HOUSE OF COMMONS

International Development Committee

Oral evidence: Sub-Committee on the Work of the Independent Commission for Aid Impact Reports– DFID's Support for Fragile States and UK Development Assistance for Security and Justice, HC 1041

Wednesday 25 March 2015

Ordered by the House of Commons to be published on 25 March 2015.

Watch the meeting Wednesday 25 March 2015

Members present: Fabian Hamilton (Chair); Fiona Bruce; Jeremy Lefroy; Fiona O'Donnell

Questions 1-39

Witnesses: ***Graham Ward CBE***, Chief Commissioner, ***Mark Foster***, Commissioner, and ***Claire Howard***, Team Leader, ICAI, gave evidence

Q1 Chair: Good morning everyone, and thank you for coming to our last ICAI Sub-Committee meeting in this Parliament. It will not be the last one ever, I hope. However, I think it will be the last one with the current commissioners, so let me extend a very warm welcome to you all and say a big thank you for all the work you have done in this Parliament. It has made a big difference to the work of the Department for International Development and, of course, the work of this Committee. We owe you all a great deal, so thank you.

We are, of course, discussing fragile states and your report on the impact of the scale-up of DFID's support to fragile states. Would you like to say anything before we begin?

Graham Ward: Yes please, Chairman. May I also say what an honour and a pleasure it has been for us to work with you and this Sub-Committee and with Sir Malcolm and the Committee as a whole to try to improve the lot of the poor in the world and to improve the value for money being delivered to UK taxpayers. We have very much appreciated the co-operation and the spirit in which we have been able to work together. We thank you and your colleagues very much indeed for that.

Chair: Thank you.

Graham Ward: In respect of the fragile states report, our experience from a number of reports that we had published led us to conclude that there was a need to review in more detail how DFID had managed the process of scaling up in fragile states, so we reviewed six country portfolios. We visited two of the countries: the Democratic Republic of the Congo and Somalia. As a result of the work that we did, we rated DFID's scale-up of funding in fragile states as amber-red.

At the time that the decision was made to scale up, DFID was unprepared to manage the scale of the additional funds that had been allocated to fragile states, and the processes that were used to develop plans and to allocate funds were not fit for purpose. They led to over-ambitious goal setting and accelerated programming ahead of management and delivery capacity. So our primary concern was that the portfolio programmes and interventions in each of the DFID priority states, fuelled by the very substantial increase in funding, are not yet on a clear trajectory to make a real difference to those fragile and conflict states even if individual programmes are delivering, as many of them are, basic services on the ground.

There have been a number of positive changes. We have seen diversification of delivery partners and better management of fiduciary risk. We welcome that. At country level, we have seen some good innovative learning. We have seen practice supporting effective design of new programmes and, indeed, redesign of older programmes. We saw that DFID has an impressive central research agenda focused on fragile states to build up evidence in key areas such as state building and political settlement.

I would like to conclude these opening remarks by saying that, over the last four years, DFID has been on a steep learning curve on how to be more effective in these fragile states, which we would be the first to agree are extremely difficult to operate in, but it does need to apply these lessons vigorously and thoughtfully across those environments as more money is committed in the years ahead.

Q2 Chair: Thank you, Graham. That was a very helpful introduction. Do you think that money has been wasted through the hasty creation of ill thought out programmes in response to the scale-up?

Graham Ward: My perception is not that we have seen significant wastage of money, but Mark, you were the lead on this one.

Mark Foster: Yes. Our perspective is that what happened was that a very large amount of money was committed to these countries early in the 2010 to 2015 cycle and the countries were then faced with the task of trying to find a way to spend that money. They tended initially to try to use their existing partners—often, UN and other multilateral partners that were available in country—and they have been on a learning curve since then of finding out that actually those initial partners and initial programmes were not the best starting point from which to make a real difference. What has happened over time is this. They were not able to spend as much on the initial programmes as they thought. They went through redesign cycles with new partners and new programmes, many of which we feel are now better positioned to really make a difference. In many cases, as you will see from our report, less money was spent than was anticipated. To some extent, if there was wastage, it is in the frictional cost of all that replanning and rethinking, as opposed to us really feeling that lots of money went out the door inappropriately in those early years.

Q3 Chair: Why do you think country offices produced such over-ambitious proposals for what could be achieved in four years? Do you think it was a lack of experience, or just opportunistic bidding?

Mark Foster: Our feeling is that, in a way, the system asked them to operate in this way. The question posed to country offices was: if you have money, how much can you achieve? That effectively led to bidding for the best buys in aid at that time against the results framework and agenda. That led people to say, "If you gave me this much money, I could do this much more." The countries therefore felt this was an opportunity for them to put a marker down and really say what they could do. Of course, the learning from this whole process is that the amount of money you have does not necessarily lead to more impact. It all depends on the absorptive capacity of the country, of your own organisations and the partners and the programmes you can actually execute against.

