

## DFID MULTILATERAL AID REVIEW

### COMMONWEALTH SECRETARIAT RESPONSE

#### **Introduction**

- The Commonwealth Secretariat acknowledges the outcome of DFID’s review of the development assistance provided by the Secretariat, undertaken as part of its wider Multilateral Aid Review (MAR) to assess demonstrable results and organisational effectiveness. It notes that the MAR encompasses a large number of multilateral organisations to which DFID provides financial assistance.
- The Secretariat notes in particular the conclusion reached that, based on the methodology and criteria that DFID used for the purpose of this review, the Commonwealth Secretariat “had not performed strongly” during the period under review. We acknowledge the assessment and its conclusion and will ensure that measures as appropriate are put in place to address the weaknesses indicated.
- Nonetheless, there are elements of the report and its findings with which we do not fully agree. A response from the Secretariat follows.

#### **General Comment**

- The Secretariat is a discreet and trusted partner which pursues programmes that are supportive of economic growth and development, good governance, respect for the rule of law and human rights, amongst other areas. These encompass “development” and “democracy” pillars. The Secretariat focuses on constituencies that are marginalised or threatened with marginalisation – Africa, low income and least developed countries, and small states, and draws as well upon a range of civil society organisations and networks to strengthen programme implementation.
- It is noted initially that the assessment considers specifically the Secretariat’s contribution to UK development objectives. It will be evident that this may not fully take into account the fact that the Secretariat derives and delivers its mandates based on the agreed collective priorities of member governments. We note, however, our satisfaction with the assessment’s acknowledgement that the Secretariat’s programmes support DFID’s objectives in two areas – supporting and representing the interests of small states on climate change, and upholding democratic values.

#### **Specific Comments**

##### **A. Critical Role in Meeting International Objectives:**

- The Secretariat is pleased that the assessment recognises the unique place the Secretariat holds in the international system as a network of networks, and agrees that this allows sharing of experience and the extending of influence beyond its membership. Having noted this, the Secretariat considers that the role it plays in supporting and

representing small states in the international community is significantly underestimated by the assessment. This role, today and historically, has been much more than a “niche role”. Indeed, the Commonwealth Secretariat has been the leading globally representative organisation undertaking advocacy on behalf of small states and advancing the view that small states face particular problems requiring special consideration. This perspective, pioneered by the Commonwealth, has now been widely accepted by others and thus entered the mainstream. In this, as in other areas, such as climate change, debt relief, and reform of international institutions, the Commonwealth’s capacity to influence has been well demonstrated.

- By way of further comment, it is indeed true that the Secretariat has only “**a small scale delivery role**”. The organisation’s total budget is less than £50 million, with only a proportion of this devoted to technical assistance and capacity-building. This compares unfavourably with multilateral and bilateral funds that are in the range of several billion pounds. It is noted that the most recent independent review of the Commonwealth Fund for Technical Cooperation (CFTC) finds responsiveness to small state challenges and the flexibility in doing so as a strength of the Secretariat’s programming. As that Review puts it “the scale of the CFTC, less than £25 million per year, including administrative and overhead costs, places it in a very different order of magnitude than its major partners... Key respondents from Commonwealth nations..... noted that some of the most significant CFTC-supported programmes were designed to meet small scale (and largely capacity related) challenges ....”

#### **A(i). Fragile States**

- The assessment does not provide a list of ‘fragile states’ to enable identification of the Commonwealth members that are so classified by DFID. However, as indicated earlier, the CFTC focuses on least developed and low income countries, and small states. Around 40-45% of CFTC resources are allocated to the African region whilst assistance to small states amounts to about 60% of resources. Our work in many of our member countries, particularly in the Caribbean and the Pacific, has sought to address and help reverse the vulnerabilities and lack of resilience brought on by the impact of the global economic and financial crisis. The Commonwealth also has, for some time now, focused on conflict prevention and peace-building in a broad sense, which helps reduce the fragility of states.

