

The Westminster Foundation for Democracy *Tailored Review*



Foreign &
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Office



Tailored Review of the WFD

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Executive Summary

1. Since its establishment in 1992, at the initiative of all Westminster political parties, the Westminster Foundation for Democracy (WFD) has focused on supporting more effective political parties and parliaments in new and emerging democracies. WFD is a Non Departmental Public Body (NDPB) sponsored by the FCO.
2. Against a context of an overall decline in global freedom and with faltering progress in many of new democracies that lead to the Foundation's establishment, the review team concluded that the need for HMG to support the development of robust democracies remained.
3. The review team found that WFD's purpose remains aligned with Government objectives, working in support of both FCO and DFID departmental objectives to champion democracy and to promote effective, accountable and inclusive institutions.
4. WFD's 2017 Strategic Framework announced its intention to engage more with civil society, electoral and other institutions to bring about greater accountability, more credible elections, improved policy making, increased citizen participation and more inclusive representation. This represents a significant broadening of focus since the 2014 Triennial Review, and one which WFD has used to good effect, expanding its overseas operations and diversifying and increasing its funding base. WFD's research programme both supports the Foundation's work (by influencing the delivery and development of programme work) and is enhancing the organisation's profile.
5. There is evidence that all the main functions: political party assistance; parliamentary support; election programming; civil society support; and the WFD research programme can be effective tools in contributing to the establishment of robust democracies. The review team considered whether alternative models might offer a more effective way of delivering these functions. The review team concluded that the WFD's approach of offering all of these functions as part of a portfolio of services, offered the best potential to deepen impact, taking advantage of the strengths of each of the functions and, at times, offering partner countries a cross-function integrated approach.
6. Political party assistance work – considered by all stakeholders interviewed to be WFD's unique selling point - should continue to be supported by HMG and delivered through an ALB. This work remains reliant on the FCO's grant-in-aid, and to a lesser extent, DFID's main Inclusive and Accountable Politics (IAP) programme. As a result of WFD's success in winning new sources of funding to deliver specific programmes, political party assistance work has fallen as a percentage of total spending. It remains a valuable and important WFD offer.
7. The review team looked at WFD's effectiveness in delivering the functions and found encouraging signs of improvement since the 2014 Triennial Review. In 2014 the organisation was found to be divided into two 'wings' – the Political Party Offices (PPOs) delivering political party assistance and London Artillery Row headquarters delivering parliamentary support work. The review team commended the new CEO and management team for doing much to break down this division, but noted that there was still more to do to work as one team.

8. Parliamentary support work, and the new focus areas of election programming and civil society support, were being better planned, monitored and evaluated than in 2014, with a more professional approach and greater management capacity in the London Artillery Row headquarters with a positive knock-on effect across the international network. The review team agreed with the National Audit Office that this increase in capacity was commensurate with the need to better manage the needs of donors, but also that it should be kept under review. The need for greater focus on outcomes, and the potential for greater cross function programming, was recognised by WFD management.
9. There had been some improvements in the way that political party assistance work was planned and monitored, but there was scope for deeper engagement to genuinely benefit from a more joined-up approach. PPOs spent much of their time delivering smaller activities where impact was time-consuming and challenging to evaluate. There was room for a more strategic approach and greater Artillery Row support to help demonstrate outcomes. Multiparty activities had not expanded to the level recommended in the 2014 Review, but there were examples of successful initiatives, and of political party assistance being integrated into major new programmes.
10. The team believes that HMG's investment in WFD represents value for money for the taxpayer. The organisation's approach to work is economic and efficient and improvements in monitoring and evaluation are providing a better evidence base to prove its level of effectiveness (in a field of work where proving impact is particularly challenging). The review team commended the management's work to expand its sources of funding beyond the FCO grant-in-aid and DFID three-year IAP programme, whilst noting that the vast majority of funds continue to come from HMG.
11. The review team considered the composition of WFD's Board, which at present consists of six political governors and four independents. Given the Foundation's increasing focus on non-political party assistance work and the expansion of operations overall, the review team recommended appointing an independent vice chair and consideration of a rebalance of the Board composition.
12. WFD was rightly considered by FCO to be a trusted partner with confidence in the Foundation's leadership and direction. That trust, and competing priorities within the FCO department responsible for Human Rights issues, meant that the sponsor's management of the relationship had therefore been relatively light touch.
13. DFID's financial support for WFD is now greater than that of the FCO, with a corresponding increase in oversight and interest in the Foundation's direction. Nevertheless, FCO remains the sponsor department. The team saw a need for FCO closer engagement with WFD, both on operational issues and in supporting WFD in its strategic direction. This includes helping WFD better plug into other parts of FCO and government.

1. Introduction

Aims of the Review

- 1.1. Good government requires public bodies that are efficient, effective and accountable. The Government's approach to public bodies' reform for 2015 to 2020 builds on the principles of the 2010 to 2015 Public Bodies Reform Programme. This approach is based on a two-tier approach to transformation: a programme of cross-departmental, functional reviews coordinated by the Cabinet Office, coupled with ongoing, robust 'tailored reviews' led by departments with Cabinet Office oversight and challenge. For the first time, these reviews will now include executive agencies and non-ministerial departments. The aim of all such Reviews is to provide a robust challenge to and assurance of the continuing need for the organisation in question - both in function and form.
- 1.2. This Review assesses in particular:
 - Whether the functions of Westminster Foundation for Democracy (WFD) continue to be relevant and necessary in terms of delivering the Government's objectives, and whether the functions are delivered effectively and efficiently.
 - Whether WFD is governed effectively and how the sponsoring Department is fulfilling its responsibilities in this regard.
- 1.3. WFD has been categorised by the Cabinet Office as a Tier 3 organisation for this Review, which reflects the relatively small size and level of funding of the Non Departmental Public Body (NDBP). WFD employs 39 permanent staff in the UK and 58 staff overseas. WFD's overall income was £10.4 million in the financial year 2017-18. A summary of WFD's funding can be found in chapter two.
- 1.4. The Tailored Review was carried out in accordance with Cabinet Office guidelines stipulated in 'Tailored Reviews: guidance on reviews of public bodies'
- 1.5. The Terms of Reference for this Review can be found at Annex A.

Process and Methodology

- 1.6. The Review was conducted by three full-time FCO members of staff independent of the FCO sponsor team over the period August-November 2018. An FCO intern joined the team for the final month of the project. Throughout the period of the Review, the team maintained contact with the Cabinet Office Public Bodies Reform Team.
- 1.7. As a part of the 2010 to 2015 Public Bodies Reform Programme, a Triennial Review of WFD was conducted in 2014 and published in March 2015 (a summary of the main findings of the Triennial Review and follow-up action is included at Annex B). The review team considered the recommendations of that review as part of their work, but also recognised that the organisation had evolved considerably since its publication. The team noted that DFID had conducted regular reviews of areas of WFD work that had received DFID funding. In line with the Terms of Reference, and the Cabinet Office guidelines on the principle of proportionality, the team avoided duplicating

previous assessments unless there had been substantive changes in circumstances or the context.

1.8. The methodology included:

- Conducting a stakeholder mapping exercise with input from WFD, FCO and DFID. Over 40 stakeholders were subsequently interviewed. 27 Heads of Mission of UK Diplomatic Posts in countries where WFD has a presence and the 27 WFD Country Heads were surveyed on WFD's work;
- A desk-based review of key internal and external documentation (including the 2013 Management Statement, WFD's annual reports, Board of Governor Minutes and accounts and the 2017-2022 Strategic Framework. A list of documentation reviewed is provided in Annex E);
- Field visits to study WFD work in Belgrade (covering the Western Balkans) and Freetown (Sierra Leone). The review team engaged with beneficiaries of WFD activity in both countries;
- Contact with relevant policy and corporate service departments in the FCO who work closely with WFD to help the review team with specific enquiries about the NDPB's work e.g. on financial and governance issues;
- The review team worked closely with WFD, giving its management the opportunity to comment on both the emerging findings and the draft report.

Follow-up

1.9. The conclusions and recommendations in this review are based on an assessment of the above evidence base. This review does not include a plan for implementation, or timelines for delivery of the recommendations. Following discussion by the Board of Governors, WFD Management and the sponsor department should meet to agree a clear timeline for delivery in the first quarter of 2019, aiming to complete implementation by the end of the year.

Acknowledgements

1.10. The review team would like to thank all those who took time to contribute to the Review. Throughout the process, the team worked closely with WFD, FCO Multilateral Policy Directorate and DFID and was grateful for their full and active engagement.

2. The WFD - an overview

- 2.1. WFD was established in 1992 in the wake of the fall of the Berlin Wall on the initiative of all political parties at Westminster, with the primary aim of assisting, supporting and encouraging the peaceable establishment and development of pluralistic democratic practice and political institutions. This was to be achieved in a transparent way and at arm's length from Government.
- 2.2. Initially, WFD operated as a grant-making organisation but from 1998, WFD started to design and deliver long-term programmes using UK experts. In 2001 WFD opened its first overseas office, employing local experts.
- 2.3. A Board of Governors (BoG) is responsible for overseeing WFD's activities and determining its strategic direction. The Board consists of six representatives of the larger UK political parties and four independent members.
- 2.4. As a NDPB, WFD receives funding from HMG in order to achieve the purpose set out in its Management Statement. As the FCO is the sponsor department, the Foreign Secretary approves WFD's strategic objectives and the policy and performance framework within which WFD operates and approves the grant-in-aid. Human Rights Policy Unit (HRPU) within the FCO's Multilateral Policy Directorate (MPD) is the sponsor department within the FCO.
- 2.5. In 2017 WFD launched a new Strategic Framework covering the period 2017-2022. Whilst maintaining the traditional focus on supporting more effective political parties and parliaments, the Framework announced the intention to engage more directly with civil society, electoral and other institutions to bring about greater accountability, more credible elections, improved policy making, increased citizen participation and more inclusive representation. WFD has also developed a research programme linking academic research to policy implementation, both externally and to inform WFD's own programming.
- 2.6. Alongside this broadening of focus, WFD has expanded its operations overseas. The number of country offices has increased from 12 in 2015 to 27 today, 30% of which are based in the parliaments of partner countries.
- 2.7. WFD's overall income was £10.4 million in the financial year 2017-18. The FCO annual grant-in-aid totalled £3.5 million, with DFID providing £3.4 million in the final year of its three year accountable grant. WFD's remaining funding is also largely earned from HMG, through a combination of FCO and DFID grants for work in specific locations (e.g. Myanmar, Sierra Leone and Nigeria), UK government funding from the Conflict, Stability and Security Fund (CSSF) and, from 2018, from the Commonwealth 18-20 Fairness Fund. Funding totalling £467k was received from the European Union and other third party donors. Success in winning further funding means that income in 2018-19 is predicted to rise significantly to £17.6 million.
- 2.8. In summer 2018 DFID confirmed a new three-year 'Inclusive, Open and Accountable Politics Programme' (IAP) totalling c£4million pa, replacing the previous accountable grant. This is now WFD's single largest source of funding, surpassing the FCO annual grant-in-aid.

- 2.9. WFD's work supporting overseas political parties is largely delivered by the international offices (the Political Party Offices – PPOs) of the UK political parties, with funding allocated using a variation of the Short formula (though with the notable difference that funding is also allocated to the governing party). A WFD 'multiparty' PPO is responsible for delivering activities for the smaller UK parties. Business plans for political party work are developed by the PPOs and cleared by WFD management.
- 2.10. Parliamentary strengthening, Election Programming and Civil Society support work is managed and often delivered by WFD staff in the UK and overseas drawing in relevant expertise from Westminster or other parliaments where appropriate.
- 2.11. Parliamentary strengthening and civil society support work overseas is largely seed funded using the grant-in-aid. The WFD London team will conduct a Political Economy Analysis (PEA), scoping out a project where they feel WFD can add value. Once established, the new country office team delivering the initial project will then identify sources of funding and opportunities for further work. WFD is an implementer of programmes, often works as part of a consortium and occasionally subcontracts parts of larger programmes to other partners.
- 2.12. Programmes are monitored and evaluated by WFD's central administration team located at their London Artillery Row headquarters (henceforth 'Artillery Row'), and by the Programme Quality Committee (PQC).
- 2.13. WFD is also responsible for recruiting UK members for European Union (EU) election monitoring missions and, along with a small number of others, Organisation for Security and Cooperation in Europe (OSCE) missions.

3. WFD's relevance, link to HMG objectives and Influence

- 3.1. The 2013 Management Statement sets out the broad framework within which WFD operates. It was drawn up by the FCO as the sponsor department in consultation with WFD and replaces the Management Statement and Articles of Association dated 14 July 2004. Copies of the Statement were placed in the libraries of both Houses of Parliament and published on the WFD website. The Statement is considered further in Chapter eight: Governance.
- 3.2. The Statement sets out WFD's aim of helping to establish and strengthen pluralist democratic institutions, particularly parliaments and political parties, in countries where these are absent, of recent foundation, or in need of further encouragement and development. In line with the Terms of Reference, the review team considered the relevance of this purpose and its link to HMG objectives.

Relevance

- 3.3. The 2014 Triennial review concluded that the need for WFD to support the delivery of HMG and overseas parliamentary core-business was increasing not decreasing. The review team investigated whether anything had changed.
- 3.4. The 2017 FCO Human Rights report noted that in 2017, democratic governance and freedoms grew in several countries but declined in many others. According to the NGO Freedom House¹, 2017 saw an overall decline in global freedom for the 12th consecutive year and a net decline in civil liberties and political rights in 71 countries. Only a small number of the democracies that have emerged since WFD's establishment have become deep rooted.
- 3.5. The attraction of the democratic model has been challenged by the competing offer of authoritarian led development models. Analysis suggests that western democratic powers are no longer the dominant external shapers of political trajectories in developing countries². Richard Graham MP, Chair of the WFD BoG noted that "the case for democracy needs to be remade." This view was echoed by representatives of the International Development Committee and the Foreign Affairs Committee, who were clear on the continued need for democracy assistance work.
- 3.6. Whilst WFD has been active in many of the countries experiencing declines on the Freedom House table (e.g. Venezuela, Morocco and Tunisia), it has also run programmes in countries that are rising (e.g. The Gambia and Uganda). There is not a neat correlation between WFD activity and a smooth path of progress on civil liberties and political rights. However it is clear that democracy support work is complex and vulnerable to events beyond the control of organisations like WFD. Permissive environments can wane, and new opportunities for engagement can open. Planning and research can

¹ *Democracy in Crisis - Freedom in the World 2018 Report*, Freedom House, 2015.