So I think that the way the initial BAR process played itself out from allocation perspectives led to some unintended consequences around overbidding. What has happened since then is that realism has set in as each country office has found out what it can achieve, and it has gone through a replanning and a rethinking after that.

Q4 Chair: Do you think there are sufficient safeguards in place now to stop this kind of overbidding in future?

Mark Foster: It will be interesting to see what the new process will be for the next phase of this. It is our view that these countries are much better prepared now in terms of the skills on the ground, the size of the offices, the competencies that they have, and their awareness of the context and of the partner base. There is a better starting point this time around. In the end, we still believe there was a risk of a mindset that makes a policy judgment around an amount of money, with less regard for whether that much money could be spent in that way in these places. I think our sense is that that may be an ongoing risk. The important thing will be that this idea of spending against what you can see you can really make a difference with, and can put into the channel, should be part of the thought process, more than some big announcement about an amount of money or a proportion of spend.

Q5 Fiona Bruce: I have four questions, so can you adhere to the Chairman's request and answer briefly?

Mark Foster: Sorry.

Q6 Fiona Bruce: No, that was not an admonishment; I am just letting you know. The report mentions concerns expressed to ICAI about whether DFID was the most appropriate part of the UK Government to be undertaking programmes in fragile states. We are interested to know who raised those concerns with you.

Mark Foster: One particular case I can think of was raised with us by a representative of the Government of Somalia when we were in Mogadishu. They were very appreciative of the work of DFID and appreciative of the time that DFID leadership and personnel spent on the ground in very difficult circumstances, but there was a feeling that some of the things they were tackling there—the FCO has an active and effective ambassador present on the ground there—would have had more support from the FCO or maybe even from the Home Office around some of the security and other areas they were focusing on.

The sense was that, because DFID has the money and a big presence around its development agenda, sometimes there was an opportunity to think more outside the box about who could really make a difference on the ground around particular issues.

Q7 Fiona Bruce: Can I follow on from that to ask whether you have concerns about the FCO's readiness to administer the new conflict stability and security fund effectively? Do you have a view on that?

Mark Foster: We have raised some concerns in this report and there are also references in our conflict pool report. If you are starting to spend more substantive amounts of money around longer-term development-style programming, you need to have some of the competencies around the programme management, business case development and stakeholder management that DFID has had to develop over multiple years. That has not necessarily been the experience of the FCO at scale. There was a big programme we saw being planned in Pakistan on my recent trip there around rule of law, and our sense was that it is a good idea to do that programme. The key thing is what competencies we put at the table to really make sure that it is driven forward. It is potentially going to be a £10 million programme, so let's make sure that the right competencies are there to manage that.

Q8 Fiona Bruce: I want to ask you about the recruitment of new front-line staff in fragile states. How serious do you think the delay in the recruitment of front-line staff has been in terms of the impact in fragile states?

Mark Foster: That is a question I could ask Claire to comment upon.

Claire Howard: I think it has had a major impact. What we were learning at the country offices was that everybody was saying, "We've now got"—this would have been late 2013 to early 2014—"the people we need to start to deliver this." But the amount of time it takes to get the right people recruited who can deliver in fragile states is considerable, and that was not part of the thinking. A lot of the reason for some of the delays was lack of people. So yes, I think it was one of the three or four major causes of delay in expenditure.

Q9 Fiona Bruce: My last question: you found that the "do no harm" principle was not always monitored in a systematic way during programme implementation. How much damage do you think that has done to DFID's work in fragile states?

Mark Foster: First, you have to recognise that it is very hard to avoid all aspects of harm in every bit of programming in these kinds of environment. They are very complex. The interdependencies, unforeseen circumstances and knock-on effects are very hard to predict. We saw some examples where that had played out around specific programmes. Our feeling, though, is that there could be some more systematic application of principles around “do no harm” that would allow fewer of these risks to come to light.

Our feeling is that, particularly in fragile states, really applying that thought process, which involves getting below the surface of the context to truly understand the likely knock-on effects more deeply, is an area of further focus. In the end, we have to recognise that there will be a risk of unintended consequences from operating in these places. Part of our recommendation on risk assessment and risk appetite for DFID is that they are more open about these real risks in their planning processes.

Fiona Bruce: Thank you very much.

Q10 Fiona O'Donnell: Good morning. Following on from that, Mark, you were quite critical of the impact in terms of the strategic level. Do you think that DFID needs to undertake an analysis of what drives fragility in its priority countries in order to have a greater impact and be able to measure that impact?

Mark Foster: Yes, we do. We believe that the CPRD, which is their country diagnostic process, is a good starting point. But there is now a need to frankly think much more holistically about the pathway out of fragility in particular countries and to be clearer about how the building blocks and the programmes they are going to put in place fit into a model. They can then judge whether things are moving fast enough or slow enough in that picture.

We think that those building blocks need to be more realistic about where there is a foundational, basic need to be put in place first before you move into a transformational phase and to recognise that this is an arc of development over 15, 20, 25 or 30-plus years in most countries. What you can achieve in five years has to be bound by a sense of realism but grounded in a holistic view of the path out of fragility.

