



PAVING THE WAY FOR BUSINESS
BUILDING A BETTER INVESTMENT CLIMATE

Year 2 Quarter 4 report

January to March 2014



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1. List of abbreviations

| | |
|--------|---|
| BIS | Department for Business, Innovation & Skills |
| BRDO | Better Regulation Delivery Office |
| CLJP | Commercial Law and Justice Programme |
| CMA | Competition and Markets Authority |
| DECC | Department of Energy and Climate Change |
| DFID | Department for International Development |
| FCO | Foreign & Commonwealth Office |
| GAD | Government Actuary's Department |
| HMRC | Her Majesty's Revenue and Customs |
| IC | Investment climate |
| ICAEW | The Institute of Chartered Accountants in England and Wales |
| IFC | International Finance Corporation |
| IUK | Infrastructure UK |
| IFUSE | Investment Facility for Utilising UK Specialist Expertise |
| MA | IFUSE managing agent |
| MoU | Memorandum of Understanding |
| OC | IFUSE Oversight Committee |
| ODA | Overseas development assistance |
| OFCOM | Office of Communications (the communications regulator) |
| OFT | Office of Fair Trading |
| TA | Technical assistance |
| TRA | Tanzania Revenue Authority |
| UNCTAD | United Nations Conference on Trade and Development (UNCTAD) |
| UKTI | UK Trade & Investment |

2. Summary of progress for this period

2.1. Summary of progress for this period

This report covers quarter four (Q4) of Year 2 of IFUSE implementation from January to March 2014. Below is a summary of the main highlights from this reporting period:

- **IFUSE carried out seven deployments in Q4 bringing the total for Year Two to 36 and for IFUSE overall to 78. There are also a potential 37 deployments already in the pipeline at the end of this reporting period:** In total 36 deployments have been carried out in Year 2, which is slightly lower than the agreed target of 50. The key reason for the shortfall is the longer-than-predicted lead time from request to deployment due to reasons outside of the managing agent's (MA) control – six deployments which were due to take place in March 2014, will now take place within the first quarter of Year 3. In addition, there are a further six deployments also confirmed to take place in the first quarter of Year 3¹. Annex 1 includes a summary of IFUSE requests pending at the time of writing; Annex 3 gives more details on the deployments conducted in Q4.
- **IFUSE has enjoyed strong support from the Secretary of State for International Development, Justine Greening, who held two round tables with the five accountancy institutes and encouraged them to join IFUSE. Following the initial round table meeting, we rapidly mobilised so that the Institutes could immediately join IFUSE:** Both DFID and the MA met with the institutes to brief them on IFUSE and identify potential deployments. Following these meetings we were able to identify and develop three initial deployments which were announced at a round-table with the Secretary of State on 10 April 2014. These are:
 - Strengthening of the Zambia audit profession – ICAEW;
 - Training on procurement audit in Nigeria – CIPFA; and
 - Developing of accountancy education standards in Ethiopia – ACCA.

Since the round table, all five of the institutes have made a number of additional suggestions for future deployments which currently are being progressed.

- **IFUSE continues to enjoy strong media coverage:** IFUSE was profiled in the January edition of ICAEW's *Economia* magazine (see <http://economia.icaew.com/people/february-2014/rethinking-aid>) in an interview with the Secretary of State. IFUSE deployments were also featured in the Civil Service Quarterly blog and IFUSE support to the Government of Bangladesh following the Rana Plaza disaster has featured in DFID's social media.
- **We have widened the pool of IFUSE participating organisations:**² in addition to the five chartered accountancy institutes that signed up to IFUSE in Q4 we recently secured the participation of the Met Office, and the National Audit Office, Ordnance Survey International and the Registers of Scotland. This brings the total number of participating organisations to 25.
- **We have supported even more UK government priority countries:** In Year 2 IFUSE supported 17 UK overseas development assistance (ODA)-eligible countries. In April DFID also confirmed Ukraine's eligibility for IFUSE support in the short term. This was agreed following a request for urgent support on public financial reform. IFUSE was able to meet the request by bringing the

¹ The IFUSE managing agent is subject to a number of turnaround time targets during the deployment process; the compliance rate is currently 100%.

² 'Participating organisation' is used as a catch-all terms to denote both government departments and other entities (such as standards bodies and professional associations) which meet the IFUSE criteria and have signed up to the facility.

National Audit Office into the facility and launching the deployment in less than three weeks. Further requests for support from Ukraine are expected.

- **Collaboration with FCO:** In Q4 IFUSE saw an expansion of its relationship with FCO, and its focus to include the Middle East and North African countries under the UK Arab Partnership. Requests for assistance from FCO received during this quarter include Jordan, Morocco and Tunisia.
- **The 2013 annual review took place and a series of recommendations made for how IFUSE should develop going forward:** The Annual Review of IFUSE was issued in January 2014. It highlighted the ongoing challenge with the demand led model, and made a number of recommendations for how IFUSE might test the boundaries of the model during Year 3. Suggestions being developed include the concept of marketing outwards thematic or template models for deployments and engaging further with key stakeholders in country to raise awareness of IFUSE services.

2.2. Key risks and issues

The key challenge in Q4 remains how to build demand for IFUSE services. There have also been challenges relating to converting requests for IFUSE support into deployments within a suitable timeframe. Particularly challenging has been the finalisation of TORs and the availability of staff from participating IFUSE organisations to fulfil IFUSE requests within suggested timeframes.