² Tom Carothers and Oren Samat-Marram, *The New Global Marketplace of Political Change*, Carnegie Endowment for international Peace, 2015.

mitigate against some but not all of these risks – events outside of WFD’s control, such as the rise in popularity of nationalism and far right political parties, may set back or boost democracy support programmes.

3.7. In stakeholder interviews the review team consistently received the message that there continues to be a strong need for democracy assistance work and, those who were familiar with WFD’s work, believed that it played a role in delivering this service.

Finding: Given the scale of the challenges facing democracies, the review team believe that WFD’s purpose remains as relevant and necessary today as when it was established in 1992.

Link to HMG objectives

3.8. The Management Statement includes three strategic objectives of WFD:

- To contribute to democracy, stability and good governance in post-conflict countries and fragile states.
- To improve engagement in political processes in weak, emerging or developing democracies.
- To be a results and learning orientated organisation delivering programmes of the highest quality.

3.9. FCO and DFID’s Single Departmental Plans include objectives to:

- “Promote UK interests and values: champion democracy, human rights and the rule of law and address global challenges...” (FCO Single Departmental Plan).
- Promote effective, accountable and inclusive institutions and champion British values around the globe: freedom, democracy, tolerance and the rule of law (DFID Single Departmental Plan).

3.10. The Management Statement states clearly that “The WFD has been set up in order to support the strategic aims of the sponsor department” (the FCO). The review team found a clear connection between the purpose and strategic aims of the WFD and objectives of both the FCO as sponsor department, and DFID – now its largest funder.

3.11. The review team noted that the Management Statement was last updated in 2013, predating the 2017 Strategic Framework. Given the broadening of focus announced in the Strategic Framework (outlined in Chapter two), the review team felt there was a case for updating the Management Statement as a whole.

Recommendation: the Management Statement adequately reflects relevant Government objectives but should be updated to reflect the broader focus of WFD work. The opportunity should be taken to review and update other clauses.

Democracy Support and Poverty Reduction

3.12. Implicit in the HMG objectives is the link to those on poverty reduction. Academic literature is clear that the enduring reduction of poverty requires a

broad context of good governance and that over the longer term, countries with more inclusive and open political and economic systems have been far more successful in promoting virtuous cycles of growth and stable development³. Democracy should provide a corrective to bad governance by holding corrupt, unresponsive or ineffectual leaders to account. However democracy's effectiveness in reducing poverty depends on the type and degree of democracy being enacted.

3.13. Larry Diamond of Stanford University⁴ found that democracy development programmes can help increase the likelihood of robust democracies emerging, by encouraging:

- free and fair elections;
- independent and efficient judicial systems;
- comprehensive systems of horizontal accountability, including courts, parliamentary oversight, audit agencies and human rights commissions;
- pluralistic, open and resourceful civil societies; and
- democratic political parties. Party assistance programmes should focus on five objectives: organisational development; electoral mobilisation; governance; internal democratisation and reforming party and campaign finance.

3.14. Whilst WFD's work does not directly deliver poverty reduction, it plays an indirect and important role in creating a political environment where this can be accomplished. The Management Statement notes that "democratic, accountable and responsive political institutions play a vital role in poverty reduction." The review team considered whether the Management Statement should include a specific objective on poverty reduction, concluding that the above reference was sufficiently clear. However the link between poverty reduction and good governance could be drawn out further in WFD strategies and research.

Finding: WFD's work is in line with DFID's poverty reduction objectives, indirectly reducing poverty.

Official Development Assistance

3.15. WFD's work is focused in an area of overlap between the Government foreign policy and development goals. The review team saw no imbalance between these objectives.

3.16. The Terms of Reference for the Review included a request to ask whether all funding for WFD should be considered as Official Development Assistance (ODA). ODA is defined by the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee

³ Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, 2012.

⁴ Larry Diamond, *Moving Up Out of Poverty: What Does Democracy Have to Do With It?*, 2003.

(DAC)⁵ as “government aid that promotes and specifically targets the economic development and welfare of developing countries.”

- 3.17. On the basis of WFD’s activities and where they are carried out, the review team concluded that it remains correct that all FCO grant in aid and DFID accountable grant funding to WFD is considered ODA, provided that:
- a) all WFD’s programme and political activities are consistent with WFD’s purpose of helping to establish and strengthen pluralistic democratic institutions, particularly parliaments and political parties, in countries where these are absent, of recent foundation or in need of further encouragement and development; and
 - b) the beneficiaries of these activities are from countries listed on OECD’s list of eligible ODA recipients.
- 3.18. The Review team is confident of the WFD’s ODA scoring in relation to its ODA-funded programme and peer party activities, on the basis that in all cases the primary objective of activities complied with the criteria of the OECD Development Assistance Committee’s Statistical Directives. The team noted that, while in some cases activities involved participation by non-ODA countries, the primary benefit of the events in question was nonetheless to ODA-recipient countries.

Finding: All FCO grant-in-aid and DFID accountable grant funding to WFD to date is ODA-eligible.

Recommendation: WFD should continue to ensure that where participants from non-ODA countries are involved in ODA-eligible events their role is limited to supporting benefit to ODA-recipient countries, rather than as direct beneficiaries themselves.

Influence for the UK

- 3.19. In line with the Terms of Reference, the review team considered whether WFD delivered influence for the UK through support for democracy and soft power.

Democracy

- 3.20. The FCO is committed to working to reverse the global trend of declining democracy. This work takes place through its network of Embassies and High Commissions via engagement with host governments; multilateral institutions; international and national partners; and support for WFD.
- 3.21. In the UK this work is coordinated by the Human Rights and Democracy Policy Unit (HRDPU) of Multilateral Policy Directorate (MPD). The Unit is a small team who also coordinate work on the priority Girls’ Education campaign and Modern Slavery campaign. With Unit staff primarily focused on other ministerial human rights priorities and reactive work, democracy promotion is largely – but not exclusively – ‘outsourced’ to WFD.

⁵ OECD Development Assistance Committee, *What is ODA?*, June 2018.

MPD manage the WFD relationship, agree the strategic plan and meet WFD several times a year to monitor progress. As a trusted delivery partner, WFD play a significant role in delivering FCO democracy support work overseas.

- 3.22. Evaluating the influence this delivers for the UK is complicated. WFD activities may open doors for the UK or build goodwill with key stakeholders in host governments that the UK can benefit from. But equally, WFD funded activity which strengthens the capability of opposition parties is unlikely to win short term influence over the incumbent government and could conceivably have the opposite effect. The review team noted evidence from a survey of FCO posts in the 27 countries with WFD country offices, with responses from 15 of the 27. The majority of respondents agreed that WFD work in their country delivered influence for the UK, with stronger support for the impact of programme work than that of the PPOs (though that may reflect low awareness of some party links – see the Political Party Assistance section of Chapter six: Effectiveness).
- 3.23. The outcomes of WFD’s work may only become clear over the long-term as strengthening the components required for strong democracy leads to more stable, prosperous and successful government.

Soft Power

- 3.24. Many stakeholders interviewed considered the ‘Westminster’ brand to be a considerable asset for WFD, opening doors to discussion and collaboration. By promoting the UK’s democratic values, history and traditions, WFD’s work contributes to the UK’s soft power offer. The review team agreed but noted that disaggregating the role that different players contribute to soft power is extremely difficult. HMG thinking on how best to create an enabling environment for soft power players is at an early stage.
- 3.25. The National Security Capability Review, published on 28 March 2018, recognised the importance of the UK’s soft power and recommended the FCO lead on developing “a cross-government soft power strategy while respecting the independence of the BBC World Service, British Council and the many British institutions and brands that contribute to our soft power.”
- 3.26. At the time of writing, the soft power strategy is under development, due to be published in the first half of 2019. The WFD CEO has been involved in FCO informal strategy consultations with FCO Directorates on the development of the strategy.

Recommendation: WFD Monitoring and Evaluation team to consider ‘influence for UK’ when evaluating activity.

Finding: there is insufficient evidence to measure the extent to which WFD delivers influence for the UK through support for democracy/soft power, but the review team agreed that the Foundation’s work clearly plays a role.

Recommendation: WFD to be brought into discussions on development of the cross-government soft power strategy. FCO to engage with WFD on their role in delivering elements of the strategy.

4. Function - do the key functions of the WFD continue to be relevant and necessary?

- 4.1. WFD has traditionally focused on Political Party Assistance and Parliamentary Support work. The 2017-2022 Strategic Framework made the case that achieving lasting change requires the involvement of a wide range of actors. It therefore expanded WFD's areas of focus to engage more directly with civil society, electoral and other independent institutions.
- 4.2. For the purposes of this paper, the Review Team categorised WFD's key functions as falling into four main categories. However it should be noted that WFD work rarely sits within one of these categories alone and 'integrated' programmes will often cut across two or more of the four. WFD programming also covers three cross-cutting themes: women's empowerment, inclusive politics and research.

Political Party Assistance

- 4.3. WFD's support for political parties is largely, but not exclusively, delivered directly by UK political parties. Projects include building links with ideologically aligned sister parties (typically used by the UK Conservative and Labour parties); working on a multiparty basis with all parties in a given country or region (typically used by the SNP) or adopting a multiparty approach with a group of UK parties working together with a group of parties in a given country or region (typical of activities organised by the WFD multiparty office representing the smaller UK parties). Artillery Row staff have also begun to implement multiparty programmes, with UK parties providing relevant expertise as needed but not taking on a management role.
- 4.4. Examples include: Conservative Party support for a new network of centre-right parties across the Southern Africa Development Community to enable political parties to deliver regional initiatives; Labour Party Support for the Middle East and North Africa regional Tha'era Women's Network; and a multiparty conference in London to identify practical means to address violence against women in politics.

Parliamentary support

- 4.5. WFD supports national and sub-national legislatures to be more representative, to improve the quality of legislation and deliver effective oversight of government policymaking, delivery and financial management. Programmes are typically designed following a Political Economy Analysis, and usually funded from 'core' grant or from country specific or thematic grants.
- 4.6. Examples include: supporting parliamentary committees in Myanmar to become more effective and independent of government administration and work in Serbia to create an independent Parliamentary Budget Office with the aim of strengthening the financial oversight of the government (see case study in Chapter six: Effectiveness).

Election programming

- 4.7. WFD is responsible for recruiting and selecting British election observers to participate in European Union Election Observation Missions on behalf of the FCO and is one of three organisations recruiting UK observers for OSCE missions. In addition to these observation roles, WFD undertakes programmes to strengthen electoral institutions, including election management bodies, civil society organisations, domestic observation networks, political parties, legislatures and media. This work will not just occur in the run-up to an election period, requiring a longer-term approach including in the aftermath to reduce the damage that unkept promises may cause to the credibility of the democratic system.
- 4.8. Examples: in Sierra Leone WFD formed part of a consortium aiming to create the conditions for a free, fair and peaceful 2018 general election (see case study in Chapter six: Effectiveness).

Civil Society support

- 4.9. Whilst Civil Society support was identified in the Strategic Framework as a category of programming, in some ways it should be considered as a cross-cutting theme. Working with civil society may underpin work in the above three categories, with WFD playing a role in both strengthening civil society capacity and connecting civil society with the appropriate actors in the democratic sphere.

Research

- 4.10. Whilst considered by WFD to be a 'cross-cutting theme' the review team felt WFD's research programme merited inclusion as a separate function. The programme was launched in 2016 with the principal aim of improving the quality of democracy assistance work done by the Foundation and its implementing partners. The programme consists of three strands: an academic partnership with the University of Birmingham; applied research led by WFD staff linked to themes of relevance to existing programmes; and support for the Westminster Community of Practice on parliamentary strengthening.
- 4.11. Examples include papers on the cost of politics in countries where WFD operates and research on the factors influencing parliaments' abilities and motivation to reject restrictive civil society laws.

Linking the functions to WFD's purpose

- 4.12. The review team looked for evidence that WFD's functions were consistent with the purpose set out in the Management Statement. The team mapped the above functions against the areas of work identified by Larry Diamond of Stanford University (see Chapter three) as increasing the likelihood of the emergence of robust democracies and found a clear correlation. The one exception to this was arguably WFD's research programme, but as an underpinning area of work, the team concluded that

research had the potential to increase WFD's effectiveness across all functions.

Areas where democracy assistance programmes could contribute to the establishment of robust democracies	WFD Functions
Free and fair elections	WFD Election programming
Independent and efficient judicial systems	n/a
Comprehensive systems of horizontal accountability, including courts, parliamentary oversight, audit agencies and human rights commissions	WFD Parliamentary support
Pluralistic, open and resourceful civil societies	WFD Civil Society support
Democratic political parties	WFD Political Party assistance

Finding: the review team agrees that the functions of WFD are consistent with the purpose outlined in the 2013 Management Statement.