Q11 Fiona O'Donnell: Thank you. That was really concise. You have covered my next two questions to a certain extent, but if there is anything you want to add—the first is about DFID’s review later this year of the results framework. I wondered whether there is anything that you feel particularly needs to be included in that review. You mentioned that you consider DFID needs to innovate and develop realistic, pragmatic and systemic approaches. In reviewing the results framework and programme monitoring, what do you think DFID needs to be doing differently that you have not covered?

Mark Foster: The first thing to say is that we think there is a real opportunity to look at the results framework afresh. One of the big focus areas of our upcoming report on impact, which Diana and I and the rest of the team are working on at the moment, is to really understand different ways of casting the results that might get more truly at the real level of impact they are trying to achieve.

Your second question was about programme management. One of the key lessons that we brought out from this report was the value of programme management close to the action. Where we saw that DFID had dedicated a staff member to Goma, for example, which is where I was, we could see that that level of contextual awareness was making a real difference in terms of being able to flex the programming to recognise the realities. I recommend that that kind of thinking is thought about more completely as they go forward. Claire, do you have any final additional thoughts?

Q12 Fiona O'Donnell: Before you answer, Claire—you mentioned the delay in getting people on to the ground. Is there also then a further delay for those people to build relationships?

Claire Howard: Completely, and to get to understand the contexts. It was commented to me that a lot of the new people do not necessarily come from a UK public sector background or out of international NGOs or similar. They obviously have very good backgrounds and are very able, but they take quite a long time to get going. Certainly in DRC, we came across a number of points where the lack of really fluent language skills to pick up nuances rather than basic words, or of a realisation of the historical and cultural drivers of the way things were in DRC had led to wrong programming. That could happen even in places that appear to be much more straightforward. Former British colonial Administrations who have apparently Westminster Government structures still can have nuances that are not necessarily picked up immediately.

The only thing that I would say on the results framework, which is a difficult issue, is that because of the focus on big numbers—quantifiable results—at least two heads of office commented that the results framework covered barely 50% of what they were actually doing. In some cases, the things that are not actually measured under the results framework are some of the most potentially transformative. DFID is not necessarily reporting on areas where they could be reporting on success because it is not in the results framework.

Chair: Thank you very much. I am sorry that we have to cut short some of the evidence this morning. I am going to ask some of our DFID colleagues to come in now on this issue. I will then invite you back for the second report.

Examination of Witnesses

Witnesses: ***Richard Calvert*****,** Director General, Finance and Corporate Performance, and ***Lindy Cameron***, Director, Middle East, Humanitarian, Conflict and Stabilisation, DFID, gave evidence.

Q13 Chair: Welcome Richard and Lindy. Thank you for sparing the time to come this morning. Is there anything that you want to say by way of introduction before we start the questions?

Richard Calvert: I am happy to comment generally on the report if that is useful to the Committee.

Q14 Chair: If you are able briefly to say a few words, yes.

Richard Calvert: As ever with ICAI reports, we welcome the report and the challenge in it. A lot of the issues that are set out in this report very much mirror the story of DFID's transformation and work over the past four or five years, which is not surprising because working in fragile states has been so central to our work. The process of results setting, building capacity, scale-up, and continuing flexing and adjustment of those plans is familiar. It is not unique to fragile states but it reflects the journey that the Department set out in 2010 when we knew that we had the scale-up to 0.7% and an ambitious transformation agenda. Some of the issues raised in this report are quite generic issues for DFID and some reflect the specific challenges of working in fragile states. There is much in the report that we recognise. As ever with ICAI reports, there are areas where we would probably take a slightly different emphasis but, broadly, that is our assessment of the report so far.

Q15 Chair: Thank you Richard. Lindy, do you want to add anything?

Lindy Cameron: No.

Q16 Jeremy Lefroy: How disappointed were you by the overall rating of amber-red from the "Fragile States" report? Do you accept ICAI's conclusion that the volume and planned pace of increased funding was out of step with the existing capacity of DFID partners in the fragile states themselves?

Richard Calvert: I think we have tried over the years not to focus too much on the colour of the traffic lights and more on the underlying conclusions and recommendations. This report recognises lots of good things and it recognises some areas where ICAI thinks we could have done a better job.

In terms of the challenge around scale-up and delivery, the report does not greatly surprise or concern me, because we know that, in 2010-11, we asked the Department to set out ambitious plans for scale-up. We deliberately did that. Earlier in the session, we talked about the process that we went through with the bilateral aid review, and that was deliberately a challenge to the organisation to change the way it thought about our programmes, and to say, "What are the results we can deliver with the resources that we expect to have over the next three to four years?" There are lots of reasons why our plans have continued to change over the years. To be honest, one of the most significant ones, which has not been mentioned so far, is that the level of budget was different over the three or four years from what we expected in 2010-11, so 0.7% in 2013, for reasons to do with the wider economy rather than DFID, was a significantly different number from what we expected it might have been in 2010-11. In many years of DFID's spend we have adjusted our plans.

