look at how well the organisations we work with are mobilising resources from across their member countries, as well as from others including the private sector.

We expect all agencies to manage their resources carefully, including exchange rate shifts and future liabilities around pension or other staff costs.

Conclusion

In today's globalised, interdependent world with all the challenges and opportunities we face, the world needs strong global institutions that are relevant for today and for the future.

DFID will use the results of this Multilateral Development Review to guide policy work and future investments with multilateral agencies.

Critically, we will use Britain's leading position to create a global aid system that reaches even more people, saves more lives and lifts more countries out of poverty. This bold new approach is firmly in Britain's national interests; it will help build a more stable, more secure, more prosperous world for everyone.

References and endnotes:

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- ³ Commonwealth Secretariat Annual Results Report 2014/15, Commonwealth Secretariat (2015)
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- ⁵ Presentation 04f - IFFIm Chair Report Slide 4, Gavi (2015). Converted to GBP using exchange rates at time bonds were issued
- ⁶ Multilateral Aid Review, DFID (2011)
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- ⁹ The reviewers were Professor Ngaire Woods, Dean of the Blavatnik School of Government, University of Oxford and Mr Ed Hedger, Director, UK Overseas Development Institute
- ¹⁰ UK aid: Tackling global challenges in the national interest, Her Majesty's Treasury and DFID, (Dec 2015)
- ¹¹ DFID: single departmental plan 2015 to 2020, DFID (Feb 2016)
- ¹² Global Goals for Sustainable Development, including the commitments on Leave No One Behind
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- ¹⁴ The Moral Imperative Towards Cost Effectiveness in Global Health, Center for Global Development, Toby Ord (2013)
- ¹⁵ Gavi Replenishment launch investment opportunity, Gavi (2014). Original figure, US\$1.3 billion, converted to GBP
- ¹⁶ Compared with baseline of US\$35. Sources: <http://www.gavi.org/results/goal-level-indicators/market-shaping-goal-indicators/>, <http://www.slideshare.net/Gavi-Vaccine-Alliance/ceo-board-report-june-2016> based on UNICEF Supply Division figures, <http://www.unicef.org/supply/>
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- ¹⁹ <http://www.publishwhatyoufund.org/index/>
- ²⁰ Commitments to Action, World Humanitarian Summit, (23-24 May 2016)
- ²¹ Organisational arrangements and Capacities in UNDS: Supporting the Realisation of the 2030 Agenda for Sustainable Development
- ²² Addis Ababa Action Agenda of the Third International Conference on Financing for Development, UN (2015)
- ²³ Multilateral organisations operate in dollars. \$500 is the threshold that DFID will apply
- ²⁴ Youth Employment brief, World Bank (Feb 2014)
- ²⁵ The UN Secretary General's High-Level Panel on Women's Economic Empowerment <https://www.empowerwomen.org/en/who-we-are/initiatives/sg-high-level-panel-on-womens-economic-empowerment>
- ²⁶ The Paris Agreement builds upon the United Nations Framework Convention on Climate Change http://unfccc.int/paris_agreement/items/9485.php
- ²⁷ <http://www.mopanonline.org/about/whatismopan/>
- ²⁸ <http://effectivecooperation.org/>

Uncaptioned images:

p4 Secretary of State for International Development Rt Hon Priti Patel MP in Kenya © DFID/Rob Oxley

p6 left to right:

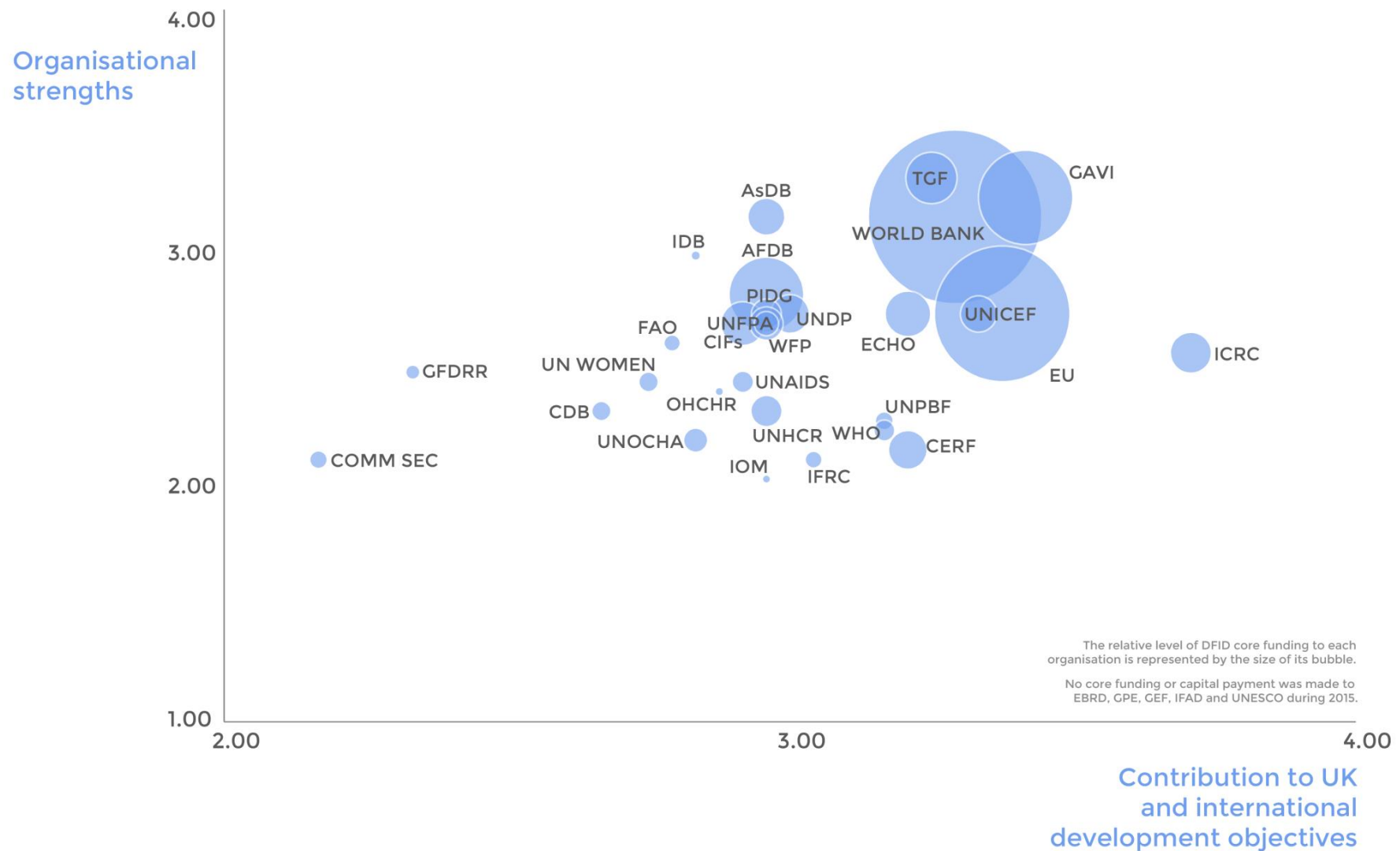
- A peer educator holds a community discussion group to help prevent the practice of FGM/C, trained through a UNICEF-UNFPA Joint Programme in Burkina Faso. DFID/Jessica Lea
- Supplying food aid inside Syria © WFP/Laure Chadraoui
- A nurse at Merawi health centre supported by Gavi, the Vaccine Alliance in northern Ethiopia prepares a measles vaccine for delivery © DFID/Pete Lewis

Annex 1: The assessment framework

Index	Component	Assessment Question
Match with UK Priorities	1. What it does	A: Critical role: does the agency have a critical role in delivering DFID's Strategic Objectives, including achieving the Global Goals and improving resilience and response to crises?
		B: Comparative advantage: does the agency provide an advantage over UK bilateral aid?
	2. How it Delivers	C: Partnership: does the agency work well with others to achieve UK and international development outcomes?
		D: Leave No One Behind: does the agency take action to meet the Global Goal to leave no one behind?
		E: Gender: does the agency ensure a suitable focus on girls and women in its policies, investment choices and partnerships?
		F: Climate: does the agency support 'climate smart' development, and resilience to disasters and other climate shocks?
	3. Where it works	G: Geography and resources: does the agency work in the right places for its particular role and mandate, informed by an appropriate graduation strategy?
		H: Performance in fragile states: does the agency perform well in fragile and conflict-affected states?