5. Alternatives - are there better ways of delivering these functions?

- 5.1. In line with the Terms of Reference for the Review, the review team considered whether the functions described in chapter four could be delivered as well or better by alternative delivery methods or providers.
- 5.2. Most stakeholders consulted strongly believed that WFD, as a package, is unique in its offer. Its symbiotic links between the Westminster parliamentary system, political parties in the UK and parliamentarians across the world is not a model currently replicated in its entirety by any other single organisation in this field. Nevertheless there are some well-established implementers who can deliver elements of this package (e.g. NDI, IRI, Global Partners Governance, the Inter Parliamentary Union/Commonwealth Parliamentary Association, UNDP and the Carter Center).
- 5.3. However, stakeholders maintained that the WFD's connections with British parliamentarians opened doors to their counterparts in priority countries (e.g. Sri Lanka was cited as an example); relationships developed through years of peer-to-peer engagement activities provided access for British civil servants overseas; and allowed WFD programmes to target senior parliamentarians directly and build credibility for its work on democracy capacity building.
- 5.4. Options that the review team considered were:

Dissolving WFD altogether and contracting out all activity.

- 5.5. Whilst other organisations do exist that could perform some of WFD's functions, no other organisation offers the full package of activities, particularly on the political party peer-to-peer work. If HMG continues to believe that this engagement is of particular benefit and wishes the UK to continue to lead in this field, a similar Arm's Length organisation would need to be created in order to ensure the political party work is seen as genuinely independent. This would render the original dissolution of WFD counterproductive. The review team concluded therefore that dissolution would not be strategically advantageous to HMG and would be unnecessarily costly, both in terms of building up a new brand and reputation from scratch and the time, cost and effort associated with establishing a new body.

WFD to focus solely on Political Party Assistance.

- 5.6. Success in accessing third party funding for programming work means that political party assistance is becoming a relatively small proportion of WFD's overall business. However it is what makes WFD unique in its offer, and the review team explored the impact of WFD focusing purely on this area, expanding PPO work and using Artillery Row to enhance the impact of this activity.
- 5.7. Currently the PPOs benefit from the Artillery Row part of the business vis-a-vis access to the expertise of country representatives, the UK based programme managers, the Monitoring and Evaluation (M&E), Communications and the Technical Advice teams, as well as field research from WFD's relationship with the University of Birmingham. The review team

concluded that limiting WFD's focus to political party assistance work would reduce the PPOs access to in house expertise and therefore their ability to deliver impactful programmes. The review team believe the ambition should be for a more integrated WFD where both PPOs and Artillery Row are better able to benefit from one another's strengths and experience.

5.8. Focusing solely on political party assistance work would also reduce organisational income. The review team found no evidence that, even if accompanied by a significant increase in funding, the PPOs would be able to dramatically step up their activity given their reliance on MPs, activists and party staff (who offer their services on a pro bono basis – see Chapter six: Effectiveness).

Focussing on multiparty work.

5.9. The review team considered whether it may be of more strategic benefit to HMG should the PPOs focus solely on multiparty programming rather than bilateral sister party work. The review team noted the considerable analysis that the DFID funded review of party work⁶ devoted to this question (as outlined in chapter six). However the team concluded that whilst the argument in favour of multiparty work is compelling, there continues to be considerable merit in retaining these long established sister party relationships. The review team believe that the focus should be on ensuring more effective sister party engagement, in parallel with an expansion of multiparty work.

WFD to focus solely on programme work

5.10. Programme work is an area of growth for WFD, with income from third parties forecast to grow further. The review team considered whether WFD should withdraw from offering political party assistance in favour of focusing on further programme expansion. Opting for this model would give rise to questions over whether WFD should continue to benefit from grant-in-aid. Moving away from political party assistance would lose the factor which gives WFD its unique selling point and, arguably, its credibility with (or indeed, support from) senior parliamentarians in its priority countries.

WFD to focus on disbursing funding to implementers, rather than implementation.

5.11. WFD currently performs a blend of donor/implementer functions including: delivering projects as the sole implementer; funding PPOs to carry out activities; and bringing in partner implementers where necessary depending on the required expertise for the project. The review team considered whether WFD should move away from programme implementation and delivery and instead focus on dispersing funding to other

⁶ *Evaluation of the Westminster Foundation for Democracy's Political Party Assistance*, The Policy Institute, February 2018.

implementing organisations. The review team concluded that to restrict WFD to one function, rather than flexing between several would add an extra layer of bureaucracy onto implementation, without the corresponding added value. In addition to which this added layer may add extra costs and place an additional administrative burden on the sponsor department.

WFD to specialise in election-to-election programming.

- 5.12. The review team noted that WFD has identified this as a potential area for growth, maximising on their current expertise in the field. Arguably WFD already focuses on the composite parts of the electoral process but to focus solely on the electoral cycle from one to the next would require a better degree of collaboration between the programme side of the business and the PPOs to ensure a more strategic non-partisan approach for each country. This integrated approach would also require a focus on a smaller number of priority countries to avoid organisational overstretch, reversing the Strategic Framework approach of geographical expansion. The review team concluded there was not sufficient evidence to justify this change at this point, but that a pilot election-to-election approach might be considered.

Parliamentary Support work to be channelled to the Inter Parliamentary Union and Commonwealth Parliamentary Association.

- 5.13. Given the Inter Parliamentary Union (IPU) and Commonwealth Parliamentary Association's (CPA) long-standing work supporting links between parliamentarians (in non-Commonwealth and Commonwealth countries respectively), WFD could withdraw from this area, with FCO and DFID funding being channelled to these organisations. This would reduce the risk of the three organisations targeting the same stakeholders (the pool of parliamentarians with both a strong international interest and the capacity to be involved is relatively small) and provide clearer delineation of responsibilities.
- 5.14. However the review team concluded that given the WFD's 2017 strategy of focusing on a wider range of stakeholders, not working with parliamentarians would adversely impact on WFD's reputation, and miss the opportunity to better take advantage of the links PPO work creates. Furthermore, whilst both CPA UK and the British Group of the IPU collaborate with WFD on parliamentary support work, neither has the same link to the Government, the IPU (in particular) lacks the capacity to deliver major democracy support programmes and CPA UK is only focused on Commonwealth members.

Finding: in line with the 2014 Triennial Review the Review Team believe arguments for maintaining WFD's current form remain.

6. Effectiveness – how are the functions being delivered?

- 6.1. Having made the case that WFD's purpose remains relevant, that the organisation's functions are consistent with that purpose and that the WFD remains an appropriate model for delivering those functions, the review team considered how effective WFD was at delivery.
- 6.2. In line with the Tailored Review principle of proportionality, the review team noted multiple previous reviews of the effectiveness of WFD activity, most notably DFID's Project Completion Review for the 'Supporting Effective Democratic Governance' 2015-2018 programme, which found that WFD had broadly met expectations.
- 6.3. In Chapter seven: Form, the review team considers DFID and NAO's approach to measuring value for money which interprets effectiveness as the link between 'outputs' and 'outcomes'⁷. Despite considerable progress since the 2014 Triennial Review in putting in place mechanisms to evaluate delivery of WFD activity, this was an area where WFD stakeholders interviewed acknowledged challenges remained.
- 6.4. The Director of M&E agreed that at present the evaluation of WFD work tended to focus on (easier to measure) outputs rather than linking them to the outcomes they aim to create. This was in part the result of the volume of small ad hoc projects where the impact on outcomes was likely to be relatively insignificant and resource intensive to attempt to measure. Under the leadership of the current CEO, a culture of strategic interventions rather than one-off activities is under development. Increased focus on longer-term, more strategic work would support a more outcome driven approach. The review team welcomed this move and acknowledged the challenges in evaluating the impact of democracy assistance work.

Does the operating model allow the WFD to deliver its functions effectively?

- 6.5. WFD's funding in 2017-18 totalled £10.4million. The FCO grant-in-aid and the previous three year DFID accountable grant (together totalling £6.9million) was used to fund 'core operations' consisting of: Political Party Assistance work (totalling c£2.3million); Artillery Row organised programming; the Research Programme; UK staff costs; and other operating costs. In 2017-18 these two grants represented 66% of WFD's total income.
- 6.6. WFD has been successful in bidding for other revenue streams, accessing HMG programme funds (including CSSF, Magna Carta and DFID funds), Embassy/High Commission budgets, European Union funding and third party sources. This funding – totalling £3.5million) is targeted at specific programmes and projects in line with donor requirements. The bulk of Parliamentary support, election programming and civil society support work

⁷ An output is a tangible or intangible product resulting from project or programme activities (e.g. the number of new MPs participating in a WFD training programme). An outcome is the benefit that the output is designed to achieve (e.g. MPs fulfilling their role in holding the government to account). Impact is the higher level goal the delivery team hope the project or programme activity will contribute towards achieving (e.g. more effective government in country X).

overseas is now delivered using these funding sources. Whilst these alternative revenue streams represented 34% of WFD income in 2017-18, in 2018-19 they are predicted to rise to 57% (based on the budgetary forecast at the time of writing.)

- 6.7. WFD has a large degree of flexibility in deciding how the FCO grant-in-aid is allocated and spent, allowing it to quickly scope and launch pilot programmes and approaches; operate in countries that require democracy assistance but many not be priorities for other donors; cover short gaps in third party funding; and support core operating costs of country offices, allowing WFD to deliver smaller projects.
- 6.8. To a certain extent, this was also true of the DFID accountable grant. However DFID's new three year "Inclusive, Open and Accountable Politics (IAP) Programme' totalling c£4million pa, comes with more targeted objectives, including a reduced focus on political party assistance. 20% of political party assistance will be funded through the IAP programme, with a focus on larger projects in DFID priority countries. The IAP programme also includes a component providing a semi-independent Monitoring, Evaluation and Learning (MEL) Unit, supporting PPOs to build their capacity to monitor and evaluate activity and to share learning on the results. This more targeted approach to the programme means that WFD is increasingly reliant on the FCO grant-in-aid for the flexibility described above, and to fund political party assistance work.
- 6.9. WFD's international footprint has expanded dramatically since the 2014 Triennial Review, with the number of field offices increasing from 12 to 27. The broadening of WFD's focus, set out in the 2017 Strategic Framework, has supported this expansion. This strategy runs counter to the 2015 Review recommendation that the programmatic and project focus should be narrowed. The decision not to follow this recommendation was taken in the belief that a greater presence can increase organisational influence and better facilitate the sharing of knowledge and experience including via "south-south" networks. On this basis, and in terms of revenue generation, the policy has undoubtedly been a clear success. However the review team questioned the process for transitioning from a temporary office established to deliver a particular project, to a longer-term/permanent field office potentially working in a different subject area; the impact of expansion on the quality of activity; and the level of sponsor department engagement on geographical prioritisation. This should be kept under review and discussed with the sponsor department.
- 6.10. WFD's rapid overseas expansion has increased demands on the Artillery Row central support teams, including M&E, finance and communications. Artillery Row staff costs had increased to reflect this growing requirement, a move which had been questioned by some members of the BoG but supported by the NAO External Auditors report. With the need for enhanced reporting to demonstrate to donors and other stakeholders the impact and value for money of WFD's programmes, and the value of robust management information in delivering more effective programmes, the review team felt that the increase in spending on administration was appropriate. The NAO noted the risks associated with expansion and indicated that levels of programme management support

should be kept under review in the event of further growth in order to maintain adequate management capacity.

- 6.11. The review team noted that previous reviews had recommended that WFD becomes a more ‘joined up’ organisation, better able to link and lever political party assistance work to parliamentary support and other functions and vice versa. The review team noted some progress in this regard, with examples of a more holistic approach to programme planning, including in the new CSSF Western Balkans regional programme, and increased use of Political Economy Analysis (PEA) to decide on the approach, but there is clearly more to do to take advantage of synergies between the different functions.

Recommendations:

WFD to engage FCO and DFID stakeholders on expanding WFD’s geographic footprint and geographical prioritisation, strengthening decision-making for opening long-term WFD country offices. This should be a light touch process in order to ensure WFD maintains the flexibility to respond rapidly to changing political environments and unexpected opportunities.

In line with 2017-18 NAO report, the level of management capacity to support programme management should be kept under review.

Further efforts to ensure complementarity of all WFD functions, with activity planned and evaluated to consistent standards.

Measuring the effectiveness of functions

- 6.12. Having considered the effectiveness of WFD’s operating model, the review team looked at how each of the five functions described in chapter five were delivered. For each we considered how the function is planned, monitored and evaluated, and how the results were shared.
- 6.13. All programme work (covering political party assistance, parliamentary support, election programming and civil society support) is monitored by the Programme Quality Committee (PQC) chaired by an independent governor. The PQC maintains an overview of all WFD programmes to assess the quality of activity and acts as a break between WFD operations and the BoG. The PQC chair provides an overview of programme work at BoG meetings.

Political Party Assistance

- 6.14. Political party assistance work was consistently referenced by both internal and external stakeholders as a Unique Selling Point (USP) for WFD. The review team agreed. ‘Parties talking to parties’ was a valuable part of the democracy assistance offer and helped differentiate WFD’s offer from that of other organisations working in the field. The review team noted that many MPs, party activists and officials willingly gave their time on a pro bono basis in order to support democratic development in countries where they often had little or no connection. This was appreciated by the sponsor department. There was agreement from all stakeholders that this work added value, but also that the benefits were often intangible and difficult to measure.