In fragile states, it is even less surprising that we adjusted our plans, because one of the fundamental messages coming through this report—we all know this—is that these are not all predictable environments. The adjustment of both spending plans and, in some areas, results predictions is something that we would have expected. Just last month, as a Department, we confirmed, in relation to the overall results tracker and the results framework that we set out in early 2011, that those results have all been delivered or are all on track. In many cases, those represent the results that we expected to deliver in 2011. In other areas, we have very reasonably adjusted both the countries and programmes while still remaining focused on the overall results areas.

Q17 Jeremy Lefroy: May I pursue that a bit? When we were in Nepal recently, the most impressive programmes, certainly that I saw, were very long-term programmes such as the community forestry programme and the programme with the Gurkha Welfare Trust, which is supported by DFID, as well as other programmes, such as those managed through vaccination initiatives such as GAVI or perhaps the Global Fund with bed net distribution and so on. Given that, as the report says, it takes a generation or more to achieve a transformative impact in fragile states, do you think that DFID should perhaps be concentrating more on seeing how we can support these longer-term programmes rather than just working in three to four-year silos, as we tend to?

Richard Calvert: If you look at our overall programming plans, although to some extent, we are locked into the financing cycles that we work within—so we can commit resources in line with spending reviews—behind that, there are much longer-term plans. If you look at our current programme cycle, and both the firm project pipeline and the slightly less-developed project pipeline, that takes us many years out. We try very hard, and one of the benefits that DFID has been able to demonstrate for much of the last five to 10 years is the ability to stay focused on the long term. So there are many aspects of our programming where we would see long-term benefit, and I recognise some of the programmes you talk about, but I will perhaps ask Lindy to comment as well. She has been involved in our work in fragile states for much of the last 10 years or more.

Lindy Cameron: I think you are absolutely right that where it is possible to do so, absolutely the right thing to do in fragile states is take a 20-year horizon. That was a very clear conclusion from the world development report on conflict in 2011. But often, in fragile states—with them being fragile—that is not as easy as you would like. Yemen is a great example of a country that has had both opportunities and reverses in my part of the world, and I think a number of fragile states go through significant cycles of increased and decreased violence. That means you have to have adaptive and responsive programmes that are able to change and respond to the differential of cycle that countries are in, and take a long-term view while being quite agile and flexible as well.

Q18 Jeremy Lefroy: That is encouraging to know. Sometimes we tend to have the view that DFID's institutional memory is fairly short term, and that there are not these long-term threads of projects going through, particularly in these fragile and conflict-affected states. I think that is something that certainly I and other members of the Committee are concerned about.

It is important that we see that. Often the information is just presented to us in terms of expenditure in a particular year or over a four-year period, rather than telling us what has been happening for 20 years. That is why, as I said, the community forest programme in Nepal, to give one example, was so encouraging—we saw the huge impact over a long period of time.

Finally, ICAI questions why you have chosen to withdraw from the education sector in Somalia. Do you agree with the conclusion that it would be better for you to cover a wider range of sectors in fragile states, to ensure that gaps in development were not exposed?

Lindy Cameron: Part of the challenge of working in fragile states is that you have to be quite focused on where you can make a difference. You are often working in environments where access is quite challenging and where partners can be quite difficult. I think there is no one-size-fits-all answer to that, to be honest. In some fragile states it is right to focus on one or two key sectors where the analysis has suggested that that is an underlying driver of fragility and instability. In others—and I think Nepal is a good example—in actioning a slightly more stable long-term phase, it is easier to take a broader-based approach to that.

Q19 Fiona Bruce: I come to how the scale of the funding could expose differences in priorities between the DFID country portfolio and National Security Council priorities. How is DFID working to ensure that central and country-level priorities are aligned without losing the focus on poverty?

Lindy Cameron: Perhaps I can take that to start with. Recently, what has been happening is that for national security priority countries there has been a country-strategy approach taken by all key Departments that are part of the national security apparatus. That means that in a sense we are thinking through what the collective set of UK Government objectives are.

In all of DFID's fragile and conflict-priority countries, DFID's objectives are a key part of that cross-Government strategy. I think we are very comfortable that DFID's objectives are well nested in the broader architecture. Yemen would be a very good example of where that is clearly the case. In fact, our ambassador at the moment would say that our humanitarian priorities in Yemen are some of the most important.

Q20 Fiona Bruce: There has been a large increase in private-sector contractors to deliver programmes in fragile states. We heard about the difficulty in recruiting staff, where you have scaled up. How has the scale of the funding made it difficult for you to find appropriate private-sector partners to work on it?