An updated summary of those risks set out at IFUSE's inception - and which are still live - their current status and mitigating actions is set out in the table below:

| Risk/issue | Actions | R/A/G status |
|-------------------------------|--|---|
| Insufficient demand for IFUSE | <ul style="list-style-type: none"> • In response to the Annual Review recommendations we have developed a proposal the objective of which is to generate increased demand for IFUSE services and make the operating model more sustainable. • We are currently implementing a revised communications and engagement strategy for IFUSE. Activities have included: meetings with participating organisations/ professional bodies; reaching out to other organisations interested in making requests through IFUSE (such as the United Nations Conference on Trade and Development (UNCTAD)); and exploring new demand stimulation initiatives. • Together with DFID's support we have engaged with DFID country offices to remind them of the IFUSE offering and particularly to highlight the recent addition of the chartered accountancy institutes and other new organisations to IFUSE. This produced five immediate expressions of interest from country offices. |  |

| Risk/issue | Actions | R/A/G status |
|--|--|---|
| Requests for support cannot be satisfied because of an absence of suitable and available experts from participating departments. | <p>We continue to work with participating organisations to increase their role in IFUSE and to push this across Whitehall. We are also addressing the supply challenge by:</p> <p>(1) asking participating organisations to think creatively about how they can promote their expertise and service offerings to potential beneficiaries with whom they may already have links in DFID priority countries.;</p> <p>(2) engaging new organisations and expanding the subject areas covered by IFUSE to maximise the likelihood of positive responses to requests;</p> <p>(3) exploring how each participating organisation can market IFUSE internally so that it is more likely that they will be able to respond favourably to requests, and what specific support they might need to get deployments off the ground;</p> |  |

2.3. Summary of requests

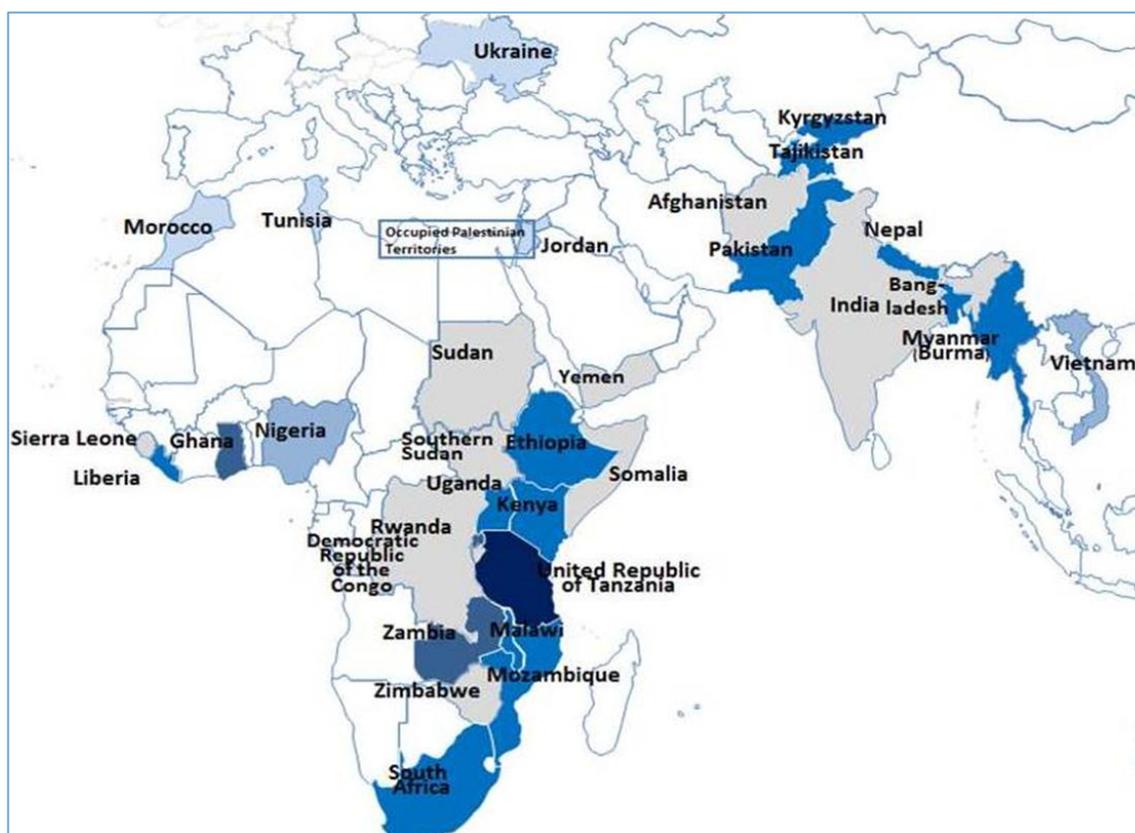
Status of requests

During Q4 we received eight new formal³ requests, making a total of 78 since the start of IFUSE. However, given the multi-stage nature of some of these requests (i.e. single requests made up of two or more deployments) the overall total should be read as 99 as a total of 21 follow up requests were made in Years 1 and 2.

Please refer to Annex 1 for full details of the formal requests pending at the end of Q4.

DFID countries and regions supported: The map on the following page illustrates the countries supported by IFUSE during years 1 and 2, as well as those countries due to be supported for the first time in Year 3:

³ A formal request is when the IFUSE terms of reference have been produced.



2.4. Status report summary

The table below summarises progress against the key activities planned in the last reporting period as well as progress on further agreed activities.

| Key activities planned | Progress made in this period |
|--|---|
| Address recommendations of 2013 Annual Review | <ul style="list-style-type: none"> We will implement agreed activities in response to the AR recommendations between April and December 2014 with the majority of the work carried out in Q1 and Q2 of Year 3. |
| Oversight Committee meeting | <ul style="list-style-type: none"> The OC meeting to mark the end of Year 2 took place on 28 April 2014. |
| Implement revised communications and engagement strategy | <p>We have begun to implement the agreed strategy. Activities to date have included:</p> <ul style="list-style-type: none"> Meetings with participating |