- 6.15. The review team saw evidence of improvements in the **planning** of political party assistance work since the Triennial Review and a closer working relationship between the PPOs and Artillery Row. PPOs develop annual plans of activity, submitting them to the CEO for signoff. However these are largely output (rather than outcome) led and relatively high-level, providing a large degree of flexibility for the PPOs to respond to opportunities throughout the year. Individual project proposals which should be consistent with the annual plans, are then shared with Artillery Row.
- 6.16. The review team commended the strategic approach to business planning taken by the SNP, where programmes and monitoring and evaluation measures were designed in partnership with WFD M&E team. This was in part a result of SNP's relatively recent arrival to political party assistance work overseas and the lack of existing sister party relationships which enabled them to start with close to a blank sheet of paper.
- 6.17. The review team found evidence of successful well-planned multiparty initiatives, most notably the Violence Against Women conference held in London in March 2018. This was a larger event commended by all the Political Party Offices (PPOs) as an example of successful collaboration. The review team noted the 2014 Triennial Review which encouraged more multiparty work and DFID's 2017-18 independent assessment of the UK PPOs⁸ which found that a multiparty approach was a more effective way of changing behaviours than sister party work. Multiparty work encouraged collaboration between political parties by focusing on a thematic, rather than ideological approach. Whilst this argument is compelling, the FCO continues to see value in sister party work as a means of meeting its foreign policy priorities. However there is clearly scope to further step up multiparty work.
- 6.18. The review team encouraged greater collaboration between Artillery Row and the PPOs on business planning to identify opportunities for more strategic opportunities linked to broader WFD priorities. WFD's new £4.7million Western Balkans regional programme aiming to address the reversal of democratic principles and poor governance was an example of how party political assistance could be effectively integrated into strategic programming to the benefit of all parties.
- 6.19. The review team noted closer cooperation between Artillery Row and the PPOs with some improvements in the **M&E** of PPO activity. But this was inconsistent and expectations of M&E for Political Party Assistance work fell below the standards expected of other WFD activity (for example, the PQC received a written summary of PPO work but not a Red Amber Green (RAG) rating). The review team noted DFID's 2017-18 independent assessment of the UK PPOs which found that there was no evidence of impact or potential impact at the level of an entire political system. Given the limited scale of many PPO activities, this was perhaps unsurprising, but the review team felt there was scope to better capture the impact of this valuable work.

⁸ Evaluation of the Westminster Foundation for Democracy's Political Party Assistance, The Policy Institute, February 2018.

- 6.20. Some stakeholders expressed a degree of frustration at the level of progress made on M&E, whilst others – notably political members of the BoG and some PPO staff – felt the level of bureaucracy was at times disproportionate to the amount of funding being spent and the size of the activity and risked overwhelming the small PPO teams. The review team acknowledged this risk but felt that by focusing on M&E of fewer, larger projects; drawing upon Artillery Row’s M&E function at the planning stage; and utilising the M&E support built into the new DFID IAP programme, the PPOs could better meet the M&E requirements and provide more credible evidence of the value of their work. Outcome focussed activity requires moving programming into a longer cycle. This requires more planning at the outset to ensure M&E mechanisms are properly built, but arguably less bureaucracy and more measurable outcomes at the end.
- 6.21. Given WFD’s status as an Arm’s Length Body of the British Government, the review team noted that political party assistance work brings some risks. In some countries the main opposition party may receive PPO capacity building support, whereas the governing party or other opposition parties may not. This could potentially lead to the UK being seen to be backing a particular party, or at worse, as an attempt to interfere in internal politics, impacting on HMG objectives in other areas. Likewise, parties selected for support on the basis that they require further developmental support to bring them further in line with international norms, bring an inherent level of risk. This further strengthened the case for a multiparty approach, working with a range of parties.
- 6.22. It is right that political party assistance work is delivered independently from Government but the review team believed there is scope for closer coordination and communication with the FCO and DFID. Feedback from posts suggests an inconsistent approach to long-term engagement on PPO work, with posts sometimes only being contacted as UK party delegations arrive in country. The Team noted some examples where a PPO continued to work with a political sister party despite advice from post that said party was no longer a viable political force and that other potentially suitable partners had since emerged. There is a case for improved sharing of information on plans and dialogue, particularly when British Government advice is not followed.
- 6.23. The review team concluded that since the 2014 Triennial Review there had been a concerted effort by PPOs and Artillery Row for better coordination and engagement. But there remained room for further improvement, particularly on joint planning of activity, reducing the number of projects to focus on a larger longer-term projects in priority countries, and on better evaluation. Targeted sister party activity continues to play a useful role, but PPO effectiveness could be further improved by renewing focus on multiparty programming, in line with recommendations in the 2014 Triennial Review and in DFID’s 2018 review.

Recommendations:

WFD and PPOs to better plan, monitor and evaluate more strategic outcome led programming, including at the start of the business planning cycle.

WFD and PPOs to identify further opportunities for multiparty work, including by exploring how to incentivise multiparty thematic programmes as a part of integrated programmes (those that draw upon a range of WFD functions).

WFD to share annual forward plans of PPO activity with FCO and DFID. Closer coordination and communication with Embassies/British High Commissions on PPO activities in country.

CASE STUDY

Establishing a Parliamentary Budgetary Office (PBO) in Serbia

Following a WFD organised 2014 field visit by a delegation of Serbian parliamentarians and parliamentary staff to the Scottish Parliament including the Financial Scrutiny Unit (FSU), the then Serbian Speaker of the Parliament requested WFD to set up a similar Office in Belgrade. Once the MOU between the Serbian Government and WFD was formally signed in September 2015, WFD, in partnership with the FSU, recruited (using assessments designed and conducted by FSU) and trained a team of Serbian based economists throughout 2015 and the beginning of 2016.

The PBO's initial aim was to strengthen financial oversight of the government, through publishing politically neutral open source evidenced reports scrutinising the adoption and execution of the budget, including public spending. Its reporting has had the additional advantage of building capacity amongst parliamentarians to understand the context behind the headline figures.

With WFD oversight, assistance from the FSU and support from a senior mentor with experience of the Serbian parliament, the PBO has built up a good reputation for objectivity and factual analysis. Its main focus is on interpreting the headline figures published by the government to all parliamentarians ahead of the committee and plenary discussions on the budget. These reports provide the necessary contextual and comparative analysis based on for constructive debate.

In response to demand, the PBO has now broadened its core offering with additional reports on how the budget is spent, public debt and discretionary public spending analyses, all of which it now publishes online. Whilst it cites 15-20 or so core customers, the online tracking data suggests that this number could be higher and appeals to a broader range of customers (including private institutions and media outlets) than originally intended.

As an intended corollary of the project, the Serbian PBO has acted as a pilot for the region. The model is now being replicated regionally with a PBO established in Montenegro in 2016, in Macedonia by the end of 2018 and scoping activities have started elsewhere.

Parliamentary Support, Election Programming and Civil Society Support

- 6.24. The review team considered these functions together as the same set of processes is applied to each. However there is a difference between programmes funded via WFD grant-in-aid funding and those funded from third party sources.
- 6.25. WFD's entry into a new country is often, but not exclusively, in reaction to approaches from the local British Embassy or High Commission and is largely seed funded using the grant-in-aid. When **planning** a new programme the Artillery Row Programme Team conducts a Political Economy Analysis (PEA), identifying an area where they feel WFD can add value, on which to base a proposal. This may or may not include the establishment of an in country team to deliver the programme. Engagement with FCO and DFID will take place locally with views sought, but not necessarily followed. For example in Sierra Leone WFD decided to focus their new programme on developing the Parliament of Sierra Leone's research function, despite DFID advice to focus on a few key parliamentary committees. This advice was considered but, based on the PEA and feedback from stakeholders within the Parliament of Sierra Leone, the original approach was followed. Once the approach and programme logic is agreed the M&E team assist in the setting of indicators.
- 6.26. Having established a new country office in order to deliver the initial project, the local team will then identify sources of funding and opportunities for further work that is in line with the Strategic Framework. This typically includes bidding for non-grant-in-aid funding from the Embassy or High Commission, accessing DFID or cross-government programme funds or EU funding. The planning process for this will depend on the donor requirements, but the review team noted that M&E requirements were often more demanding than those for grant-in-aid funded programmes. This had been one of the factors behind the increase in Artillery Row resource devoted to M&E work, helping to both drive up donor confidence in WFD and the quality of activity.
- 6.27. The review team noted evidence from a survey of FCO posts in the 27 countries with WFD country offices, with responses from 15 of the 27. Feedback indicated that planning of activity overseas did not occur consistently with a third indicating that they had not been consulted by WFD over the last three years. Whilst acknowledging that turnover of staff at post may have impacted on this and feedback from Country Representatives was somewhat contradictory, it is clear that there is still room for improvement in strategy development and in communication, particularly for programmes initiated in London. Communication is clearly stronger for programmes receiving FCO or DFID funding in country, where post is more closely involved in both planning and M&E.
- 6.28. Having started delivery of a programme, the Artillery Row Programme Team compiled quarterly reports **monitoring** progress with RAG ratings assigned. Summaries of these were reviewed by the PQC who were tasked with feeding back to the BoG on points of interest and concern. The review team saw more evidence of focus on outcomes, but agreed with the M&E Director that there is still more to do.

- 6.29. The level of programme **evaluation** varied depending on the programme and funding source. Non-grant-in-aid funded programmes often had a built in independent evaluation.
- 6.30. The review team saw evidence of a growing culture of **sharing lessons learned** from programmes. Internally this included through blogs, internal social media and by organising sessions to share experiences working in new areas (e.g. the Programme Manager responsible for the Sierra Leone elections programme, which included a strand on the inclusion of Persons With Disabilities (PWDs) arranged a session for colleagues working in other regions to share the programme's experiences). This culture extended across the international network. All of the Country representatives who responded to the review team's engagement survey cited a variety of feedback mechanisms (including a lessons learned section in internal reporting and standing agenda items on team and regional conferences) now in place to enable them to record lessons learned and build on previous project experiences.
- 6.31. Externally WFD has developed a new communications strategy and is taking a more assertive role in projecting itself. This extended to the Research programme, one of the goals of which is to share WFD's learning with others working in the field of democracy assistance.
- 6.32. The review team concluded that the effectiveness of these functions varied depending on the planning model adopted, but improvements in M&E since the Triennial Review provided an increasingly strong evidence base to prove their value. The strategy of expansion and targeting new funding sources had supported this, driving up standards in order to meet donors' expectations. The team found evidence of creativity, collaborative planning and a desire to focus on ambitious impactful programming. There is more to do on evaluating outcomes and impact, but the review team were reassured that the Artillery Row team were on the right trajectory.

Recommendation: WFD country office teams and Diplomatic Posts to be encouraged to discuss strategy and share ideas at the business planning phase.

CASE STUDY

Election Programming in Sierra Leone

In 2016 WFD joined a consortium of six organisations which received DFID funding for a 20 month project aiming to create the conditions for a free, fair and peaceful 2018 general election in Sierra Leone. WFD's role in the 'Standing Together' programme focused on inclusivity, improving the participation of persons with disabilities (PWD) and women in the electoral process, alongside more traditional WFD work including support for political parties and training on manifesto development.

Building upon its foothold in country gained through work on a successful parliamentary support programme, the WFD country office built new local partnerships within government and civil society. In August 2017, following a nationwide dialogue involving over 1300 disabled people and 7 political parties, WFD and Sierra Leone Union on Disability Issues launched a non-partisan National Agenda to build consensus on policies impacting on PWDs. 28 Community Based Organisations were then trained on incorporating policy-based advocacy and PWD concerns in their elections programming. This helped mainstream disabled issues and resulted in measures to increase PWD access to the electoral process.

The WFD programme also included changing the approach to political reporting by providing training to journalists to encourage fairer coverage of female candidates, supporting female voter registration and providing induction and training for new female MPs and councillors. Participants were extremely positive on the programme whilst noting the broader obstacles to greater female participation and political leadership, and calling for further WFD support.

Through participation in a consortium, WFD was able to coordinate with other stakeholders working on the election, and to take advantage of cross programme Monitoring and Evaluation activity. An external evaluation of the programme included use of focus groups and surveys to measure impact. However despite initial plans to do so, the National Electoral Commission lacked the capacity to disaggregate statistics on voter turnout and registration – an example of how attempts to evaluate the outcomes of democracy support work can be blown off course by external factors.

The programme closed in July 2018 with the elections judged to have been successful, broadly peaceful with a high turnout and smooth transition of power. Stakeholders and the post-programme evaluation have called for further work and support in the period in between elections to make these gains sustainable. WFD Sierra Leone is currently considering its next steps. Such longer-term work would be in line with the 2017-22 Strategic Framework's acknowledgement that this period is "the time to embed reform and ensure its impact and sustainability".

Research

- 6.33. The WFD Research programme was launched in 2016 with the aim of building an evidence base for and improving the quality of democracy assistance work conducted by the Foundation and its partners, and to raise

WFD's profile within HMG and the broader international community. The work is managed by the M&E Director who **plans** activity to inform programme decision making, in line with the Policy and Research Programme 2016-2020 Strategy. Research is linked to four themes: democratic norms and standards; space and access; process and practice and on how to deliver democracy support.

- 6.34. In 2016-17 and 2017-18 the programme was **evaluated** by an independent review team (given the programme's oversight by the M&E Director). In 2018-19 the programme will be evaluated using the new independent MEL Unit.
- 6.35. Research had been evaluated as among the best performing of WFD programmes, scoring A+ on outputs. The review team agreed that there were strong signs of effectiveness, both in terms of improving the quality of WFD work and in increasing the profile of the organisation by developing WFD positions on democracy support issues. The Director of M&E noted anecdotal evidence of a growing number of approaches for WFD to be represented at events on democracy assistance as an indication that the research was helping to boost the organisational profile.
- 6.36. Research is shared with programme implementers with the goal of influencing the design of new projects and challenging the approach of existing ones. There were several examples of impact, including in Venezuela where research evidence was used to persuade a stakeholder of the need for a rethink on the approach to a parliamentary development programme.
- 6.37. The review team concluded that there were early signs of promise and effectiveness with this function, particularly given its relatively small scale and cost. There was scope to better share the results of the research, including within the FCO.