Lindy Cameron: To start with, finding partners in some of these fragile states is very difficult, particularly where the threat is high; Afghanistan would be a good example. What we have done over the past few years is invest a lot in, for example, early market engagement to ensure that we have understood the supplier base before we go out to the tender process. I am one of the leads in DFID for a key supplier relationship where we have taken a more holistic approach to understanding some of our key private-sector suppliers, so that we understand what they think their portfolio work with us looks like, and we can compare and contrast what is working for them as well as for us, across our whole country portfolio.

Therefore, we have taken a more proactive engaged approach to ensuring that we are not as dependent on a small number of private-sector suppliers. It is equally important that we look at the opportunities of working with NGOs and the multilaterals in these countries, where there are often different, frankly, comparative advantages of each kind of partner.

Richard Calvert: May I make a brief point? There is a concern raised in this report and others that our procurement processes are favouring larger rather than smaller contractors. I looked again at that last week. The evidence really does not support that. We have seen that, as we have developed the framework contract approach over the past three of four years, we actually have a higher proportion of small and medium-sized contractors coming into the DFID procurement base than was the case before.

Q21 Fiona Bruce: Is that in actual contracts? What about in value?

Richard Calvert: I think it works for both value and number of contracts. One reason for that is that, by getting a framework in place, you pre-qualify companies. One thing that can be hard for small companies is going through the process of constantly having to go into a full bidding process for a contract, but once they are pre-qualified through a framework it is a much more straightforward process for them to be successful in gaining contracts. We would be happy to share with the Committee some of the data on that. When I was with the team in Scotland last week we looked at exactly what the story had been on this over the past two or three years.

Fiona Bruce: That might be helpful because I can see some of the ICAI representatives' eyebrows being raised at that.

Chair: Thank you. It would be helpful if you could send that to us.

Q22 Fiona O'Donnell: Returning to staffing, I have a question in three parts. First, the increase in staff to scale up the projects was crucial to their success. Why did it take so long to recruit and what was the impact of that? The second part refers to Diana's comments about the gaps in language skills when staff were recruited and of cultural knowledge of the country that they are working in. As a Committee, we have certainly heard about that when we have visited many country offices. What is DFID doing to address that? The third part is about financial management and concerns that there are even greater risks of corruption in fragile states. Do you have the correct people to ensure that there are people with the correct financial management skills in country?

Richard Calvert: First, on overall recruitment of staff, as I implied earlier, when we were planning for the 2013 scale-up in 2010-11, we recognised quickly that we would need a lot more staff to deliver it. Unfortunately, we had a two to three-year period before the programme scaled up to 0.7%. You will remember that the trajectory for the scale-up was quite steep between 2012 and 2013. As an organisation, we had about 2,300 staff in 2010-11. That had risen to about 3,000 staff by 2013-14.

That scale-up of staff and the recruitment inevitably took some time but that was always going to be the case. What was important to us was that we had the staff properly in place by 2013-14 to deal with the scale-up that we knew was coming. Basically, we achieved that. We went through the biggest recruitment exercise that we have ever been through as an organisation. We brought in about 500 front-line staff and the vast majority of those had specialist skills in the key professional areas that we knew that we would need. The fact that we were able to deliver the scale-up in 2013-14 in a way that has delivered the results and the value that we wanted it to deliver, shows that basically that process worked. Had we been able—

Q23 Fiona O'Donnell: Sorry, Richard, are you saying that you do not think that that had any impact on the programme delivery?

Richard Calvert: I think we delivered more or less on plan. When we sat down at the end of 2010 and looked at the scale-up, if we could have suddenly had 500 staff in the organisation the following week, that would have been great. But that was never the world that we were going to be in. The advantage that we had—this has been recognised in some of the wider reporting on the DFID transition over the past four or five years—is that the need for that staffing build-up and scale-up was anticipated early, and plans were put in place. It was always going to be an 18-month to two-year process to bring in the staff that we needed, get them into country offices, and get them inducted and ready. The aim was to have the teams at the level that they needed to be to support the scale-up in 2013 and, broadly, we are satisfied that that was delivered.

Q24 Fiona O'Donnell: Do you acknowledge that there was a skills gap, though?

Richard Calvert: Initially, there was. We could not have delivered 0.7% with the staffing we had in 2010-11. That is absolutely clear and there was never any suggestion—

Q25 Fiona O'Donnell: I mean that there were skills gaps in the staff who were recruited and then placed in country. Diana said, in her evidence, that people did not have the language skills and cultural knowledge when they arrived.

Richard Calvert: I think you always get a mix of skills in a team. Look at a typical DFID country office; increasingly in senior grades, we have a mix of UK nationals, staff appointed in country and, indeed, nationals of other countries. You are obviously looking at people with a range of different professional skills. As a head of office, you are looking for whether you have the right mix of skills within that team.

We have invested a lot in language skills over the past few years. In a previous hearing, we talked about some of the process we have made with that. In many country offices, it is correct to say that we rely a lot on the deep cultural knowledge and language skills of our staff appointed in country. As an organisation, we very much see staff appointed in country as a key part of our senior professional team. We do not regard them as support staff; we regard them as a key part of the team. That is critical. To run a DFID country office without that set of skills would not work. But equally, many of our home civil service staff who are appointed to countries do develop language skills. That is not to say that everyone has the same level of skills as a native speaker; that will never be realistic. But that is the approach we would take.