| Key activities planned | Progress made in this period |
|--|--|
| | <p>organisations/professional bodies.</p> <ul style="list-style-type: none"> Reaching out to third parties/groups, including DFID's Commercial Law and Justice Programme and UNCTAD). Exploring new ways of communicating about IFUSE including implementing agreed activities relating to the use of social media (Facebook, Twitter, LinkedIn) and initiatives to celebrate IFUSE success. We continually update the IFUSE marketing material to reflect the facility's composition and focus. We are currently updating the brochure to include clearer examples of the types of deployments that have been undertaken, for the benefit of future users. |
| Publish IFUSE article in <i>Civil Service Quarterly</i> | <ul style="list-style-type: none"> The article was published in the January 2014 edition (https://quarterly.blog.gov.uk/2014/01/30/ifuse-cross-whitehall-delivery-of-the-uk-development-agenda/) and circulated widely to DFID and participating organisations. |
| Implement first round of in-depth evaluations. ⁴ | <ul style="list-style-type: none"> Ongoing |
| Arrange sample of deployments to monitor and evaluate outcomes over a longer period, according to agreed criteria. | <ul style="list-style-type: none"> The next round of deployments have been presented to DFID for further evaluation. |
| Held 1-2-1 meetings with participating organisations/professional bodies | <ul style="list-style-type: none"> Further to this activity in Q3, we continued these meetings in Q4. For example, meetings were held with each of the five chartered accountancy institutes to initiate the IFUSE relationship and identify suggestions for deployments. We met with Infrastructure UK (IUK), Ordnance Survey, the Met Office and the Competition and Markets Authority.⁵ |
| Maintain regular IFUSE internal meetings | <ul style="list-style-type: none"> The IFUSE team meets at least on a weekly basis. We have also increased the frequency of |

⁴ For Q3, five deployments were shortlisted according to the approved criteria. Evaluations will typically take place six months after completion of the relevant deployment(s) and focus on (1) producing outcome-level data, and (2) evaluating the degree to which IFUSE gives 'additionality' over other forms of technical assistance.

⁵ In April 2014 the UK Competition Commission and the competition functions of the Office of Fair Trading (formerly an IFUSE member) were merged into a single Competition and Markets Authority.

| Key activities planned | Progress made in this period |
|--|---|
| | <p>DFID-managing agent meetings to fortnightly given the increasing levels of IFUSE activity and interest in the facility.</p> |
| <p>Presentation of IFUSE to IUK delegates</p> | <ul style="list-style-type: none"> • We presented to government officials from South East Asia – and in particular Burma and Vietnam - at IUK's PPP foundation course on 26 March 2014. |
| <p>Raising awareness of the recent partnerships between IFUSE and the chartered accountancy institutes</p> | <ul style="list-style-type: none"> • We launched a sustained round of communication to DFID country offices to advise them of the accountancy expertise now available through IFUSE. The response was encouraging and we have already identified a number of potential IFUSE opportunities as a result. This communication also led to a request for IFUSE in Ukraine, and the NAO becoming an IFUSE participating organisation. |

3. Progress against log frame

3.1. Log frame

The revised log frame is set out below, as well as the data on outputs and outcomes for Year 2 and Year 1, aggregated where appropriate. This data was compiled on 31 March 2013.

| Impact | Impact Indicator 1 | | Year 2 | Year 1 | Comments/risks |
|--|--|-----------------|------------|------------|--|
| IFUSE TA contributes to reform improvements that reduce monetary time and cost of doing business, increasing predictability of investment climate and promoting fair and competitive markets in five priority countries. | Improvements in specific areas of ease of doing business in priority countries. | | - | - | For discussion with DFID. |
| | Impact Indicator 2 | | Year 2 | Year 1 | Comments/risks |
| | Qualitative assessment of investment climate in priority countries shows discernible improvements. | | - | - | As above. |
| Outcome | Outcome Indicator 1 | | Year 2 | Year 1 | Comments/risks |
| Improved design and implementation of investment climate reform | Proportion of IFUSE recipients who note 'additionality' of UK government support as against other forms of technical assistance. | Planned | 85% | 80% | |
| | | Achieved | 65% | 46% | In Year 1 this figure is based on a qualitative assessment of the outcomes of completed assignments, based on beneficiary feedback. From Year 2 more specified feedback was sought and a specific question introduced from September 2013 (approximately halfway through the performance |

| | | | | | |
|---|--|-----------------|--|---------------|---|
| | | | | | year). 'Additionality' in Year 2 has been calculated on the basis of 23 pieces of beneficiary feedback that included this questions; the figure will be updated as more feedback is received. |
| | Outcome Indicator 2 | | Year 2 | Year 1 | Comments/risks |
| | Proportion of IFUSE assignments selected for further evaluation within the reporting period by MA & DFID that have resulted in implementation of policy/legislation/procedural reform recommendations. | Planned | 60% | 40% | |
| | | Achieved | Too early to report⁶ | 40% | In Year 1 this figure was based on a qualitative assessment of the outcomes of completed assignments, based on beneficiary feedback. For Year 2 this will be based on more in-depth post deployment feedback on selected assignments. |
| Output 1 | Outcome Indicator 1.1 | | Year 2 | Year 1 | Comments/risks |
| High quality advisory expertise in investment climate reform delivered by Whitehall network on agreed scale | Number of assignment delivered against agreed targets | Planned | 50 | 30 | |
| | | Achieved | 36 | 21 | The outcome for Year 2 can be linked to the challenges and limitations of the demand-led model. These challenges are being reviewed and addressed during Year 3 with different approaches to generating demand being tested. |
| | Outcome Indicator 1.2 | | Year 2 | Year 1 | Comments/risks |
| | Percentage of assignments rated "very good" or "excellent" by end | Planned | 90% | 80% | |

⁶ As described above set of deployments have been selected for more in-depth follow up in accordance with agreed criteria set out in the IFUSE handbook; results will be reported on in Q1 of Year 3.