#### **A(ii). Gender Equality**

- The Secretariat has a highly supportive institutional policy framework on gender equality, and gender equality perspectives are evident in the major policy and planning documents that guide its work. The current Strategic Plan (2008-2012) includes gender-sensitive results under seven of the eight programmatic areas. Regular reports on progress in implementing these results are provided to the Executive Committee and Board of Governors, and a more detailed assessment of performance is provided in the Secretariat’s Annual Performance Report. Furthermore, the Secretariat is in the process of developing an organizational strategy for the mainstreaming of Gender (as well as Human Rights and Youth) across the Secretariat’s work programme. The impact of the Secretariat’s work on gender is certainly large in proportion to the resources deployed. Gender responsive budgeting is, for example, an initiative that has been well received and has influenced policy development and budgetary processes across the Commonwealth.

The Secretariat's Women's Ministers meeting and monitoring and implementation of the Gender Action Plan have entailed a close and on-going relationship with Women's Ministries and National Women's Machineries, and this has provided a solid basis for policy development on gender.

#### **A (iii) Climate Change and Environmental Sustainability**

- We welcome the recognition accorded in the assessment to the useful convening/advocacy role of the Commonwealth in the run-up to the Copenhagen Climate Change negotiations. We are puzzled however by the finding that current activity is sporadic. Since 2007 in particular, the Commonwealth has pursued a six-programme plan of action on climate change, with specific focus on strengthening the ability of Commonwealth Small States negotiators to participate in global negotiations, initiatives to address the human and economic impacts of climate change, a detailed programme of analytical work on trade and climate change, a programme focused on natural disaster management and risk reduction, the provision of targeted technical assistance and a modest programme of work on forests. The programme has consistently supported Commonwealth small states in their efforts to strengthen collective voice in global negotiations. Commonwealth work in this area is continuing in regard to accelerating climate financing for adaptation and mitigation, and helping members to build sustainable national action plans to address climate change. It must be stressed that resources for these efforts are significantly smaller than those of our partner institutions. However the Commonwealth's reach, convening capacity and impact on members' policy development has been both consistent and substantial over an extended period of time.
- The assessment also observes that the Secretariat does not yet have a strong policy framework on environmental sustainability. It may be useful to note that the Secretariat has in fact in 2010 adopted a detailed internal framework for environmental sustainability, which sets an ambitious yet reachable goal for achieving carbon neutrality. This is an active policy which has dedicated and continuous senior management support, and which is being progressively implemented across both support and operational units of the Secretariat.

#### **B. Focus on poorer countries**

- The Assessment gives the Secretariat a low score in this area because of the amount it spends on small upper middle-income countries that are not poor. As indicated earlier, the Secretariat's development assistance focuses on least developed and low income countries, and small states, with particular focus on Africa. It is recognised that some small states are classified as middle-income countries. However, an important aspect of the Commonwealth's continuing work is focussing attention on "vulnerability". In this regard, the special needs of small island states have been recognised in the MDGs. They face particular development challenges as a result of their vulnerability to natural disasters, exogenous economic shocks, diseconomies of scales and limited human resource capabilities. Consistent with Heads of Government and Ministerial mandates, the Secretariat recognises the need to provide specialised and targeted assistance to help these countries.

- It may also be important to note in this context that the Commonwealth Fund for Technical Cooperation is essentially a mutual fund to which all members are expected to contribute and from which developing members expect to benefit.

### **C. Contribution to results**

- The Secretariat welcomes the acknowledgement that recent evaluations of debt management and maritime delimitation have shown effective programme delivery. It is puzzled, however, by the suggestion that the positive conclusions from evaluations are not backed up by country level evidence of effectiveness. The two evaluations referred to, as well as others, such as the CFTC Review of 2008, have involved field visits to countries. These evaluations were based, therefore, on analysis of findings at the country level, supported by surveys and face-to-face interviews with stakeholders.

### **D. Organisational Strengths**

- The Secretariat welcomes the positive view expressed regarding the effectiveness of its governing bodies. This should serve to ensure that mandates are adhered to and the priorities of members met.

### **E. Strategic Performance Management**

- The Secretariat's adherence to Results Based Management and the measures taken to strengthen strategic and performance management appear to have been underestimated. The Secretariat has a clear mandate which is documented in the Secretariat's Strategic Plan, as well as in its Biennial Programme and Annual Divisional Work-plans. The mid-term review of the Strategic Plan conducted in 2009 resulted in the further streamlining of the results and indicators against which the Secretariat measures and reports on its performance.
- Importantly, the Secretariat has put in place an integrated project design and management information system (ARTEMIS) that underpins the principles and practices of Results Based Management. The quality appraisal of projects in the Secretariat also has been further strengthened with a focus on compliance, design quality and implementation and management arrangements, to help ensure that projects are results-oriented and of high quality.