Monitoring effectiveness at a strategic level

- 6.38. The review team commended the 2017-2022 Strategic Framework which provided an ambitious vision, but also noted a gap between the high-level Framework and more detailed programme and project plans. Whilst the PPOs, Research programme and Parliamentary Assistance functions produced annual plans, setting out a summary of their planned activity and direction, the WFD as a whole did not have a business plan for the year 2017-18 or 2018-19. There is therefore an absence of key performance indicators (KPI) for the organisation with which the Board and sponsor department can monitor progress.
- 6.39. The BoG receive a quarterly progress update on financial management and progress at each Board meeting. The review team understood that a set of KPIs for the current year were produced but the Board had noted that they were too detailed to effectively monitor by that body. At the time of writing a simpler set had not been submitted to the Board. The same set of KPIs were submitted to the sponsor department in a meeting attended by the review team in November 2018, but it was unclear if they had previously been agreed by both parties (see chapter eight: Governance). The review team

questioned how the management, Board and sponsor department could genuinely evaluate organisational outcomes and progress without such KPIs being in place.

Recommendation: WFD to finalise its annual plan for 2018-19, using it to develop KPIs to be monitored by the BoG and sponsor department.

7. Form

Does the current model result in conflicts of interest or valid competition issues?

- 7.1. The grant-in-aid's potential use as 'seed funding', use of the 'Westminster brand' and its connections with both UK Government and political parties gives WFD an advantage it has used to good effect.
- 7.2. The broadening of WFD's focus outlined in the 2017 Strategic Framework has seen it increase activity in a range of areas, potentially bringing it into competition with other democracy support providers. Several 'comparator organisations' defined WFD as both a partner and competitor. The Review Team noted that the 2014 International Development Committee (IDC) inquiry into Parliamentary Strengthening⁹ encouraged greater coordination and collaboration in the UK democracy and parliamentary support sector. The Westminster Community of Practice was established to respond to this, and relaunched in 2017 as the Deepening Democracy Working Group. Whilst this body may play a useful role, infrequent meetings and a broader membership may have diluted its ability to meet the IDC's original recommendation.
- 7.3. The review team were given examples by parliamentarians of delegations from different democracy assistance organisations visiting the same country in rapid succession and some beneficiaries of WFD activities expressed confusion at who had delivered which programme. Whilst independent activities will make sense in most situations, there continues to be a specific need to deconflict, coordinate and potentially collaborate on activities with other democracy assistance organisations, particularly those in receipt of funding from the taxpayer (e.g. CPA UK and the British Group of the IPU).
- 7.4. WFD is rightly considered by HMG to be a trusted partner of choice for democracy assistance activity and one able to rapidly launch and establish programmes. WFD had been successful in securing HMG funding from a range of mechanisms in addition to the grant-in-aid, including open and competitive grants, limited competition tenders and single source. Each of these mechanisms has its role, depending on the context. Whilst acknowledging that they are not appropriate in all circumstances the review team noted the particular importance of open tenders as a way of demonstrating Value for Money (VFM) for the taxpayer and as a means of encouraging WFD and other democracy assistance organisations to ensure efficiency is carefully considered in programme proposals.
- 7.5. The review team noted the role of WFD BoG in steering activity and how it dealt with the relatively small number of foreign policy issues where there was not cross-party consensus or where the Board views strongly diverged from those of the sponsor department and the donor. In the case of WFD's Myanmar parliamentary assistance programme which was being implemented during the Rohingya crisis, the issue was discussed by the Board several times over a period of months, eventually reaching agreement

⁹ International Development Committee – Ninth Report, *Parliamentary Strengthening*, 2014.

to continue the programme, but with several changes. The review team were satisfied that this issue had been debated in full, with the ethical, reputational and legal consequences of the different courses of action duly considered. Whilst the circumstances in the Myanmar example were exceptional, it was a reminder that, as an independent Arm's Length Body guided by a cross-party BoG, WFD could potentially choose a course of action at odds with the advice of HMG sponsors or one which resulted in the need to break a programme contract.

Recommendations:

WFD to consider how it coordinates activity with other UK democracy support organisations and stakeholders in order to avoid duplication.

FCO/DFID to use open competition for democracy assistance programmes, where appropriate.

Does the WFD offer Value for Money (VFM) for British taxpayers?

7.6. The review team assessed VFM using the National Audit Office's three indicators: Economy, Efficiency and Effectiveness, and DFID's July 2011 paper, "DFID's Approach to Value for Money".

Economy (Is WFD doing as much as it can to minimise the cost of resources used or required?)

Staff Costs

7.7. In countries where WFD is represented, WFD employs local staff that are engaged either on contract of services terms or contract for services terms, as determined by the local circumstances and labour law requirements. The net result is gaining local expertise, in the most cost efficient way. The team recognise that this is more cost effective than, for example, appointing UK based staff to field positions on an expatriate package. However this strategy is not without risks. For example, in some locations local employment legislation means that temporary positions may become permanent during the life of a programme or redundancy payments may be necessary unless further business can be secured.

7.8. UK Staff remuneration is controlled and capped at FCO staff salary figures with WFD staff eligible for the Civil Service Pensions Scheme. The review team noted the challenges in recruiting and retaining specialist skilled staff in a competitive market whilst paying civil service salaries.

7.9. The review team noted the CEO's organisational review of May 2018 assessing the appropriateness of the structure and resilience of the organisation at the point when the funding details of DFID's IAP programme had yet to be concluded. The team agreed with his conclusions that the delivery model was right, but that the corporate and operational teams in London needed further strengthening to ensure effective delivery in the future.

7.10. PPO staff costs are covered by WFD, whilst (with the exception of the multiparty office), the PPOs are collocated in their respected party headquarters. Their office overheads are therefore absorbed by the parties themselves thus benefitting from economies of scale. Furthermore, the review team noted that the Board members and other parliamentarians who participate in WFD activities lend their time and expertise on a pro bono basis.

Operational Costs Overseas

7.11. WFD's current business model means that the availability of further funding sources is an important factor when deciding whether or not to launch a project or programme in a new country. Most overseas offices follow the model of a Country Representative leading a country team. The new CSSF Western Balkans project represents a departure from this model to a hub and spoke approach with a regional programme managed from a hub in Belgrade.

7.12. 30% of WFD country offices take advantage of facilities provided by the host government or other stakeholders. For example in Sierra Leone where the WFD is collocated within the parliament complex and Serbia where the WFD team overseeing the Parliamentary Budgetary Office (PBO) is currently using office space provided gratis by the Serbian parliament.

Operational Costs UK

7.13. The Review Team noted concern amongst some Governors at the level of funding being put into WFD Artillery Row overheads. Much of the funding for this comes from non-grant-in-aid funding streams and seems proportionate to the organisation's requirements and projected growth, that is, employing predominantly local staff in the field requires a corresponding uplift in support and oversight staff in Artillery Row to ensure the appropriate controls are in place. The review team noted that the National Audit Office (NAO) Review felt this support was at an appropriate level at present, but that increased activity in the future also increases the risk of weakening these oversight mechanisms – both in the financial and operational teams.

7.14. The review team noted that in January 2018 the Office of Government Property had reviewed the central London location of WFD's UK headquarters concluding that the location was justified. This decision was approved at Ministerial level.

7.15. The review team considered whether it might be more cost effective to incorporate the separate PPOs into one space at Artillery Row. At present each of the PPOs is based in their respective party headquarters (with the exception of the multiparty office) where office overheads are covered by the parties, with WFD responsible for staff costs. There would be some (largely non-financial) benefits of moving the PPOs to Artillery Row including:

- the PPOs having immediate access to the Artillery Row in house expertise e.g. the programming, communications, Technical Advisory and M&E teams;
- better overall support through being considered "part of the team";
- some sharing of services like procurement and office overheads;
- WFD having a clearer strategic oversight of PPOs activities.

7.16. The review team concluded, however, that there was no obvious cost benefit in moving the PPOs (who are housed gratis in the UK party central offices) and moving them away from party headquarters would impact on their ability to galvanise party support for their international work.

Efficiency (Is WFD managing the relationship between the output from its services and the resources used to produce them?)

7.17. The review team noted that WFD's strategy of diversifying its funding sources had been successful, with several examples of winning work through open competition. This was commended by the review team. Open competition encourages efficiency, keeping costs down in order to ensure WFD's bid is competitive. Even when not winning work through open competition, WFD is increasingly required to up its game in responding to donors demands. This is helping to drive a more efficient approach.

7.18. In addition to the efficiency recommendations in the CEO's operational review (see 'Staff Costs' section above), the review team noted that the finance team in particular is constrained by an accounts management system which it believes is no longer fit for purpose, requiring the team to carry out manual reporting that could otherwise be done automatically on more up to date software.

7.19. However whilst the review team noted WFD's preference for a better automated accounting system, it also notes the recommendation in the separate Systems Efficiency report¹⁰ to consider carefully its requirements across the business as a whole to avoid a costly mistake. The review team welcomes the appointment of a new Operations Manager to lead this work. There is a potential to increase efficiency and effectiveness of the organisation by investing in a Customer Relationship Management system which would help better manage contacts and demonstrate long term impact by monitoring beneficiaries' progress.

7.20. The review team noted that levels of funding for PPOs are based on the proportion of seats in parliament (the Short Formula), rather than on the potential impact of in-country programming. Funding levels for each PPO are set at the start of the year, with PPOs planning how they will spend their allocation, rather than bidding from a central pool of money. This system provides clarity on funding levels to the PPOs which should support the more strategic approach to planning outlined in Chapter six: Effectiveness. Whilst the team do not recommend changes to the PPO funding allocation, the team noted the importance of using the planning and M&E process to ensure the quality and efficiency of planned activity and of greater encouragement for a multiparty approach.

7.21. WFD has a set of scrutiny procedures for use in assessing and monitoring all of its programme proposals which range from the macro i.e. determining whether the proposal fits within the budget and monitoring spend overall; through to the micro ie scrutinising types of proposed costs vis-a-vis travel and other expenses. However, whilst WFD are confident of providing satisfactory oversight of the amount that

¹⁰ Intersys, *Improving WFD System Efficiencies*, September 2018

PPOs are spending, determining precisely what some PPOs are spending their money on and thus measuring how efficient their spending is, is more challenging because of limited Artillery Row input into the planning process.

Effectiveness (the relationship between the intended and actual results of public spending (outcomes))

7.22. Effectiveness is covered separately in chapter six.

Summary

7.23. The review team found evidence of a VFM approach under each of the three NAO categories.

7.24. In its VFM report DFID assesses that cost efficiency is reached by ensuring that there is a balance between cost of the process from input (i.e. the original resource invested in the activity), to output (the activity) to outcome (the change) and its quality. The review team concluded that there is evidence that WFD's input to output processes are reasonable and cost efficient. As outlined in Chapter six: Effectiveness, there is clearly more to do if WFD is to demonstrate the link to outcomes, but overall the review team judge that HMG's investment in WFD represents reasonable VFM in championing democracy and promoting effective, accountable and inclusive institutions.

7.25. The review team concluded that, taking into consideration the view from NAO recent audits (and other independent Reviews), WFD's success in winning new business, along with the measures that WFD has taken to keep staff and overhead costs to the minimal possible without compromising on talent and expertise, WFD has met the threshold in terms of providing value for money for taxpayers.

8. Governance

8.1. Good corporate governance is central to the effective operation of all public bodies. In line with the Terms of Reference, the review team considered WFD's governance arrangements, assessing the existing controls, processes and safeguards against the principles and approach set out in 'Corporate Governance in Central Government Departments: Code of Practice'.

Role of the Board

8.2. WFD's Management Statement sets out that each board member should be briefed by the Chairperson on WFD's vision and purpose, their roles and responsibilities and their obligations to provide strategic oversight and direction and risk management.

8.3. Based on interviews with board members and records of BoG meetings, the review team found that several of the political party Board members tended to be primarily focused on PPO work, with the exception of where programme activity moved into a politically contentious area. The review team noted that one Board member referenced the PPO function as being completely separate from the other Artillery Row functions, suggesting a compartmentalised view of WFD's work which was at odds with the Strategic Framework. Independent Board members tended to take a broader view with what appeared to be a clearer picture of their responsibility for representing WFD interests as a whole.

8.4. BoG meetings had at times been diverted to focus on issues that had already been discussed with a course of action established and/or to focus in granular detail on a particular item. This was most notable on the Myanmar programme in the context of the Rohingya crisis, which had absorbed much of the Board's bandwidth over the course of several of the Board's (quarterly) meetings. The review team concluded that Board challenge and focus on such issues was entirely appropriate, but that it was important that sufficient time was also allowed to cover other BoG responsibilities and that decisions, once taken, were adhered to.

Recommendation: Induction to happen consistently for both independent and political party governors in line with the Management Statement.

Board composition

8.5. WFD's Board is largely consistent with the guidance in its composition, with the exception of an obvious lead independent Board member. The Management Statement stipulates that the Board should comprise six political party representatives and four independents. The review team judged it is correct to have both political and independent experience and expertise at the table. However given that WFD's growth is in the non-political party assistance functions, the review team questioned whether the the Board composition should be reconsidered. This would provide an opportunity to deepen the skill set and capacity required to provide sufficient and rounded Board oversight and strategic support.

- 8.6. Stakeholders reported that the appointment process for independent Board members is tortuous and thus potentially off-putting. Meanwhile the overall appointment process for Board members is not altogether clear. The responsibility for officially appointing Board members lies with the FCO as the sponsor department, however the process for initiating the replacement of political party Board members who have served their full term seems ambiguous.
- 8.7. The Management Statement expressly states that Board members should serve a three year term, with the Articles of Association stating that each Governor shall hold office for a term of three years and may be reappointed to hold office for a further term of three years. A Governor shall not hold office for more than three consecutive terms of three years. The review team was concerned to note that three Governors' terms had expired over the course of 2018 without evidence of a process in place for either appraising their performance (as stipulated by the Management Statement) nor for formally seeking their approval for a renewal of their positions. This has since been rectified – with WFD writing to FCO to recommend extensions - but it suggests that there needs to be a tightening of the process.

Recommendations:

Appoint a lead independent Board member in line with Cabinet Office guidance; or return to the previous practice of appointing two vice chairs, one of which should be filled by an Independent Board member.