| | | | | | |
|---------------------------------|--|-----------------|---------------|---------------|---|
| | user ("6-7" in beneficiary feedback form) | Achieved | 80% | 89% | Please note: the percentage for Year 2 is based on beneficiary feedback received from 30 of the 36 completed deployments, which is attributable to the longer lead time for beneficiary feedback. The figure will be revised on receipt of this additional information and included in the next quarterly report. |
| | Outcome Indicator 1.3 | | Year 2 | Year 1 | Comments/risks |
| | Percentage of assignments with clear ToRs that meet IFUSE criteria (i.e. clear IC improvement objectives, feasible scope of work and clear deliverables) | Planned | 100% | 90% | |
| | | Achieved | 100% | 100% | |
| | Outcome Indicator 1.4 | | Year 2 | Year 1 | Comments/risks |
| | Percentage of applicable assignments where deliverables are assessed by beneficiaries as in accordance with the terms of reference | Planned | 95% | 75% | |
| | | Achieved | 73% | 100% | Please note: as above, based on beneficiary feedback for 30 out of the 36 completed deployments. |
| Output 2 | Output Indicator 2.1 | | Year 2 | Year 1 | Comments/risks |
| Processes and procedures set up | Percentage of completed assignments where MA deployment | Planned | 95% | 90% | |

| | | | | | |
|---|---|-----------------|---------------|---|--|
| and function | processes meet agreed schedules and policies | Achieved | 100% | 100% | Note that this is an assessment of the MA's compliance with schedules and IFUSE policies. Other factors, such as delays by beneficiaries or participating organisations, do not count towards this rating. |
| | Output Indicator 2.2 | | Year 2 | Year 1 | Comments/risks |
| | Percentage of deployed experts who rate technical briefing provided by MA as "very good" or "excellent" ("6-7" according to feedback rating) (not including, for example, repeat assignments or knowledge sharing events) | Planned | 90% | 90% | |
| | | Achieved | 86% | 75% | Please note: the percentage for Year 2 is based on expert feedback from 21 deployments (out of 31 expert feedback forms completed to date) as the other 10 are repeat assignments or knowledge sharing events. |
| | Output Indicator 2.3 | | Year 2 | Year 1 | Comments/risks |
| | Percentage of deployed experts who rate logistical support provided by MA as "very good" or "excellent" ("6-7" according to feedback rating) | Planned | 95% | 90% | |
| Achieved | | 87% | 94% | Please note: the percentage for Year 2 is based on expert feedback received from 31 of the 36 completed deployments. This figure will be revised as further feedback is received. | |
| Output 3 | Output Indicator 3.1 | | Year 2 | Year 1 | Comments/risks |
| High quality knowledge sharing among IFUSE participants, partner government professionals and UK government professionals | Percentage of completed deployments that create effective institutional engagement relationships | Planned | 60% | 50% | |
| | | Achieved | 42% | 43% | Please note: as above, based on beneficiary feedback for 30 out of the 36 completed deployments. |
| | Output Indicator 3.2 | | Year 2 | Year 1 | Comments/risks |

| | | | | | |
|--|--|-----------------|---------------|---------------|--|
| | Percentage of deployments that involve either (1) more than one beneficiary country or (2) institution within a beneficiary country | Planned | 10% | 10% | Please note: as above, based on beneficiary feedback for 30 out of the 36 completed deployments. |
| | | Achieved | 47% | 10% | |
| | Output Indicator 3.3 | | Year 2 | Year 1 | Comments/risks |
| | Percentage of deployments that <u>either</u> lead to (1) a follow-up deployment covering the same country or (2) a deployment of the same type in another ODA-eligible country or region | Planned | 35% | 15% | |
| | | Achieved | 47% | 48% | |

4. Lessons learned

Below is a summary of the some of the key lessons drawn from Q4 of Year 2:

- **Based on two years' experience of operation iFUSE there are limitations to the demand led model.** The AR recommendations are intended to test this hypothesis to learn lessons to inform the future direction of iFUSE.
- **We can do more to help participating organisations improve their internal marketing of iFUSE:** We are working closely with participating organisation to understand what their strategic priorities are and what they perceive to be the benefits of iFUSE for their organisation. This is intended to help them market iFUSE internally to staff who may carry out deployments, and also link more clearly iFUSE to internal priorities including international commitments.
- **More can be done to increase direct requests for assistance to iFUSE from beneficiary country governments:** For completed deployments in Year 2 the majority of formal requests originated either from DFID country offices or iFUSE participating organisations – 33 in total. Only three were directly received by the facility from potential beneficiaries. This illustrates both the power of pre-existing institutional relationships, DFID networks and also that more might be achieved by marketing concrete illustrations of iFUSE support to beneficiaries (taking into account that iFUSE has very limited marketing resources).
- **Feedback indicates that experts want more information from DFID country offices on their broader programmes:** In addition to the DFID in-country briefings experts have underlined the value of receiving information on current DFID programmes – to help them understand what they might offer to iFUSE, or contextualise better requests for support which may be channelled through their existing relationships and contacts. We have made DFID and FCO country briefings with experts part of the iFUSE process. We also continue to provide experts with tailored briefings prior to deployments, including up-to date information on a country or region's political and economic situation. Combined, this preparation translates into remarkably effective assistance given the short time frame and the nature of the expertise being harnessed. Feedback suggests, however, that this could be even better if information on DFID country programme priorities was made more widely available to iFUSE participating organisations.
- **The nature of the pre-deployment briefing can be made clearer in advance to experts:** The purpose of the briefing is to clarify the expectations for deployment, make sure the expert is satisfied with logistical arrangements, and identify ways in which the expert can contribute to an assessment of the outcomes of the deployment and eventual impact on the investment climate. Our experience during the last quarter is that this could be made clearer in advance and we have built this into iFUSE procedures.

5. Financial reporting

5.1. Quarterly spending

Overview of programme financial data to date

| | Planned | Actual | Variance |
|----------------|----------|----------|----------|
| Inception | £75,000 | £75,000 | - |
| Year 1 | £475,499 | £354,273 | £121,226 |
| Year 2 to date | £948,686 | £554,947 | £393,739 |

These financials include the total MA fee and the managed fund costs to date. The variance in Year 2 results from both from the lower than projected number of deployments but also a cost saving on expenses incurred by deployments which are lower than initially budgeted for (flights, accommodation etc.).