Q26 Fiona O'Donnell: And on financial management?

Richard Calvert: Financial management and commercial skills, again, is something that we have invested a lot in as an organisation. We put in place a new financial operating model around 18 months to two years ago. That has involved us professionalising a lot of posts that I would have described as semi-professional before the new operating model. We have put a lot more professionally qualified staff into the country network, as well as bolstering the team in the UK.

I see the financial and commercial teams as going hand in hand. We have based a lot of commercial advisers in the country network. We have also changed a lot of our core procedures. As the report recognises, the procedures for due diligence and risk management have been stepped up. As the DG for finance, I would always say that the organisation can do more to embed the best possible financial management skills in every bit of the organisation. But we have made really good progress. The extent to which the Department has been able to demonstrate good use of money and good value for money is a reflection of that investment.

Chair: Thank you very much indeed. I am sorry that we are going to have to stop it there. That evidence is very helpful. We are now going to move on to the review of UK development assistance for security and justice.

Examination of Witnesses

Witnesses: ***Graham Ward CBE*****,** Chief Commissioner, ***Diana Good***, Commissioner, ***Mark Foster***, Commissioner and ***Nisha Iswaran***, Programme Manager, ICAI, gave evidence.

Q27 Chair: If you do not mind, Graham, I would like to go straight into the questions, because we are short of time. You have given an amber-red rating for all elements of security and justice work. Do you think that the lack of an overarching strategy for the portfolio is to blame, or is it the wrong approach in general to tackling the challenges in security and justice?

Graham Ward: I start by offering the apologies of Marcus Cox, who is the team leader and is elsewhere. Diana, as a former judge, knows a bit about justice, and that has been extremely helpful to us in putting together this report.

The overall sense we have here is that the work is not always focusing on the right areas, and therefore the results that should be being achieved are not being achieved. We saw a mix. The work in respect of women and girls was very good, and you will have seen that we praised that in our report. But there are other areas where it seems that the ideas being implemented are ideas that have already been proven by DFID's own internal evidence gathering to not be as effective as one would wish. I know that Diana has more flesh to put on those bones.

Diana Good: I would say that the lack of an overarching strategy is a deliberate choice on DFID's part, on the basis that they will allow countries to come up with context-relevant, innovative programming. But in fact, as our report says, what we have seen is a tendency to revert to a menu of conventional standard programming, which are repeated year after year in many countries—for instance, model police stations—and are simply not delivering benefits for the poor or working. That is DFID's own evidence. So one of the critical issues here is a lack of management attention.

The fact that it is situated within CHASE creates a problem. By way of example, in the past two weeks, we wanted to have a meeting with the leads on this within DFID in order to discuss our recommendations before they produced their management response. Entirely understandably, they were blown out of the water by the Vanuatu crisis. That is the nature of CHASE's work. Security and justice has to take second place. We think that that is a very real issue, and what we see in the management response, which we think is disappointing, illustrates the nature of the problem: lack of management attention and lack of overarching strategy. Also, there is repetition of what we have absolutely identified as pockets of success in terms of the programming, but these are isolated instances of a component of a programme that is working, rather than a focus on what might make a difference. There is a focus on institutional reform that is over-ambitious and not realistic in many of these environments. People are treating the police as the beneficiary or the client, rather than focusing on community needs. It's when we have seen the community work, community justice—you saw the same in Sierra Leone—that we have seen the real hallmarks of something that can be built on and needs to be done better.

Q28 Jeremy Lefroy: You consider that DFID should adopt a more tailored approach to security and justice assistance, with local solutions to specific challenges, but isn't that likely to need more money than is available?

Diana Good: There is no doubt that identifying what the real needs are in the community and working with the community—that is not just lip service consultation at some stage; it is really working with the community and also implementing and monitoring our work—takes a long time. It does not necessarily cost more. Local knowledge often lies with local NGOs. They have real local knowledge and often can be far cheaper to work with than trying to work on major institutional reform via major contractors, international contractors. However, that involves hanging in there for a long time and really working at local level, but with multiple approaches. For instance, we think that, as far as community policing is concerned, there needs to be much more of a multi-pronged approach that involves working with faith leaders, local community leaders and youth groups and not just focusing on the police station. Then there needs to be a real effort to interrogate the evidence as to why things are not working properly or why the take-up is so low. For instance, victim support units are certainly doing some good work—there are indications of success there—but when, in a city the size of Dhaka, with Bangladeshi women facing the levels of violence that they are, only six women a week go into a victim support unit, that has to beg questions, and we don't see DFID asking those questions.

Q29 Jeremy Lefroy: You found that communication between DFID and the UK security and justice agencies can be poor. If that is not addressed, what impact could it have on future CSSF programming?