Consider rebalancing the composition of the Board proportionate to the needs of the business and its future strategic direction, by increasing the number of independent members.

Streamline bureaucracy on independent Board member appointments.

FCO to set out a clear process for the replacement/reappointment of Board members whose terms has expired which also includes an effective monitoring procedure to ensure compliance.

Board effectiveness

- 8.8. This section examines whether the Board is effective in giving WFD proper scrutiny and support. The review team considered whether:
- a) The provision of **training and induction** for Board members met the criteria laid out in Cabinet Office Guidance, vis-à-vis accountability, roles and responsibilities and understanding the business. Some Board members have confirmed that they received induction training and a Code of Conduct handbook. Committee chairs are issued with Terms of Reference which cover their responsibilities as Chairperson and of the committee. One Board member thought that security training might be considered given the countries to which Governors often travel.
 - b) The **Board papers are relevant and fit for purpose** in providing enough context and information for effective debate, challenge and decision making. Whilst stakeholder interviews indicate that there is nothing absent in the information they receive, some were content with the papers, others believed that the papers could be curated more efficiently,

particularly on the financial and risk side. The review team noted that on the basis of past feedback, WFD had intentionally submitted more financial reporting to the Board than previously in order to provide Members with a better picture of the business as a whole rather than focussing on what may be of particular interest.

- c) The Board's **performance is effectively evaluated** – both individually and collectively.

As set out by the Management Statement, the Board Chair has an obligation to ensure that the work of the Board and its members is reviewed and working effectively. The BoG discussed this issue at a summer 2018 away day and agreed the importance of performance assessment, however this appraisal has not yet taken place. The review team would urge the chair to ensure that performance reviews take place consistently and, as set out by the Management Statement, that regular discussions take place to ensure that the balance of skills of the Board is appropriate to directing WFD's business.

- d) Each Board member must complete an annual **Conflict of Interest** declaration form. The 2016/17 and 2017/18 NAO external auditors reports flag some Board members failure to complete this form on time as an ongoing risk. The review team noted that the incidences of this had decreased significantly from 2017 to 2018 although would suggest that it is monitored more closely in the future. WFD makes a Conflict of Interest declaration in its Annual Business Report. But the review team was unable to determine whether there an agreed process in place should a Board member declare a conflict of interest.

Recommendations:

WFD should continue to work to refine the Board papers to ensure the right balance of data, analysis and strategic clarity.

Related to the above recommendation, WFD should consider appointing a member of the WFD Executive Management Committee to act as a Board Secretary.

Ensure that an informal oral conflict of interest declaration is consistently made as a standing item for Board meetings.

Put in place a clear conflict of interest process and include this in the Code of Conduct booklet for new Board members.

Risk management

8.9. In line with Cabinet Office guidance, WFD has an Audit and Risk Committee (ARC) which meets three times annually, is chaired by an independent Board member with recent and relevant financial experience and comprised of three other Board members, the majority of whom (also in line with CO guidance) are independents with considerable financial experience between them. The review team noted that the previous chair of the ARC had resigned in April 2017 due to his concern at the lack of a financially qualified Governor on the ARC or the Board, and so welcomed that this has now been addressed.

- 8.10. The ARC reviews and monitors the systems of internal control and receives regular reports on the work and findings of the internal and the external auditors. Minutes are prepared following each meeting and provided to the Board, together with an annual report. Key risks and their proposed mitigation are highlighted in WFD's annual report, which is published online.
- 8.11. WFD has contracted the National Audit Office to carry out its external auditing requirements, and Crowe as its internal auditors. The most recent external audit was carried out in June 2018 paying particular focus on four key potential risks identified in the previous audit (2016/17). The review team welcomed NAO's conclusion that no issues were identified in 2017/18 in relation to these risks. The review team also notes Crowe's internal audit plan and its comprehensiveness.
- 8.12. WFD is forbidden by the Management Statement to hold any Exchequer funds in reserve. The review team considered this to be a risk, as it constrains WFD in its ability to manage unforeseen circumstances, cover emergency costs, or invest in resources to support its growth.

Recommendation: WFD and the FCO discuss the possibility of lifting the reserves bar on all non-Exchequer funding.

Internal systems for managing results and impact

- 8.13. The Programme Quality Committee (PQC), chaired and comprised of Governors maintains an overview of all WFD programmes to assess the overall quality of WFD's work and help shape and monitor initiatives to strengthen its impact.
- 8.14. WFD has its own Monitoring and Evaluation (M&E) Team whose head also sits on the EMC. As a result of the Triennial Review in 2014, WFD has actively moved away from standalone programme activities where there is a one off benefit recorded, to using that benefit to build in-house expertise through a small grant to researchers at the University of Birmingham. WFD allows researchers to have access to political leadership and in turn, the academics give WFD up to date political economy of democracy support analysis which in turn feeds into WFD's programme design. The review team noted that there was an inconsistent approach from programme teams to incorporating this research into their planning.
- 8.15. The M&E team has designed a clear process for measuring impact from being involved in the design phase, helping evaluate the theory of change and logic, assisting the programme teams in mapping out the indicators used to monitor the progress against outputs and outcomes through to conducting final evaluations either internally or externally depending on capacity.
- 8.16. Programme teams self-monitor impact and results and submit to the Programme Director along with a separate assessment from the M&E team. The Programme Director then assesses and determines the RAG rating on a quarterly basis which is submitted to the PQC for review.

Recommendation: WFD to continue to encourage programme teams to build in evidence based research into their programme planning and proposals.

Governance for WFD's work with Political Party Organisations and reporting systems, including impact and financial reporting.

- 8.17. The same principles for the WFD Artillery Row programme teams are in theory in place for the PPOs. However, the discipline of involving M&E and the Technical Advisory Unit (TAU) at the design phase and then involving the team in phased review and impact assessment had been harder to implement for the PPOs due to the focus on output led activity (see Chapter six: Effectiveness).
- 8.18. The review team welcomed the shift of decision making on programme proposals from the Board to WFD's CEO, leaving the Board in a better position to perform its challenge and strategic oversight functions without risk of conflict of interest. However the review team questioned whether assessing project bids to ensure strategic fit is a proportionate and practical application of the CEO's expertise. Furthermore, some PPOs submit their proposals after the activity has been approved internally and on the verge of being carried out, but before funding has been allocated, which renders the strategic fit assessment redundant. The review team questioned whether the flow of information between Artillery Row and the PPOs was working and information was being recorded effectively.

Recommendations:

WFD to consider whether assessment of PPO project bids might be carried out by the Director of Programmes, with final CEO approval.

PPOs submit their project proposals in good time to ensure a proper strategic fit assessment can take place.

- 8.19. However, it should be noted that the above two recommendations would largely be rendered superfluous should all of the PPOs move to a more strategic and collaborative way of working, taking full advantage of the WFD's M&E and research teams, Technical Advisory Unit and programme expertise. At least one PPO expressed an interest in developing this mutually beneficial relationship, but wasn't certain whether this was possible.

Recommendation: WFD should clarify the nature of its relationship with PPOs, including the degree of support and priority that its teams can give.

Diversity and the gender pay gap

- 8.20. WFD, like all employers in the UK, is bound by the Equality Act of 2010 and is committed to be an equal opportunities employer. As a comparatively small organisation, WFD does not have a formal obligation to report to the Civil Service Commission on recruitment but states in its annual report that it complies with the principles set out in the Civil Service Commissioners' Recruitment Code and manages recruitment and selection processes based on openness, fairness and appointment on merit.
- 8.21. WFD has instituted a grievance procedure to be used by staff if they believe they may have been discriminated against. Feedback from the survey of WFD country representatives suggests that 86% of those who

responded felt valued by the WFD, with 94% agreeing or strongly agreeing that WFD listens to what they have to say. Of those who responded, 87% felt supported by WFD with one observing that the support infrastructure for staff in the field has markedly improved over the last three years.

Gender: Staff numbers and composition

8.22. The breakdown of each gender as at 31 March 2018 was as follows:

	Female	Male
Governors	3	6
Senior civil service staff	0	2
UK staff	24	15
Rest of world staff	31	27

8.23. The review team noted that organisation has a higher percentage (than average) of female to male representation, particularly in its overseas locations which also gives WFD its broad spectrum of ethnic diversity. However this figure inverts at the executive management level, with the majority of executives being male.

8.24. In the UK office pay is fairly even when broken down by grade. Although across the organisation there is a bias to men mainly because they fill both of the two senior staff roles.

9. Engagement with the sponsor department

- 9.1. The review team considered whether the sponsor department's level of engagement was adequate to support WFD in the delivery of its objectives.

The Framework

- 9.2. The relationship between WFD and the FCO is articulated in the Management Statement and its associated Financial Memorandum. These framework documents also include specific Cabinet Office and Treasury guidance documents that WFD must comply with. In addition, WFD has drawn on guiding principles published in the UK Corporate Governance Code and HM Treasury's Audit Committee Handbook in establishing its governance framework.
- 9.3. Accountability within WFD is overseen and exercised through the BoG and its subcommittees (Audit and Risk, Programme Quality and Terms and Conditions) each chaired by a governor. The Board met four times during the year with an average attendance by its appointed Governors of 91%.
- 9.4. The Executive Management Committee (EMC) steers the management of the Foundation and its future development. It is chaired by the CEO and senior staff from all functions are members. The committee meets monthly and focusses on operational risk management using a corporate risk register, which reports the current strategy for managing each risk, the relative strength of the risk control, and the net risk outcome (low, moderate, high or severe), a standing item on the EMC agenda.
- 9.5. Each regional programme team assess their programmes against the agreed criteria and submit their RAG ratings to the Programme Director. The M&E team conduct a similar process and submit to the Programme Director concurrently. The Programme Director then reviews the ratings and submits the Risk report for discussion at the EMC.

FCO Oversight:

- 9.6. WFD was established in 1992 as an executive Non Departmental Public Body (NDBP), sponsored by FCO to support its strategic aims. DFID started providing three-year accountable grants in 2012, which are now of higher value than the FCO grant-in-aid, with DFID contributing £4 million in 2018-19, 2019-20, and 2020-2021. This increase in funding has been rightly been accompanied by increased DFID oversight of DFID-funded activity.
- 9.7. The FCO relationship with WFD is led by a nominated policy officer in the FCO's Multilateral Policy Department (MPD), whose role includes (in addition to other duties) responsibility for overseeing WFD. There is a clear direct management chain from this officer to the deputy Director of Human Rights and Democracy, thence to the relevant Minister and, finally, to the Foreign Secretary who has overall responsibility for WFD including (but not limited to) the appointment of all Board members and Chairperson, and is accountable to Parliament for WFD's activities and disbursement of Exchequer funding.
- 9.8. In line with Cabinet Office Guidance, the review team explored whether the FCO was providing adequate oversight of WFD by considering:

Is the grading of this official right?

9.9. The review team felt that the grading of the official (FCO grade C4 / Higher Executive Officer) was not unreasonable given the level of responsibility. The review team considered whether an official at a higher grade may be able to leverage more senior FCO attention. This would give the WFD more strategic direction as well as more detailed oversight at an operational level. The review team welcomed the intention of Multilateral Policy Directorate (MPD) to recruit a higher grade (D6 / Grade 7) officer to provide further focus on democracy support work including deepening discussion with WFD and other stakeholders on the Foundation's strategic direction.

Does the official have a clear remit? Does the responsible official have a clear understanding of the FCO's and WFD's objectives?

9.10. The review team assessed that the FCO official responsible has a good grasp of WFD's business and purpose. The officer is clear that she leads on WFD although was unclear in some areas where the demarcation line for responsibility lies. The team observed that the relationship between WFD and the FCO was largely driven by WFD, with the formal quarterly meetings (chaired by the FCO) neither happening consistently nor minuted. The review team noted that WFD's Strategic Framework for 2017-22 was not submitted for Ministerial agreement, despite WFD's request, and was agreed at official level. Given the significant broadening of focus outlined in the Framework, an FCO Minister's attendance at the event where the Framework was launched, and the requirements set out in the Management Statement, the review team found this concerning.

9.11. Most WFD stakeholders expressed the desire to move towards stronger strategic guidance and more proactive, consistent FCO oversight. MPD agreed that there would be merit in this but noted the Directorate's current resource constraints. The arrival of a D6/Grade 7 officer in 2019 was seen as an opportunity to reinforce the team

Is there an agreed escalation system in place?

9.12. Yes, although the Review team has yet to identify what mechanism is in place to ensure that the FCO Board is informed on, and discusses WFD programming and activities.

Does the official have a clear understanding of the difference between information required for reporting purposes (e.g. financial info for the FCO's accounts) and information required for oversight purposes (e.g. understanding WFD's business)?

9.13. The review team agreed that the responsible officer and MPD had not completed the full range of oversight responsibilities (as laid out in the Management Statement) for which the FCO is accountable. Trust in the WFD combined with a prioritisation of other human right issues, including those linked to ministerial priorities, has been such there was relatively little management focus on the WFD relationship.

9.14. The review team noted the strong oversight mechanisms associated with DFID's new IAP programme, and saw potential for overlap with existing

FCO oversight. The FCO as sponsor department is ultimately accountable for WFD and should continue to lead on any discussions on WFD strategy, but should involve DFID as a key stakeholder. DFID operational level meetings on the programme should avoid replicating agenda items on the quarterly meetings. Given the rise in DFID funding for WFD activity, FCO oversight mechanisms should be tightened-up.

- 9.15. In summary the review team believes that MPD/FCO is not providing the necessary level of oversight and strategic guidance to WFD. The team did not see any evidence that this lack of oversight has led to impropriety – financial or otherwise – nor has it been identified as a risk by WFD’s external auditors. However, there are certain obligations laid out by the Management Statement and Cabinet Office guidelines for Sponsoring Departments that the sponsor department is not observing that could be regarded as a risk in the future.