Quarterly forecasting

The table below provides an overview of forecasted expenditure for the IFUSE programme for Q1 of Year 3, April 2014 to June 2014. The costs include the agreed monthly management fee for the programme as a whole, the agreed management fee per deployment, as well as associated expenses, which include salary, flights and accommodation for deployments. Forecasted expenses are based on the average managed fund costs which, for the month of March 2014, are £9,746 per deployment (excluding the MA deployment fee).⁷ Expenses for each deployment are summarised in the month following the deployment to ease forecasting.

| | Apr-14 | May-14 | Jun-14 |
|---|----------------|----------------|----------------|
| Deployments forecasted | 3 | 3 | 4 |
| Monthly management fee (£) | £6,913 | £6,913 | £6,913 |
| Deployment fee (£) | £10,125 | £10,125 | £13,500 |
| Managing agent monthly cost (£) | £17,038 | £17,038 | £20,413 |
| Managed fund cost (£) | £29,238 | £29,238 | £29,238 |
| Other expenses e.g. printing, communication and travel costs | £378 | £378 | £378 |
| Annual Review Recommendations | | | £5,000 |
| Monthly cost (£) | £46,654 | £46,654 | £55,029 |

⁷ The managed fund cost average is recalculated monthly to give an accurate figure for forecasting purposes.

Breakdown of financial information for the year to date

| Year to date | | | |
|--------------------------|-----------------|-----------------|-------------------|
| | Planned | Actual | Planned vs actual |
| MA total costs | £275,331 | £199,394 | £75,937 |
| | | | |
| Managed fund total costs | £673,355 | £355,553 | £317,802 |
| | | | |
| Total | £948,686 | £554,947 | £393,739 |

6. Summary of activities planned for next reporting period

6.1. Summary of activities planned for next reporting period

This table sets out the key activities for the next reporting period alongside the core MA management tasks which drive forward the IFUSE strategy. These are structured by theme: annual review, governance, communications and engagement and monitoring and evaluation.

| Key activities planned for next period | Timing | Who responsible | Comments |
|---|--|---|--|
| Annual Review | | | |
| Implement plan to address recommendations of 2013 annual review | April - December 2014, with the majority of to be carried out in Q1 and Q2 of Year 3 | MA and DFID | The agreed tasks and activities will focus on testing new ways of marketing IFUSE, testing the demand led model and developing key relationships in country. |
| Governance | | | |
| Hold next Oversight Committee Meeting | July or August 2014 | MA | Date to be agreed. |
| Communications and engagement | | | |
| Continue implementation of revised communications and engagement strategy | Ongoing | MA with DFID and participating organisations' input | This includes implementing the use of Social Media to raise awareness of and increase demand for IFUSE. |
| Publish revised marketing materials to showcase new expertise now available | May 2014 | MA to complete by 31 May 2014 | |
| Monitoring and evaluation | | | |
| Implement first round of in-depth evaluations. ⁸ | End of April 2014 | MA, participating organisations and beneficiaries | Results are being collated and will be reported on in Q1 of Year 3. |

⁸ For Q3, five deployments were shortlisted according to the approved criteria. Evaluations will typically take place six months after completion of the relevant deployment(s) according to the timeframe that has been indicated in the relevant experts' reports and feedback.

| Key activities planned for next period | Timing | Who responsible | Comments |
|---|---------------------------|---|---|
| <p>Arrange sample of deployments to monitor and evaluate outcomes over a longer period, according to agreed criteria.</p> | <p>On a rolling basis</p> | <p>DFID, MA and participating organisations</p> | <p>An initial proposal has been made to DFID and this will be refined and implemented for Q1 of Year 3.</p> |
| <p>Finalise Year 2 logframe</p> | <p>End May 2014</p> | <p>DFID and MA</p> | <p>The draft Year 2 logframe is included in this report. To date we have not yet received all feedback. Therefore, the logframe will be finalised for Year 2 once the feedback has been received.</p> |

Annexes

Annex 1: Pending requests for technical assistance

This table sets out the 15 formal requests for technical assistance, in reverse chronological order, that were pending at the end of the reporting period.

These formal requests are included amongst the 37 opportunities that make up the current IFUSE pipeline. The remaining 22 requests on the pipeline have not yet been formalised by the production of an IFUSE terms of reference.

| Country | Requestor (institution) | Target participating organisation | IC issue | Type of support | Status at end of reporting period | Target deployment date |
|----------------------------------|--|-----------------------------------|---|---|-----------------------------------|------------------------|
| Ukraine | Government of Ukraine | NAO (and others) | Financial sector regulation / supervision | Support on Public Financial Management to increase capacity of GIZ PFM reform programme. | Finalise ToRs | April 2014 |
| Liberia | The Ministry of Commerce and Industry and its Inspectorate Division. The cross-governmental Technical Working Group. | BRDO | Industry specific regulations / law | Third deployment: Co-ordinated approach to inspections in Liberia | Pre-deployment | April 2014 |
| Zambia | Zambia Institute of Chartered Accountants (ZICA) | ICAEW | Financial sector regulation / supervision | Strengthening Audit and the Regulation of Audit in Zambia | Finalise ToRs | May 2014 |
| Malawi | The Ministry of Lands and Housing | Registers of Scotland | Land legislation, registration, title transfers | Assignment to Design an Outline Land Development Support Programme for Malawi | Finalise ToRs | June 2014 |
| Rwanda | Rwanda Revenue Authority | HMRC | Taxation | Training in Mineral audit, Financial service audit, Transfer pricing and Risk profiling of cases for audit. | Finalise ToRs | TBC |
| Occupied Palestinian Territories | Palestinian Authority and the DFID Palestinian Programme | Land Registry | Land legislation, registration, title transfers | Scoping visit to assess land registration challenges and opportunities | Finalise ToRs | June 2014 |
| Tanzania | Department of Survey and Mapping and Land Registry | Land Registry & Ordnance Survey | Land legislation, registration, title transfers | Scoping visit to feed into the modernisation of land registration and mapping processes in Tanzania. | Finalise ToRs | May 2014 |
| Nigeria | Nigerian Investment Promotion Commission | UKTI | Competition policy / market development | Capacity building for enhancing National Competitiveness | Finalise ToRs | TBC |
| Kenya | Government of Kenya | GAD | Financial sector regulation / supervision | Second deployment: advisory support for the Political Champions initiative. Partnership for stimulating insurance penetration in lower income countries | Confirm demand and supply | TBC |
| Bangladesh | Government of Bangladesh | GAD | Financial sector regulation / | Second deployment: advisory support for the Political Champions | Confirm demand and supply | TBC |