Index	Component	Assessment Question
Organisational strengths	4. Results and value	I: Results: does the agency demonstrate delivery against results and objectives?
		J: Controlling costs: does the agency take action to drive down costs to secure value for money?
		K: Efficiency: does the agency demonstrate efficiency in managing its operations and programme and investment choices?
		L: Human resources: does the agency deploy human resources for maximum impact?
	5. Risk and assurance	M: Risk and assurance: does the agency promote risk management and assurance in its corporate governance?
		N: Fraud: does the agency prevent, detect and take sanctions against fraud and corruption?
	6. Transparency and accountability	O: Transparency: does the agency strive to exceed global aid transparency standards?
		P: Accountability: is the agency accountable to partner governments or clients and beneficiaries through all of its work?

Annex 2: Performance of Multilateral Development Review agencies showing relative level of DFID core funding in 2015



Annex 3: Performance agreement with the Global Fund

The Global Fund has helped to save 20 million lives since it was established in 2002, and aims to save a further 8 million lives through the Fifth Replenishment. It has been highly successful, but it must continue to improve to achieve even greater impact. We have a duty to people affected by HIV/AIDS, TB and malaria to ensure the Global Fund continues to be as effective as possible. To support the Global Fund, and to ensure that UK taxpayers' contributions deliver the greatest possible impact, we have agreed ten areas which the Global Fund will prioritise for further improvement.

Maximising lives saved

Given the wide variation in the cost effectiveness and impact of different interventions, utilising the most cost-effective interventions and products can significantly increase the effectiveness and Value for Money of our efforts. The Global Fund must implement rigorous processes to ensure that the specific interventions and products used in preventing and tackling the three diseases are the most cost-effective possible. The Global Fund will set clear expectations to countries that they will use the highest value interventions, evaluated using internationally accepted standards for economic evaluation, develop a Value for Money framework for countries to guide the design and implementation of Global Fund grants in the most cost effective manner, and report on the framework's progress and impact.

Payment by Results at country level

The UK will support the Global Fund to increase its focus on results, such as the number of HIV patients using antiretroviral drugs and bed net coverage for malaria. As part of this, the Global Fund will strengthen its work to improve the quality of information about Global Fund supported programmes, particularly in the worst affected countries and most difficult environments. Over the three years of the replenishment we expect to see at least 15% of Global Fund investments in developing countries only being released in proportion to concrete, proven results.

Cutting out inefficiency

Two of the greatest sources of inefficiency in health are inefficient procurement and weak supply chains. Delivering savings on the price of life saving health commodities, such as bed nets and anti-retrovirals, enables the Global Fund to reach more people with its money. The Global Fund will continue to use its market power to drive down prices and further develop its procurement model to deliver substantial cost savings worth at least \$250 million by 2019. Weak supply chains are a critical barrier to progress against the three diseases. The Global Fund will work with and learn from the private sector to assess supply chain inefficiencies in the highest impact countries and implement a results-based financing approach to address them.

Rooting-out corruption

The UK demands clear action to root out corruption throughout the international aid system. This includes the Global Fund. The Global Fund must deliver in full the commitments it made in its 'Prioritized Action Plan' to strengthen risk management, fiduciary oversight and results monitoring. This includes ensuring that its risk management and audit functions provide sufficient coverage of high risk programmes. The UK supports a strong, independent, first class audit function through the Office of the Inspector General. We expect it to audit the highest risk countries at least every two years. The Global Fund has a clear public

commitment to a zero tolerance approach to fraud and recovery of funds and will further strengthen its efforts to recover funding when wrongdoing is identified. It will ensure full transparency throughout its operations, so that people in developing countries can see how funds are being used.