Recommendations:

The FCO to ensure that the annual Ministerial meeting happens more consistently, with one held in the first quarter of 2019. FCO Minister to be fully briefed on the new expanded areas of focus outlined in the 2017 Strategic Framework.

A more strategic relationship between FCO and WFD including (but not limited to) WFD as an annual agenda item for the FCO Management Board to discuss and review progress in delivering the Strategic Framework.

A formal minuted Quarterly meeting chaired by an SMS FCO officer with the following fixed items on the agenda:

- Update on WFD's activities (both programme and political work)
- Progress against strategic framework
- Progress against annual business plan (key objectives, KPIs, key non-financial performance targets, expenditure)
- Risk assessment/updates (for sponsor Department and WFD)
- Organisational updates e.g. outcome of systems review; proposed new accounting software and intended impact etc.
- Inform WFD of changes in HMG policy
- Upcoming Board Vacancies
- (Optional) Deep dive with geographical department

FCO to discuss with DFID how to deconflict oversight mechanisms.

Broader FCO and HMG Engagement

- 9.16. The review team noted that the 2014 Triennial Review recommendation for a new periodic strategic plan for democracy strengthening to be produced jointly by FCO and DFID, with consultation with WFD and other democracy partners was not implemented. Such a strategy had since been mooted at a senior level but, largely due to resource constraints, had not been progressed and was still under consideration.

- 9.17. The review team noted an appetite from WFD for closer engagement with government on championing democracy overseas. This would go beyond the relationship with MPD, drawing in other parts of the FCO and other interested partners from across government. The objective of such discussions would be both to aid WFD's strategic development (e.g. identifying where democracy assistance work might play a role in an HMG regional strategy) and to identify opportunities for WFD to support broader government initiatives.
- 9.18. The review team recognised MPD's concerns over the Directorate's capacity to facilitate such discussions, but saw merit in looking for opportunities to better promote the role of WFD to interested partners (e.g. through FCO internal communications and by disseminating the results of the research programme) and ensuring WFD is represented in relevant government discussions. More effective use of the Quarterly meetings could also provide scope for discussions of a more strategic nature on how the grant-in-aid offers an opportunity for both parties to deliver WFD's strategic purpose

10. Brexit

- 10.1. In line with the Terms of Reference and Cabinet Office guidance, the review team considered the impact of Brexit on WFD's operating model, and whether the organisation is sufficiently prepared.

Funding

- 10.2. The EU has been a small, but growing part of WFD's funding. In 2017-18 WFD received £117,000 in EU funding. This figure will rise to approximately £2,135,000 in 2018-19 (£395,000 directly from the EU, with the remainder received as a subgrant from a consortium receiving EU funding) and is projected to be approximately £1,500,000 in 2019-20).
- 10.3. Brexit is likely to impact on the eligibility of UK organisations to bid for future funding unless a reciprocity agreement is reached. WFD found that of the 85 EU calls for proposals for democracy support programmes issued in the period 2014-2017, non EU/EEA members would have been eligible to bid for 40.
- 10.4. Brexit could limit WFD's ability to lead on bids for EU grants to certain regions. However WFD has experience of working with leading European democracy assistance organisations and is a constituent member of the European Partnership of Democracy, the Brussels based umbrella organisation for democracy assistance organisations. By working in partnership with its European equivalents, WFD is likely to be able to continue to access EU funds.

Election Monitoring

- 10.5. WFD currently hold a contract (due to expire in 2019) with the FCO to recruit UK based election observers to participate in EU election observation missions. Income generated from this work is relatively low (£15,000pa) but the association arguably enhances WFD's reputation as a key player in the field of democracy support. Some non-EU/EEA states (Canada, Switzerland and Norway) do contribute observers to EU election missions in return for covering their costs, an option which is likely to be open to the UK. The FCO is discussing this with the EU.

Freedom of Movement

- 10.6. About 25% of WFD's UK workforce are non-British EU citizens. Their status would be affected by any changes to the rights of EU workers living and working in Britain post Brexit. WFD were aware of the issue and had communicated the latest HMG position to the relevant staff.
- 10.7. The review team were satisfied that the potential impact of Brexit had been fully considered by WFD management. The impact of Brexit had been discussed by the BoG in June 2017, and again at their 2018 away day.

Finding: WFD financial exposure to Brexit may be mitigated by partnership with other EU based democracy support organisations, or by a reciprocity agreement. There is evidence that BoG/WFD Management have considered the impact of Brexit.

Recommendation: FCO to engage with WFD on plans for post-Brexit involvement in EU election monitoring.

Annex A

Westminster Foundation for Democracy Tailored Review : Terms of Reference

1. Tailored Reviews

All public bodies are required to be reviewed on a periodic basis, in accordance with Cabinet Office guidelines: <https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance>

The principal aims of Tailored Reviews are to ensure public bodies remain fit for purpose, are well governed and properly accountable for what they do.

The new tailored review guidance offers greater flexibility to departments so that reviews are proportionate to the size and type of public body and more flexible in timing and approach. Departments continue to lead these reviews and must undertake a tailored review of their public bodies at least once in the lifetime of a Parliament.

This review is classified as a Tier 3 review which is proportionate to the size and funding of the body.

2. Westminster Foundation for Democracy

The Westminster Foundation for Democracy (WFD) was established in 1992 as an executive Non Departmental Public Body (NDBP), sponsored by the Foreign and Commonwealth Office (FCO) to support its strategic aims. WFD's work focuses on strengthening democracy in Africa, Asia, Eastern Europe and Central Asia, and the Middle East, Latin America and North Africa.

In the period following the Triennial Review of WFD in 2014, WFD developed a new five year strategy (2017-2022) expanding its focus to include civil society strengthening, electoral assistance, inclusive politics and women's political empowerment, and open government, building a case for continued (and possibly increased) UK investment.

The FCO provides annual grant-in-aid to WFD which has been £3.5m since 2009-10. DFID started providing three-year accountable grants in 2012, which are now of higher value than the grant-in-aid, with DFID contributing £4 million in 2018-19, 2019-20, and 2020-2021.

3. Scope of Review

Part One

Part One of the Review has two principal aims:

- (i) Provide a robust challenge to the continuing need for the WFD in terms of its functions, form, and engagement and influence with stakeholders; and
- (ii) Review the WFD's control and governance arrangements to ensure compliance with the corporate governance principles contained in the Cabinet Office Tailored Review Guidance.

Part One of the Review will consider three questions:

- a. Do the key functions of the WFD continue to be relevant and necessary in terms of delivering the Government's objectives?
 - Does the purpose of the WFD as set out in the Management Statement of 2013 remain relevant and necessary?
 - Does the 2013 Management Statement still adequately reflect relevant Government objectives?
 - Are the functions of the WFD consistent with that purpose?
 - Do they deliver influence for the UK through support for democracy/soft power?
 - Do they help deliver Government foreign policy and development goals, and what is the balance between these objectives?
 - Do they deliver poverty reduction, as set out in DFID's objectives?
- b. If so, are these functions most effectively and cost efficiently provided at arms-length from Government and, more specifically, through an executive Non Departmental Public Body (NDPB)?
 - How effectively does the WFD carry out each of these functions?
 - Could any of them be delivered as well or better by alternative delivery methods or providers?
 - Does the WFD provide good value for British taxpayers?
 - Is the FCO's and HMG's engagement with WFD adequate to support WFD's delivery of these functions?
- c. Is the operating model of the WFD the most appropriate?
 - Does it allow the WFD to deliver its functions effectively?
 - Does it give rise to conflicts of interest or valid competition issues?
 - What alternative financing and delivery models might be appropriate, and what would the cost and impact of any changes be?
 - Is it correct for all funding to be Official Development Assistance?
 - What will the impact of Brexit be on WFD's operating model, and is the organisation sufficiently prepared?

Part Two

The Review will consider (i) WFD's capacity for delivering more effectively and efficiently, including identifying the potential for efficiency savings and (ii) whether the WFD is operating in accordance with the recognised principles of corporate governance by being open, transparent and accountable. Part Two will consider:

Efficiency and effectiveness

- WFD's delivery of its previous Strategy 2015-2017.

- WFD's delivery of its current Strategic Plan (2017-2022).
- WFD's reporting against delivery of its Strategic Plan.
- WFD's funding, resource management and value for money.
- WFD's risk management.

Governance

- The FCO and DFID's oversight arrangements for WFD, including fiduciary accountability and WFD internal systems for measuring results and impact.
- The effectiveness of the WFD's Governance (executive and non-executive) and how this is assessed.
- Whether the governance controls in place follow "good practice".
- Governance for WFD's work with Political Party Organisations and reporting systems, including impact and financial reporting.
- WFD's internal structures and accountability systems.
- WFD's work on diversity and the Gender Pay Gap.

4. Output

A report setting out the reviewers' findings in response to the questions posed in Stages 1 and 2 of the Review, with clear recommendations, including any changes required to WFD's models, to:

- a) ensure the sponsoring Department's requirements are met and, if the recommendation is that the NDBP continues to operate;
- b) ensure that the body is operating in line with recognised principles of good corporate governance; and
- c) ensure that the delivery model provides value for money and promotes FCO foreign policy and DFID development goals.

5. Process

The review will be completed by three members of FCO staff. These have been resourced through the Project Taskforce (PTF) and are not Human Rights Policy Unit (HRPU) staff. This meets the need for the review to be conducted independently. The PTF colleagues will be embedded into HRPU but their line management chain will remain in PTF.

Part One

- Verify WFD's functions, assess how the functions contribute to the aims and objectives set out in WFD's corporate planning and the Management Statement, how they contribute to FCO and DFID core business and consider whether the functions are still needed.
- Assess the adequacy of the 2013 Management Statement.
- A stakeholder mapping exercise and consultation, including both the FCO and DFID.
- Review of all relevant documentation.
- Analysis of alternative delivery options, including whether the function(s) can be delivered by local government, voluntary or private sectors. The analysis should

also include an assessment of different central government delivery models, including whether the function can be delivered by the sponsoring Department, by a new or existing Executive Agency or by another existing central government body. The analysis should also include an assessment of the NDPB against the Government's three tests as set out in Cabinet Office guidance.

- The reviewers will liaise with external evaluators that have assessed WFD's impact to share information prior to commencement of the review and throughout. The reviewers will aim to avoid duplicating previous assessments.

Part Two

- Work with WFD's Chief Executive, Board of Governors and Finance Director to assess if WFD is operating in line with Cabinet Office guidance on corporate governance.
- Map out what other UK partners and implementers are doing and what other countries are doing in this field. Consider international best practice on the design and delivery of democracy-support programmes.
- Examine WFD's funding, operating and management models, including composition and role of the Board, and line management responsibilities and consider whether they are conducive to providing effective, transparent and value for money delivery of HMG objectives.
- WFD must be engaged in the review. WFD should have the opportunity to comment and input from the planning stage onwards. WFD must have the opportunity to comment on the emerging conclusions and recommendations of the review.

6. Reporting Arrangements

The Review Team is responsible for launching the review, consulting stakeholders, gathering evidence, analysing results, writing the report and disseminating its results. The team will report to the Head of Human Rights Policy Unit at each stage of the process by means of an oral briefing – dates to be agreed. The Team should submit a draft report for comment by 31 October 2018, with a final report detailing its findings and recommendations to the Head of HRPU by the end of 2018. The team will liaise with HRPU lead on a weekly basis.

The Review team will work closely with the FCO, Cabinet Office review team, WFD and DFID. Initial introductory meetings will be held with the three Government departments and WFD (including the Board), after which Cabinet Office will have a mid-term review with the reviewers, and a meeting at the end of the review. FCO, DFID and WFD will be consulted as necessary throughout.

The findings will be published at the end of the Review period. The launch of the Review and the outcome will be announced in Parliament by Written Ministerial Statement.

Annex B

Summary of the 2014 Triennial Review recommendations and resulting actions

The 2014 Triennial Review of WFD was announced by a written Ministerial Statement laid before Parliament on 14 February 2014. The final Review was laid before Parliament on 12 March 2015.

The Review found WFD had made quantifiable and incremental improvements in the wake of previous external and internal reviews, but believed there was significant scope for further progress.

The Review emphasised WFD's strong brand and potential, and the organisation's good work. It noted improvements in enhancing its strategic approach, contextual analysis when designing programmes and delivery.

The Review concluded that WFD's Parliamentary work¹¹ required significant improvement; that sister-party political party assistance work was more effective but impact was difficult to gauge; and that its multi-party work offered large room for growth.

Areas of concern fell under five areas:

1. WFD needs clearer strategic direction from and ongoing dialogue with Central Government; and more effective information sharing between WFD's constituent parts (i.e. Central Government, WFD's Board of Governors, its core programme team and the WFD part-funded international offices of the UK political parties).
 - The 2018 review team assessed that whilst there had been HMG input into the development of the 2017 Strategic Framework, the sponsor department does not yet provide sufficiently clear direction on its expectations of WFD.
 - There had been some improvements in information sharing within the constituent parts, with a concerted effort to more closely link the 'two wings' of the organisation. But there is more to do to.
 - The recommendation for a new periodic strategic plan for democracy strengthening produced jointly by FCO and DFID, with consultation with WFD and other democracy partners was not implemented.
2. WFD's focus and continuity in selecting beneficiary partners needs better alignment with funding Departments' priorities and overseas recipient needs – while preserving some operational margin for flexibility, opportunism and discretion.
 - FCO remains flexible on how its grant-in-aid is used and could provide clearer direction on where it would like to see its funding spent to more closely align with FCO priorities. WFD would welcome more engagement with central government on this. DFID's new Inclusive and

¹¹ At the time of the Triennial Review, WFD and its functions was considered in terms of two 'wings' – the Artillery Row operation responsible for conducting parliamentary work, and the Political Party Offices (PPOs) conducting political party assistance work.

Accountable Politics programme grant is now more targeted to DFID priority countries and themes.