Diana Good: This is a very real issue. You have only to have sat in a number of meetings, as I have, with different elements of the various UK agencies and then in meetings with them all together to have seen that the level of communication between them is not as good as it should be. I think that the CSSF offers an opportunity for greater coherence, but it also presents a good number of problems, which we have highlighted in other reports. Because it involves more players, it runs the risk of people competing for the funding pot, rather than bringing coherence. I think it's a space that ICAI and no doubt the IDC will want to watch to see whether it does result in greater coherence or results in some competitive bidding and a lack of communication.

Chair: Fiona Bruce, I know you want to ask a supplementary question before I bring in Fiona O'Donnell.

Q30 Fiona Bruce: I want to ask whether you think that DFID is recruiting enough UK legal expertise to focus on these projects, but then I wonder, turning it on its head, whether there is enough expertise of the right type. It was a long time ago, but my training at university and law college would not have prepared me to think about the possibility of a career in international development and promoting the rule of law in other countries. Is that something we are lacking? Does it pose a real challenge for recruitment?

Diana Good: There are very real recruitment challenges, and I agree with you entirely that the fact one has a law degree does not suddenly mean that you are able to sort out security and justice problems in other countries—it needs a multiplicity. The trouble with security and justice is that, although there is a tendency within DFID to treat it as a single service rather like education or health, it actually involves an enormous multiplicity of players—the police, the politicians, the judiciary, the lawyers, the village vigilante groups or whoever—and therefore it needs a complex result. The stabilisation unit has good people within it, and they are working with very limited resources at the centre. In country, having people without a combination of legal, judicial and police backgrounds undoubtedly makes it difficult without there being clear guiding principles, clear overarching strategies, much better learning and much better quizzing of the available evidence on what is working, what is not working and why. That is why one keeps seeing, I suspect, drawing down on the conventional menu of programming, which leaves gaps, without pursuing why those things aren't working.

Q31 Fiona O'Donnell: May I begin by apologising? I may have attributed comments to you that were in fact made by Claire in a previous session, so I correct the record. Why do you think DFID has limited itself to such a narrow range of activities in security, peace and justice? Do the staff and stakeholders that you have met agree with your analysis? Do they think it was a flawed approach?

Diana Good: I think that it has just become a pattern to repeat programming. DFID repeats model police stations in a variety of countries, for example. It repeats its approach to community policing, which tends to be to help police with their outreach in terms of open days, but that does not actually make a difference to security and justice in the community. There is a lack of innovation and a lack of questioning the evidence, which results in their repeating programming. Our experience with DFID is that they don't accept it, and I think that is because it is on the "this is a very difficult area" pile. We have every sympathy with that, because it is a very complex and difficult area, but they should focus on what they are doing better. The focus on women and girls is showing really good early signs of making a difference, but it needs to be done in depth before there is an urge to spread it geographically and reach impressive numbers. There is too much spreading very thinly, rather than really doing pilot programmes and really working out in depth what will work in communities. Take a victim support unit and ask yourself why women are not coming in. Is it because it is in a police station and women don't trust the police? Is it because no outreach work is going on? UNICEF said to us that the women who were sitting outside the very hospital in which a one-stop centre has been created had no idea that the service is available within the hospital because the signs are not written in a language that they can read, if they are literate, or that anybody could tell them about. Nobody has informed them about it.

Q32 Fiona O'Donnell: It seems there are lessons that we could learn, even at home.

Diana Good: There are many.

Fiona O'Donnell: Supermarkets are offering Women's Aid space in stores because it makes it so much easier for a woman to seek help. That is both my questions answered. Thank you very much.

Chair: Thank you very much indeed. I am sorry that we have been a bit truncated. Can we have our last panel? Our last evidence is from DFID on assistance for security and justice. I'm afraid that we have about 10 minutes before we have to conclude.

Examination of Witnesses

Witnesses: ***Richard Calvert*****,** Director General, Finance and Corporate Performance, and ***Lindy Cameron***, Director, Middle East, Humanitarian, Conflict and Stabilisation, DFID, gave evidence.

Chair: We will go straight into it, if you do not mind. Fiona O'Donnell.

Q33 Fiona O'Donnell: Do you agree with ICAI that the limited programme of S and J activities is evidence that DFID does not like to work out of its comfort zone?

Richard Calvert: That is not something that DFID is always accused of as an organisation. We are often seen to be testing our comfort zone pretty hard. This is a difficult area, and I think, as we have heard in some of the previous comments, many of the issues that you are trying to tackle in the area of security and justice are very deep seated—deep cultural issues, and many other issues—and they are not straightforward. I do not think that DFID is struggling to get outside its comfort zone here. Some of the examples that have been picked up, for example some of the work around women and girls that has come out of DFID's much broader focus on women and girls as an absolutely top priority for the organisation, show that we are prepared to take on and do difficult things.

At the same time, we do acknowledge many of the wider points in the report. This is potentially a huge area, and I think we particularly acknowledge the challenge to review again and refresh our overall strategy as well as some of the points around evidence and learning, which are ones we would also recognise ourselves.