Targeting the right countries

This is vital to achieving the end of the diseases as epidemics and ensuring that no one is left behind. The world's poorest countries are less able to provide life-saving health interventions to their own people and often suffer a particularly high disease burden. The Global Fund has a new agreed policy of directing at least 85% of its resources to Low and Lower Middle Income Countries. It must be strictly followed.

Helping governments deliver for their people

Protecting the health of citizens is the responsibility, first and foremost, of governments around the world. Our long term vision is for developing country governments to reduce their dependence on aid and increase investment in the health of their citizens. For every £1 of UK taxpayer money spent by the Global Fund at least £3 will be leveraged from developing country governments. This ratio will increase to £20 leveraged for every £1 of UK taxpayers' money for more economically successful countries. We need to progressively raise ambition in this area.

Getting business on board

DFID will work with the Global Fund to get more companies to support the Fund's work, including using the best of British skills to support global public health through new partnerships with the Global Fund. As well as leveraging new private finance for malaria, we also want to see increased contributions to the Global Fund from the private sector. In support of this the Global Fund will expand and develop innovative models of private sector engagement. The UK strongly supports new private sector health funds in more economically successful countries.

Championing girls and women

HIV and malaria disproportionately affect women of reproductive age and worsen maternal and neo-natal health outcomes. HIV infection rates among adolescent girls remain shockingly high and progress in preventing malaria during pregnancy has been limited. The Global Fund will develop strong partnerships with national governments, civil society, technical partners, other donors and the private sector to together address the underlying causes of HIV infection in adolescent girls and young women and reduce the impact of malaria on pregnant women and their unborn infants. Working with partners, the Global Fund will reduce HIV incidence in this group in the hardest hit areas of Sub Saharan Africa by up to 40%. Far too few pregnant women receive effective preventive treatment for malaria. We need to set and deliver a stretching target for increasing the number of women receiving preventive treatment against malaria.

Building stronger systems for health

The Global Fund will complement and improve developing countries health systems, helping them to provide health care to their own people. This will include strengthening national procurement systems, moving towards the use of national financial management systems, and building national health management information systems. The Global Fund will develop clear and measurable indicators of progress in all these areas and must deliver against them.

Getting the right expertise in place for value for money

We welcome the commitment of the Global Fund to create a central team dedicated to driving value for money and ensure additional expert support in country teams. Through our membership of the Board of the Global Fund, the UK will work to strengthen independent advice and scrutiny of the Global Fund to ensure that it is following best practice in seeking value for money.

Our vision

We want to build a global approach to development that is truly open.

Open economies

We want to build open economies, where people - especially the poorest - are free to work and trade, and to tear down the barriers that block this.

Open governments

We want governments to be open, transparent and accountable to the world's poorest. We want ordinary people in developing countries to be able to see exactly where and how their taxes are spent by their government.

Open aid

We want taxpayers, and people in developing countries, to be able to trace aid all the way through to where it eventually ends up. And we want to ensure that aid programmes listen to the voices of the people they are trying to help.

Open politics

We want to build open, democratic, accountable political systems, where the people in power have a real interest in improving the lives of their citizens.

Open global institutions

We want to build a multilateral system that is open and effective in what it spends and achieves.

Open trade

We want to open global markets to developing countries, so they can trade their way out of poverty.

Open societies

We want to build open societies, where no-one is held back by their gender, ethnic group, sexual orientation, disability, or belief system.

Open technology

We want to harness the power of new technology to reduce poverty and boost prosperity.

Openness about results and outcomes

We want to shift incentives at every level so that the focus is on outcomes. We want to explicitly link payments to results for the poorest. And we want to use evidence about cost-effectiveness to maximise the impact of our aid.

We will work in an open and collaborative way with others who share this vision, in pursuit of our common objectives.

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Cover image: Education is the strongest predictor of marriage age so staying in school is key for Bayush (far left), and her friends in Ethiopia. Bayush was married at three, but is now in education and no longer married, through support from DFID-funded programmes that work with her community. © Jessica Lea/DFID

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