### **F. Financial Resources Management**

- There have been significant improvements in this area in recent years. The Secretariat adopted international public sector accounting standards (IPSAS) two years ago. Compliance with IPSAS ensures that financial management and accounts are of a high standard. The audit qualification referred to in the assessment relates to an aspect of the Secretariat's accounting policy, regarding which there was full disclosure. The Secretariat does not consider its approach to treating with this matter as reflecting a weakness in the accounts and is in on-going discussion thereon with the auditor. In addition to IPSAS the

Secretariat has in place a robust control framework. This includes an independent Audit Committee appointed by the Board. The Secretariat continues to work with the Audit Committee and the auditors to address issues on a progressive basis as they arise, and progress in doing so is monitored regularly by the Executive Committee of the Board of Governors.

#### **G. Cost and Value Consciousness**

- The Secretariat notes the positive conclusion that there has been incremental progress in strengthening systems to take account of value for money issues, although from a low base. The Secretariat has taken measures to improve cost control systems. In regard to the CFTC, the independent 2008 Review found that the CFTC's financial management system adequately controls and tracks expenditures. The conclusion that administration costs are high may be based on current approaches to distributing costs across the Secretariat. As a knowledge-based organisation, a significant proportion of costs relate to staff employed to deliver projects. The Secretariat is currently engaged in seeking to establish more accurately the allocation of costs, including identification of overheads, and will undertake this allocation on a "best practice" basis. This will provide a truer picture of the level of overheads in the organisation.

#### **H. Partnership behaviour**

- The assessment acknowledges the strength of the Secretariat's partnerships at both regional and national levels. It should be noted that these are the levels at which the Secretariat's programmes are increasingly being delivered. The assessment concludes, however, that the quality of the Secretariat's country-level partnership is weaker than at the regional and global levels. In this context, it might be noted that the resources that the Secretariat deploys at country level are relatively modest. It traditionally works in-country through Primary Contact Points (PCPs), located in Economy, Finance and Planning Ministries, as well as through its network of Points of Contact (PoCs), located in line Ministries and Departments. The PCPs and PoCs have established relationships with relevant national level organisations and stakeholders. Secretariat staff are in regular contact with PCPs/PoCs, and biennial pan-Commonwealth meetings have been initiated to foster experience sharing, peer learning, and to assist in priority setting. It should be noted also that the Secretariat is in the process of developing pilot Technical Cooperation Frameworks, which will contribute to the coordination of assistance at country level.

#### **I. Transparency and accountability**

- The Secretariat is pleased that the assessment acknowledges "good beneficiary representation" in governance and "good accountability" to members. These are essential to responsiveness and important in ensuring effectiveness. We concur that transparency can be improved. It is important to emphasise, however, that this is an area in which the Secretariat has made significant progress in recent years as it responds to the requirements of its governing bodies and to the need of its members. The Secretariat makes publicly available its "Annual Performance Report", which relates programme activities to measurement indicators, and provides financial summaries highlighting

budgetary expenditure by Fund and Programme. Also available is the “Assistance to Member Countries” report, which highlights projects and assistance provided by the Secretariat to members, including both country and regional breakdowns. The Secretariat’s Audited Financial Statements are also publicly available online. In addition, the various evaluations of the Secretariat’s work programmes are made available publicly.

#### **J. Likelihood of positive change**

- The assessment states that “there are opportunities for reform in the near future, around the Eminent Persons Group, the 2011 CHOGM and the CMAG reform process, but the degree to which they will deliver is uncertain”. The Secretariat is confident that these processes, as well as further internal reforms, will result in actions that further strengthen the Commonwealth and the Secretariat itself. The Secretariat stands ready to implement measures agreed by member governments.

#### **Concluding Remarks**

- We reiterate appreciation to, and thank DFID for its useful review, and look forward to working closely with DFID to address issues it has raised.

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