| Country | Requestor (institution) | Target participating organisation | IC issue | Type of support | Status at end of reporting period | Target deployment date |
|--------------|--|-----------------------------------|---|--|-----------------------------------|---|
| | | | supervision | initiative. Partnership for stimulating insurance penetration in lower income countries | | |
| South Africa | Independent Communications Authority of South Africa (ICASA) | OFCOM | General interface with business | Promoting last-mile Internet Connectivity: TV White Space Knowledge Share in South and Southern Africa | Finalise ToRs | June 2014 |
| Malawi | Ministry for Industry & Trade | Land Registry / Ordnance Survey | Land legislation, registration, title transfers | Design a Land Development Support Programme for Malawi | Finalise ToRs | TBC |
| Tanzania | IFC | IUK | PPPs | Provide MoF PPP Unit with practical guidance and support in implementing guidelines | Confirm demand and supply | May 2014 |
| Kenya | IFC | BRDO | Industry specific regulations / law | Second deployment: To support the city council of Nairobi build on previous reform work by improving implementation procedures for risk assessment | Finalise ToRs | On hold because of government restructuring |
| Kenya | IFC | BRDO | Industry specific regulations / law | Regulatory reform advice | Finalise ToRs | On hold because of government restructuring |

Annex 2: Source of requests

The table below details the source of 78 formal requests received by the MA since the start of IFUSE implementation, broken down by implementation year:

| Source of TA requests | Total number Year 1 | Total number Year 2 to date |
|-------------------------------------|---------------------|-----------------------------|
| DFID | 19 | 18 |
| IFUSE participating organisation | 18 | 8 |
| DFID partner country government | 7 | 5 |
| Foreign & Commonwealth Office (FCO) | 2 | 1 |
| Total | 46 | 32 |

One clarification is necessary: given the multi-stage nature of some of the TA requests (i.e. single requests made up of two or more deployments) the overall total should be read as 99 (In total, 78 requests plus a further 21 follow-up requests have been received).

TA requests by country: The table below breaks down, in alphabetical order, the countries for which TA requests have been received to date, during Year 1 and in the Year 2 reporting period:

| Country / region | Total no. of TA requests Year 1 | Total no. of TA requests Year 2 | Total deployments completed | Country / region | Total no. of TA requests Year 1 | Total no. of TA requests Year 2 | Total no. of deployments completed |
|-------------------|---------------------------------|---------------------------------|-----------------------------|----------------------------|---------------------------------|---------------------------------|------------------------------------|
| Afghanistan | 1 ⁹ | 1 ⁹ | 0 | Malawi | 1 | 5 | 2 |
| Africa (regional) | 0 | 3 | 3 | Mozambique | 3 ⁹ | 0 | 2 ⁹ |
| Bangladesh | 2 | 3 ⁹ | 3 | Nepal | 0 | 3 ⁹ | 2 |
| Botswana | 1 | 0 | 0 | Nigeria | 4 ⁹ | 1 | 1 ⁹ |
| Burma | 3 | 0 | 2 | Pakistan | 5 | 2 | 3 |
| Burundi | 1 | 0 | 0 | Palestinian Territories | 0 | 2 | 0 |
| Cambodia | 0 | 1 | 0 | Rwanda | 3 | 4 | 6 |
| DR Congo | 0 | 1 ⁹ | 0 | Somalia | 0 | 1 | 0 |
| Ethiopia | 3 | 0 | 2 | South Africa ¹⁰ | 1 | 1 | 1 |
| Ghana | 2 | 2 ⁹ | 4 | Tajikistan | 3 ⁹ | 3 ⁹ | 4 ⁹ |
| Jordan | 0 | 1 | 0 | Tanzania | 8 ⁹ | 7 | 13 ⁹ |

⁹ This number is based on requests/deployments for support which cover multiple countries simultaneously (e.g. in the context of knowledge sharing events or international conferences).

¹⁰ Whilst originating from DFID South Africa, both these requests cover the Southern Africa region.

| | | | | | | | |
|------------|----------------|----------------|----------------|------------------------|----------------|---|----------------|
| Kenya | 5 ⁹ | 2 | 3 ⁹ | Turks & Caicos Islands | 1 | 0 | 0 |
| Kyrgyzstan | 3 ⁹ | 2 ⁹ | 4 ⁹ | Uganda | 3 ⁹ | 1 | 3 ⁹ |
| Liberia | 1 | 2 | 2 | Vietnam | 1 | 0 | 1 |
| | | | | Ukraine | 0 | 1 | 0 |
| Montserrat | 1 | 0 | 0 | Zambia | 1 | 3 | 2 |

Annex 3: IFUSE Deployments in Year 2

| IFUSE deployments in Q4 Year 2 | | | | | | | | |
|--------------------------------|----------------------------|-----------|-----------------------------------|---|-----------------------|---|--|--|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up deployment? (Y/N) |
| 20-24 January 2014 | Rwanda | HMRC | HMRC | Rwandan Revenue Authority (RRA) | In-country deployment | Taxation | RRA to increase its capability in the tax discipline of transfer pricing so that it can better tax the profits of multinational enterprises that arise in Rwanda and thereby provide Rwanda with the revenues it needs to develop further. | - |
| 20-24 January 2014 | Tajikistan | BRDO | BRDO | State Committee on Investments and State Property Management | In-country deployment | Industry specific regulations / law | Second deployment: Ensure drafting of amended inspection law takes account of how the law can be implemented and build capacity for effective implementation of the inspection law by government bodies. | Potential interest in a third deployment |
| 27-31 January 2014 | Kyrgyzstan | BRDO | BRDO | Inspectorate of Environmental and Technical Safety | In-country deployment | Industry specific regulations / law | Third deployment: Provide advice and training on practical methodologies for risk assessment and inspection practice | No - this was the third deployment. |
| January - March 2014 | Africa, Asia and Caribbean | DFID | GAD | DFID's East Africa Hub | Desk based review | Financial sector regulation / supervision | Advisory support for Phase 1 of the project: 'Impact Appraisal for Sovereign Disaster Risk Financing and Insurance' | - |
| January 2014 - April 2015 | Africa - regional | DFID | GAD | African Union (as political lead) and African countries that participate in ARC Ltd | Desk based review | Financial sector regulation / supervision | Critically assess the ongoing performance of the African Risk Capacity risk pool managed by ARC Ltd Insurance Company - provide those actuarial services as requested by DFID | - |