Q34 Fiona O'Donnell: Would you agree that smaller programmes focused on specific issues and problems appear to be more successful than larger, top-down ones? Three years ago we were questioning Andrew Mitchell about work around violence against women in Afghanistan, and the question is still being asked: are we doing enough to work with community-led and community-based existing projects to support them, rather than all the time trying to feed it?

Richard Calvert: It is always going to be a balance. The debate is about balancing bottom-up, small-scale activity that gets very close to the people and the issues that you are addressing and at the same time recognising that long-term, sustainable change is often dependent on wider institutional reform. That debate is not unique to this sector. I will perhaps invite Lindy to say a bit more.

Lindy Cameron: Briefly, it is not a choice for us. We need to do both. This is a sector that is absolutely critical for poor people. We have seen that in every country that we work in. For us, it is not a choice of just looking at a number of neat areas where we can make a difference or just looking at it top down; the answer has to be doing both.

Q35 Fiona O'Donnell: What was very concerning within the report was the fact that advisers have felt under pressure to overstate the results that programmes could achieve. Were you aware that advisers felt that way?

Richard Calvert: We talked in the previous session about the approach DFID took to results over the past four or five years. It is true that we challenged people to be ambitious in setting results targets in 2010-11. It is also absolutely the case that we did not try to force everything into a simple results framework. For me, picking up one of the earlier comments, the fact that our departmental results framework covers only 50% of what we do is one of the core strengths of the framework. Actually, it is designed that way precisely because much of what we do and much of what will deliver long-term change is not susceptible to a simple advance results framework. This is one of those areas where, as in many areas of governance and cultural and institutional change, you cannot simply force that into a results framework.

Q36 Fiona O'Donnell: But were you aware, Richard, that advisers felt that way?

Richard Calvert: There has been a debate in the organisation over the past four or five years about how you best do results. We look forward to ICAI’s comments in the impact report on their reflections on results. It is something that we will be reflecting very hard on as we go into the next Parliament. The focus on results as an organisation has been fantastically powerful, and it is something that we hugely value, but it is not straightforward. You will have seen in your work and your visits that it is not straightforward to turn everything we do into simple results. We want to carry on learning in terms of how we best do that going forward.

Q37 Fiona Bruce: What role will the new Senior Responsible Owners play in addressing criticisms of the level of supervision of partners' performance and the lack of consistent engagement with delivery partners?

Richard Calvert: The focus on better programme management over the last 18 months to two years is a really important shift for the organisation. One of the things at the heart of that is recognising that, perhaps in the first two or three years of this Parliament, too much of our effort went into design and not enough was going into oversight, delivery management and monitoring. So at the heart of the better programme management initiative and the role of SROs is trying to rebalance that and put much more explicit emphasis on responsibility for management throughout the life cycle and putting in place very clear delivery management plans.

Lindy, do you want to add anything?

Lindy Cameron: For me, the key issue is that that role will allow us to take the challenging approach that means that project owners are responsible for asking themselves, "Are we doing enough? Do we need to adjust our approach to ensure that we focus on maximising results, or do we need to take a long-term approach?" It is a challenge function, but I want to see better ownership of the accountability for it.

Q38 Jeremy Lefroy: Do you accept ICAI's finding that implementation partners were rarely challenged on their performance or reporting?

Richard Calvert: It is a very sweeping conclusion to draw from, I think, a relatively small number of cases. I think in DFID you would find many examples of very good supply management and I think certainly we as an organisation have seen that the much stronger focus on supply management both with our key suppliers and with other suppliers is delivering some real benefits. I think Lindy mentioned earlier that she was one of the leads for our key supplier management relationships.

Equally, we recognise that, as an organisation, we had not been strong enough right across the organisation in our supplier and contract management prior to that. But that is something that the commercial reform programme in DFID is addressing head-on.

Q39 Jeremy Lefroy: Finally, you have touched on this, but do you agree with ICAI that to achieve sustainable social change you have to go in much more depth, rather than try to spread geographically across quite a wide area of interventions?

Lindy Cameron: As I said before, to be frank, you need to do both. You need to drive down into understanding, as Diana described, what the challenges are so that you can get better performance out of existing programmes. But this is also a sector that you have to look at holistically. Frankly, it does not do any good to have a more effective police force that can lock people up unless the prison and courts systems are capable of handling that volume. So it is a system that you have to look at holistically as well as in depth. It cannot be a choice.

Chair: Thank you very much. I am sorry again that we had to truncate this session, but I am very grateful to you, Richard and Lindy, and to all the staff at DFID for the support that you have given us.

I am very grateful to our—sadly outgoing—commissioners at ICAI. I thank you and all the staff who have supported you for all your hard work, and thank you to Chloe and all our staff at the International Development Committee for their invaluable support. We could not have done our work without them. Thank you very much indeed.

Richard Calvert: Thank you from us as well.