- Despite some positive steps (e.g. engagement on Political Economy Analysis work) there is scope for closer engagement with HMG posts overseas, particularly on programmes designed in London.
 - WFD works closely with partner governments overseas to design programmes that meet their needs. The strategy of overseas expansion – increasing the number of country offices – has helped build trust and communication.
3. WFD needs to be more joined-up, becoming one integrated organisation rather than the sum of its constituent parts. Its ability to link and lever the contribution of the political parties to the wider organisational goals of integrated democracy assistance work is key.
- WFD has worked hard to become a more joined-up ‘one team’ organisation with some signs of improvement. PPO plans are now approved by Artillery Row and PPOs work more closely with the Artillery Row functions. But this collaboration can be at a relatively superficial level and there is scope for closer working, particularly when planning integrated democracy assistance work.
 - The 2017 Strategic Framework has broadened the organisation’s scope and encouraged a more integrated approach to democracy assistance work. This broadening was agreed by HMG and runs contrary to a recommendation to narrow WFD’s programmatic and project focus.
 - The WFD research programme has played a role in improving information sharing within the WFD, and with other democracy assistance organisations.
4. WFD needs to improve its programme impact, which is currently constrained by being overstretched; over-dependent on the limited time-availability of MPs (including those MPs who serve as Governors on the WFD Board); and under-skilled in parliamentary and political party work within the programming team at WFD headquarters.
- WFD has strengthened skills at WFD headquarters, including its M&E, Finance and Communication teams, in order to improve programme impact. Programmes are now better planned and delivered as a result.
5. WFD’s Board of Governors needs to be freed up from too much operational load in order to become more strategic and corporate in focus.
- The CEO now leads on operational issues, freeing more Board time to focus on strategic issues.
 - A recommendation to ‘rebalance’ the composition of the Board of Governors, increasing the number of independent Governors and reducing the number of political Governors was not followed.

Annex C List of recommendations and findings

Para	Recommendation / Finding
3.7	Finding: Given the scale of the challenges facing democracies, the review team believe that WFD's purpose remains as relevant and necessary today as when it was established in 1992.
3.11	Recommendation: the Management Statement adequately reflects relevant Government objectives but should be updated to reflect the broader focus of WFD work. The opportunity should be taken to review and update other clauses.
3.14	Finding: WFD's work is in line with DFID's poverty reduction objectives, indirectly reducing poverty.
3.18	Finding: All FCO grant-in-aid and DFID accountable grant funding to WFD to date is ODA-eligible. Recommendation: WFD should continue to ensure that where participants from non-ODA countries are involved in ODA-eligible events their role is limited to supporting benefit to ODA-recipient countries, rather than as direct beneficiaries themselves.
3.26	Recommendation: WFD Monitoring and Evaluation team to consider 'influence for UK' when evaluating activity. Finding: there is insufficient evidence to measure the extent to which WFD delivers influence for the UK through support for democracy/soft power, but the review team agreed that the Foundation's work clearly plays a role. Recommendation: WFD to be brought into discussions on development of the cross-government soft power strategy and FCO to engage with WFD on their role in delivering elements of the strategy.
4.12	Finding: the review team agrees that the functions of WFD are consistent with the purpose outlined in the 2013 Management Statement.
5.14	Finding: in line with the 2015 Triennial Review the Review Team believe arguments for maintaining WFD's current form remain.
6.11	Recommendations: WFD to engage FCO and DFID stakeholders on expanding WFD's geographic footprint and geographical prioritisation, strengthening decision-making for opening long-term WFD country offices. This should be a light touch process in order to ensure WFD maintains the flexibility to respond rapidly to changing political environments and unexpected opportunities. In line with 2017-18 NAO report, the level of management capacity to support programme management should be kept under review.

	Further efforts to ensure complementarity of all WFD functions, with activity planned and evaluated to consistent standards.
6.23	<p>Recommendations:</p> <p>WFD and PPOs to better plan, monitor and evaluate more strategic, outcome led programming, including at the start of the business planning cycle.</p> <p>WFD and PPOs to identify further opportunities for multiparty work, including by exploring how to incentivise multiparty thematic programmes as a part of integrated programmes.</p> <p>WFD to share annual forward plans of PPO activity with FCO and DFID. Closer coordination and communication with Embassies/British High Commissions on PPO activities in country.</p>
6.32	Recommendation: WFD country office teams and Diplomatic Posts to be encouraged to discuss strategy and share ideas at the business planning phase.
6.39	Recommendation: WFD to finalise its annual plan for 2018-19, using it to develop KPIs to be monitored by the BoG and sponsor department.
7.5	<p>Recommendations:</p> <p>WFD to consider how it coordinates activity with other UK democracy support organisations and stakeholders in order to avoid duplication.</p> <p>FCO/DFID to use open competition for democracy assistance programmes, where appropriate.</p>
8.4	Recommendation: Induction to happen consistently for both independent and political party governors in line with the Management Statement.
8.7	<p>Recommendations:</p> <p>Appoint a lead independent Board member in line with Cabinet Office guidance; or return to the previous practice of appointing two vice chairs, one of which should be filled by an Independent Board member.</p> <p>Consider rebalancing the composition of the Board proportionate to the needs of the business and its future strategic direction, by increasing the number of independent members.</p> <p>Streamline bureaucracy on independent Board member appointments.</p> <p>FCO to set out a clear process for the replacement/reappointment of Board members whose terms has expired which also includes an effective monitoring procedure to ensure compliance.</p>
8.8	<p>Recommendations:</p> <p>Ensure that an informal oral conflict of interest declaration is consistently made as a standing item for Board meetings.</p> <p>Put in place a clear conflict of interest process and include this in the Code of Conduct booklet for new Board members.</p>

8.12	Recommendation: WFD and the FCO discuss the possibility of lifting the reserves bar on all non-Exchequer funding.
8.16	Recommendation: WFD to continue to encourage programme teams to build in evidence based research into their programme planning and proposals.
8.18	Recommendations: WFD to consider whether assessment of PPO project bids might be carried out by the Director of Programmes, with final CEO approval. PPOs submit their project proposals in good time to ensure a proper strategic fit assessment can take place.
8.19	Recommendation: WFD should clarify the nature of its relationship with PPOs, including the degree of support and priority that its teams can give.
9.15	Recommendations: The FCO to ensure that the annual Ministerial meeting happens more consistently, with one held in the first quarter of 2019. FCO Minister to be fully briefed on the new expanded areas of focus outlined in the 2017 Strategic Framework. A more strategic relationship between FCO and WFD including (but not limited to) WFD as an annual agenda item for the FCO Management Board to discuss and review progress in delivering the Strategic Framework. A formal minuted Quarterly meeting chaired by an SMS FCO officer with a fixed agenda including the items listed in chapter nine. FCO to discuss with DFID how to deconflict oversight mechanisms.
10.7	Finding: WFD financial exposure to Brexit may be mitigated by partnership with other EU based democracy support organisations, or by a reciprocity agreement. There is evidence that BoG/WFD Management have considered the impact of Brexit. Recommendation: FCO to engage with WFD on plans for post-Brexit involvement in EU election monitoring.

Annex D

Stakeholders Interviewed

WFD Board of Governors

1. Richard Graham MP, Chairman (Conservative)
2. Rushanara Ali MP, Vice Chair, (Labour)
3. Dame Margaret Hodge MP, (Labour)
4. Andrew Rosindell MP, (Conservative)
5. Patrick Grady MP, (SNP)
6. Sue Inghish, Independent Board Member, (Chair of the Programme Quality Committee)
7. Thomas Hughes, Independent Board Member (Chair of the Audit and Risk Committee)
8. Simon Walker, Independent Board Member

WFD Staff

1. Anthony Smith, Chief Executive Officer
2. Devin O'Shaughnessy, Director of Programmes
3. Fulvio Menghini, Head of Communications
4. Jon Spence, Head of HR
5. Graeme Ramshaw, Head of Monitoring and Evaluation
6. Louise Collings, Head of Finance

A survey was sent to the 27 WFD country representatives, with 17 responses.

Party Political Offices

1. Dr Carlotta Redi, Director of International Department, Conservative Party
2. Nabila Satar, International Projects Manager, Labour Party
3. Emma Armshaw, Head of Office, SNP
4. Adele Poskitt, Programme Manager – Multiparty Office, WFD

FCO

1. James Kariuki, Director, Multilateral Policy Directorate (MPD)
2. Richard Jones, Deputy Director Human Rights and Democracy, MPD
3. Steven Fisher, Joint Head, Human Rights Policy Department, MPD

4. Sandip Rama, Policy Officer (Democracy and Civil Society), MPD
5. Susan Graham, Deputy Director Finance, Finance Directorate

A survey was sent to the 27 Heads of Mission of Embassies/High Commissions in countries where there is an active WFD presence, with 15 responses.

DFID

1. Judith Herbertson, Head of the Governance, Open Societies and Anti-Corruption Department (GOSAC), Economic Development and International Division
2. Tessa MacArthur, Group Lead, Transparency, Accountability & Politics, GOSAC
3. Neil Gandhi, Policy Manager, GOSAC
4. Lu Ecclestone, Senior Governance Adviser, GOSAC

‘Comparator organisations’

Comparator organisations are other organisations active in the field of democracy support.

1. Jon Davies, Chief Executive, Commonwealth Parliamentary Association UK
2. Rick Nimmo, Director, British Group of the Inter Parliamentary Union
3. Wouter Dol, Head of Knowledge and Strategic Relations, Netherlands Institute for Multiparty Democracy (NIMD)
4. Anu Juvonen, Executive Director, Demo Finland
5. Shari Bryan, Vice President, National Democratic Institute
6. Mathias Parsbæk Skibdal, Head of Secretariat, Danish Institute for Parties and Democracy
7. Greg Power, Founder, Global Partners Governance

Parliamentary Committees

Foreign Affairs Committee

1. Mike Gapes MP, (Labour)
2. Emma Makey, Committee Specialist (staff member)

International Development Committee

1. Stephen Twigg MP, (Labour)
2. Pauline Latham MP, (Conservative)
3. Fergus Reid, Committee Clerk (staff member)

Annex E

Documentation reviewed included the following:

- 2013 Management Statement (Framework Agreement) (October 2013)
- 2004 Management Statement for the WFD, (July 2004)

- Strategic Framework 2017-2022, (September 2017)
- Strategic Framework 2015-2020, (2015)
- The Labour Party – WFD Annual Plan 2018-19, (March 2018)
- The Conservative Party – WFD Annual Plan 2018-19, (March 2018)
- Scottish National Party – WFD Annual Plan, (March 2018)
- The Multi Party Office – WFD Annual Plan 2018-19, (June 2018)
- The Labour Party – WFD Quarterly Report Q3, 2016-17, (December 2016)
- WFD Research Programme annual plan 2018-19 (September 2018)
- WFD Policy and Research Programme 2016-20 Strategy (January 2016)
- WFD Business Plan 2016-17, (February 2016)

- 2017-18 Annual Report and Accounts, (July 2018)
- 2016-17 Annual Report and Accounts, (July 2017)
- 2015-16 Annual Report and Accounts, (July 2016)

- NAO Audit Completion Report 2017-18 (June 2018)

- Triennial Review of the WFD (March 2015)
- Triennial Review of the WFD (February 2010)
- Improving WFD System Efficiencies: Intersys, [in draft], (September 2018)
- Organisational Review – Initial Conclusions, (May 2018)
- Evaluation of the Westminster Foundation for Democracy's Political Party Assistance, The Policy Institute, (February 2018)
- DFID Project Completion Review – Supporting Effective Democratic Governance (June 2018)
- DFID Business Case: Inclusive, Open and Accountable Politics programme (August 2018)

- DFID's Approach to Value for Money, (July 2011)
- Cabinet Office Code of Conduct for Board Members for Public Bodies, (June 2011)

- Cabinet Office Governance Code on Public Appointments, (December 2016)
- Civil Service: Introduction to Sponsorship: An Induction Pack for New Sponsors of Arms-Length Bodies, (April 2014)
- HM Treasury: Managing Public Money, (July 2013, March 2018)
- Cabinet Office: Partnerships Between Departments and Arms-Length Bodies: Code of Good Practice, (February 2017)
- HM Treasury/Cabinet Office: Corporate Governance in central government departments: Code of Good Practice, (April 2017)
- Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector, (March 2017)
- Cabinet Office: A Guide for Managing Public Bodies, (June 2006)

Annex F

List of Acronyms

ARC	Audit and Risk Committee
BoG	Board of Governors
CEO	Chief Executive Officer
CO	Cabinet Office
CPA	Commonwealth Parliamentary Associations
CSSF	Conflict, Stability and Security Fund
DAC	Development Assistance Committee
DFID	Department for International Development
EEA	European Economic Area
EMC	Executive Management Committee
EU	European Union
FAC	Foreign Affairs Committee
FCO	Foreign & Commonwealth Office
FSU	Financial Scrutiny Unit
HMG	Her Majesty's Government
HRPU	Human Rights Policy Unit
IAP	DFID Inclusive, Open and Accountable Politics Programme
IDC	International Development Committee
IPU	Inter Parliamentary Union
IRI	International Republican Institute
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MPD	Multilateral Policy Directorate
NAO	National Audit Office
NDI	National Democratic Institute
NDPB	Non Departmental Public Body
NGO	Non Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
ODA	Official Development Assistance
OSCE	Organisation for Security and Cooperation in Europe
PBO	Parliamentary Budgetary Office
PEA	Political Economy Analysis
PPO	Political Party Offices

PQC	Programme Quality Committee
PWD	Persons With Disabilities
RAG	Red Amber Green
SMS	Senior Management Structure
SNP	Scottish National Party
TAU	Technical Advisory Unit
UNDP	United Nations Development Programme
USP	Unique Selling Point
VFM	Value for Money
WFD	Westminster Foundation for Democracy



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