| iFUSE deployments in Q4 Year 2 | | | | | | | | |
|--------------------------------|------------------|-----------|-----------------------------------|--|-----------------------|-------------------------------------|--|---|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up deployment? (Y/N) |
| 1-15 March 2014 | Tanzania | DFID | HMRC | Tanzania Revenue Authority | In-country deployment | Taxation | 2nd deployment: Follow-up on the assessment of the first deployment in terms of the risks identified for the successful roll-out of the NCS and the recommendations made to address these risks to ensure that the NCS is implemented successfully | Yes - third deployment to be arranged in July |
| 15- 21 March 2014 | Zambia | DFID | BRDO | Cabinet Office of Zambia | In-country deployment | Industry specific regulations / law | 2nd deployment: implementation of strategy and regulatory impact assessment | Yes - third deployment to be arranged |
| iFUSE deployments in Q3 Year 2 | | | | | | | | |
| 1-6 December 2013 | Nepal | BRDO | BRDO | Ministry of Industry, Commerce and Supplies, the Department of Food Technology and Quality Control and the Ministry of Culture, Tourism and Civil Aviation | In-country deployment | Regulatory reform | Working with both the public and private sector the experts will help to progress the key work that Nepal is doing around effective inspection reforms and will then offer clear recommendations for action | - |
| 6-22 November 2013 | Tanzania | DFID | HMRC | Tanzania Revenue Authority (TRA) | In-country deployment | Customs and excise | Supporting the TRA project team in ensuring that the new customs system is fully operational by the target date of 1st March 2014 | Yes |
| 18-22 November 2012 | Malawi | DFID | OFT | Ministry for Industry & Trade | In-country deployment | Competition and fair trading | Review of the Competition and Fair Trading Regulations and provision of advisory and technical support for enforcement of the Competition and Fair Trading Act. | - |

| iFUSE deployments in Q3 Year 2 | | | | | | | | |
|--------------------------------|----------------------|------------------------------------|---------------------------------------|---|-----------------------|------------------------------------|--|--|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up deployment? (Y/N) |
| 16-22 November 2013 | Pakistan | Competition Commission of Pakistan | OFT | Competition Commission of Pakistan | In-country deployment | Competition | Technical capacity building of the professional staff of the Competition Commission of Pakistan - advanced economic analysis and merger techniques | - |
| 28 October – 8 November 2013 | Malawi | DFID | HMRC | Ministry for Industry & Trade | In-country deployment | Taxation | Design of a training programme on tax education for micro, small and medium-sized enterprises (MSMEs) in Malawi | - |
| iFUSE deployments in Q2 Year 2 | | | | | | | | |
| 13-21 September 2013 | Bangladesh | DFID Bangladesh | BRDO and RICS | RAJUK's (Capital Development Authority of Bangladesh) | In-country deployment | Regulation and buildings standards | Support to Government of Bangladesh to assess the challenges and gaps around building standards compliance, recommend possible areas of improvement that fall within RAJUK's (Capital Development Authority of Bangladesh) jurisdiction, and identify areas for support. | Pending |
| 31 August – 14 September 2013 | Tanzania | DFID Tanzania | HMRC | DFID Tanzania and Tanzania Revenue Authority | In-country deployment | Taxation | Supporting DFID Tanzania develop the business case for a five year programme of support tied to TRA's 4th Corporate Plan (CP4), involving substantial technical advice and support from HMRC and £20 million of financial aid over five years | This was the second of two deployments |
| August – September 2013 | Bangladesh and Ghana | DFID | Government Actuary's Department (GAD) | DFID + various donors | Desk-based review | Insurance | Advisory support for the Political Champions initiative: Partnership for stimulating insurance penetration in lower income countries. | Yes |

| iFUSE deployments in Q2 Year 2 | | | | | | | | |
|--------------------------------|------------------|---------------------------------|-----------------------------------|---|-----------------------|--------------------|--|---|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up (Y/N) |
| 17-25 August 2013 | Liberia | BRDO | BRDO | Ministry of Commerce and Industry | In-country deployment | Regulatory reform | Supporting inspection reforms in the Republic of Liberia through cross-governmental workshop focussed on an analysis of the key hazards facing the Liberian economy which better inspection could address | This was the second of two deployments |
| 10-24 August 2013 | Tanzania | DFID Tanzania | HMRC | Tanzania Revenue Authority | In-country deployment | Taxation | Set out proposals for the high level design and an implementation roadmap for TRA alongside measurements of success (monitoring and review) and recommendations for resourcing and risk management | This was the third of three deployments |
| 6-9 August 2013 | Zambia | DFID Zambia | BRDO | Cabinet Office, Ministry of Commerce, Trade & Industry Bank of Zambia, Ministry of Justice, and Ministry of Finance | Inward visit | Regulation | To provide a practical example and experience of a functioning business regulator system from which Zambia can draw lessons and good practice | - |
| July-August 2013 | Africa Union | DFID Africa Regional Department | GAD | Africa Risk Capacity (ARC) | Desk-based review | Financial analysis | Critically review and assess the financing proposal developed by the ARC Secretariat and its accompanying dynamic financial analysis, and provide advice to DFID in relation to its proposed contribution to ARC | - |
| 1-15 July 2013 | Ethiopia | DFID Ethiopia | DECC | Ethiopian Ministry of Water and Energy | In-country deployment | Natural resources | Support to the finalisation of Ethiopia's Energy Policy | - |
| 1-10 July 2013 | Tanzania | DFID Tanzania | HMRC | DFID Tanzania and Tanzania Revenue Authority | In-country deployment | Taxation | Help define details of a successor programme and provide material for a draft Business Case for DFID Tanzania | Yes – second deployment |

| iFUSE deployments in Q2 Year 2 | | | | | | | | |
|--------------------------------|------------------|--------------------------------|-----------------------------------|--|-----------------------|--------------------|---|--|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up (Y/N) |
| 1-5 July 2013 | Nepal | BRDO | BRDO | The Ministry of Industry, Commerce and Supplies along with the Department of Food Technology and Quality Control and the Ministry of Culture, Tourism and Civil Aviation | In-country deployment | Regulatory reform | Promoting the value of business inspection reform with Government counterparts, providing practical support to improve the effectiveness of the inspection process | Yes – currently scoping second deployment |
| 1-5 July 2013 | Kenya | OFT | OFT | Competition Authority of Kenya | In-country deployment | Competition policy | To support the development of guidelines on unfair pricing, abuse of intellectual property rights (IPRs) and consumer protection in terms of 'unconscionable conduct' | Yes – beneficiary currently drafting ToRs |
| 29 June – 5 July 2013 | Ghana | GAD | GAD | National Insurance Commission (NIC) of Ghana | In-country deployment | Micro-insurance | Support the NIC to build capacity with respect to micro-insurance both in the micro-insurance industry itself and within the NIC | No – this was the second of two deployments |
| iFUSE deployments in Q1 Year 2 | | | | | | | | |
| 18-22 June 2013 | Rwanda | National Bank of Rwanda | GAD | National Bank of Rwanda | In-country deployment | Insurance | Providing training to insurance regulators within the national bank to assist with their insurance regulation role. | - |
| 10-15 June 2013 | Uganda | Uganda Revenue Authority (URA) | SOCA | Uganda Revenue Authority | In-country deployment | Taxation | To review the current proposal for the URA tax investigation training curriculum with particular focus on tax fraud investigations | Yes – URA has asked expert to do a repeat visit, but declined as HMRC didn't have resource available |
| 2-7 June 2013 | Tanzania | DFID Tanzania | HMRC | Tanzania Revenue Authority | Inward visit | Taxation | Second deployment: HMRC officials use experience of deployment one to plan a programme of meetings aimed at enabling TRA officials to explore UK disputes system | Yes – third deployment scheduled for August 2013 |

| IFUSE deployments in Q1 Year 2 | | | | | | | | |
|--------------------------------|------------------|-----------------------------------|-----------------------------------|--|-----------------------|-------------------------------------|--|---------------------------------|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up (Y/N) |
| 2-7 June 2013 | Ghana | DFID and World Trade Organisation | HMRC | Ghanaian government | In-country deployment | Trade policy | Assignment under the WTO Trade Facilitation national needs assessment project | - |
| 27-31 May 2013 | Ethiopia | DFID Ethiopia | OFT | Ethiopian Trade Practice and Consumer Protection Authority (TPCPA) | In-country deployment | Competition and consumer protection | To carry out an assessment of the TPCPA's enforcement capacity and make appropriate recommendations | - |
| 12-22 May 2013 | Bangladesh | DFID Bangladesh | BIS | DFID Bangladesh | In-country deployment | Investment climate improvement | Support to the annual review of the DFID- and World-Bank sponsored Investment Climate Facility. | - |
| 29 April – 3 May 2013 | Tajikistan | Ministry of Commerce Tajikistan | BRDO | Ministry of Commerce Tajikistan | In-country deployment | Regulatory reform | To promote the value of business inspection reform with government counterparts and recommend next steps for driving the implementation of the inspection reforms | Yes – second deployment pending |
| 29 April – 3 May 2013 | Burma | DFID Burma | OFT | Population Services International as the implementing partner to a joint DFID and Gates Foundation programme | In-country deployment | Competition policy | Review possible anticompetitive implications of antimalarial drug programme and mitigating actions. | - |
| 23 April - 1 May 2013 | Tanzania | DFID Tanzania | HMRC | Tanzania Revenue Authority | In-country deployment | Taxation | Fifth deployment to finalise content of the TRA website, address the outcomes identified in the action plan in order to prepare for the formal launch the TRA website on 30 April 2013. | - |
| 22-25 April 2013 | South Africa | HMRC | HMRC | South African Revenue Service (SARS) | In-country deployment | Taxation | Scoping mission to explore the possibility of establishing a partnership between HMRC and the SARS to assist SARS develop its role as a regional capacity builder in Southern Africa. This deployment forms part of DFID's tax capacity building initiative. | - |

| iFUSE deployments in Q1 Year 2 | | | | | | | | |
|--------------------------------|------------------|--------------------------|-----------------------------------|----------------------------------|-----------------------|----------|---|--------------------------------------|
| Dates of deployment | Country / region | Requestor | Target participating organisation | Beneficiary | Type of deployment | IC issue | Type of support | Follow up (Y/N) |
| 8-18 April 2013 | Tanzania | DFID Tanzania | HMRC | Tanzania Revenue Authority (TRA) | In-country deployment | Taxation | To conduct a scoping study and a feasibility study for establishing a taxpayer advocate service in the Tanzania Revenue Authority | Yes – second deployment inward visit |
| 8-12 April 2013 | Rwanda | Rwanda Revenue Authority | HMRC | Rwanda Revenue Authority | Inward visit | Taxation | Design of an audit skills training course for two-four tax auditors from the Rwanda Revenue Authority (RRA) and a 'train the trainer' exercise to deliver this course on their return to Rwanda | - |

We certify that any expenditure shown above in this report and detailed in the accompanying Statement of Expenditure has been actually and necessarily undertaken on behalf of the project as specified in the Project Document and as agreed by the Department for International Development. Any forecast of expenditure shown above and detailed in the accompanying Forecast of Expenditure represents a realistic forecast of payments to be made by the end of the forecast period.