HM Government Response

HM Government Response to the Independent Commission for Aid Impact recommendations on: How UK Aid Learns: A Rapid Review, 12 September 2019

Her Majesty's Government welcomes the Independent Commission for Aid Impact's (ICAI) rapid review on How UK Aid Learns and its recommendations. The review assesses the quality of learning processes in 18 Government Departments and funds spending Official Development Assistance (ODA). We are pleased that ICAI has acknowledged the progress Departments have made in building up their aid management capabilities. HM Government is committed to learning and ICAI noted that Departments' investments in learning are broadly commensurate with the size and complexity of their aid budgets.

UK aid is tackling poverty, disease, climate change, conflict and insecurity which affects us all. We ensure that every penny spent delivers value for money so that we can tackle these global challenges as effectively as possible. We are investing 0.7% of GNI in international development by drawing on skills and expertise from across Government and we will continue to share best practice across Departments so that we deliver the best results for the world's poorest.

Recommendation 1: DFID should be properly mandated and resourced to support learning on good development practice across aid-spending departments.

Partially Accept

DFID already has an extensive offer to ODA-spending Departments to enable them to develop their own solutions, systems and processes, including but not limited to the development of the ODA Value for Money guidance in collaboration with HMT, ODA eligibility and reporting, programme management and Government's transparency trainings, and advisory cadre events open across HMG.

As of October 2019, DFID has 160 staff on loan to other Government Departments to share and help them build their own ODA delivery expertise and in 2018 it led the

formation of the cross-government commercial working group to facilitate the delivery of a shared commercial approach on ODA.

DFID has been provided with some funding to scale-up capability support to assist other Departments spending ODA in its 2019 Spending Review settlement. DFID is working through the implications of this and will consult other Government Departments in order to agree how best to support their emerging needs.

It is important to recognise that, in line with the objectives of the UK Aid Strategy, there are intentional variances in the ways Departments manage ODA across HMG, and many Departments spend both ODA and non-ODA to achieve their objectives. Moreover as ICAI rightly recognises in its report, mutual learning between Departments is also taking place and has a valuable contribution to make. Ultimately DFID's capability support will not displace the need for Departments to continue to invest in and build their long-term capability, but rather encourage it. There will be differences as well as synergies in Departmental learning needs; therefore, the accountability for implementing learning, and making changes which result in improved development outcomes for ODA spend, must remain with each individual ODA-spending Department.

Recommendation 2: As part of any Spending Review process, HM Treasury should require departments bidding for aid resources to provide evidence of their investment in learning systems and processes.

Accept

As with all public spending, it is in HM Treasury's interest to ensure that Departments who receive ODA funding have the capacity and capability to administer this funding effectively, in a way that achieves value for money and secures good outcomes. Departmental capability to do this was considered at Spending Review 2015 as part of the deliverability criteria, including representation on the assessment panel at senior level from the Infrastructure and Projects Authority, which provides specific expertise on the delivery of programmes and projects.

Although the scope, length and process for Spending Review 2020 has not yet been confirmed, HMT will take into account Departments' capability to effectively administer the funding they are allocated. The Government expects the same high standards from ODA as it does from all Government expenditure.

While existing monitoring and evaluation systems and processes will be considered at Spending Review 2020, plans for new or improved systems would also be considered, especially for newer ODA spending Departments who are in the earlier stages in investing in their capability, and in proportion both to the Departmental levels of ODA funding and to the value of the bids.

Recommendation 3: The Senior Officials Group should mandate a review and, if necessary, a rationalisation of major MEL contracts, and ensure that they are resourced at an appropriate level.

Partially Accept

It is important to note that this was a Rapid ICAI review, covering a limited number of HMG Monitoring, Evaluation and Learning (MEL) contracts, through the specific lens of learning. As such, the findings may not fully present the value, learning, and assurance generated from MEL contracts, as well as the commercial rationale for their current configuration. Many of the contracts reviewed have been established as part

of the significant investments in MEL made by Departments in response to recommendations from previous ICAI reviews.

The OECD DAC guidelines, as well as the HM Treasury Magenta and Green Books, provide a clear direction on MEL for ODA spending Departments. The Magenta handbook and OECD DAC guidelines, both point to the need for flexibility and discretion in tailoring evaluations to enable them to be used most effectively to support policy development and implementation.

HMG is nevertheless keen to ensure it is maximising the value and learning from its MEL spend and will work to determine an appropriate HMG mechanism, scope and approach for a review of this nature, bearing in mind the need to adhere to existing HMG policy and OECD DAC guidelines for MEL.

Recommendation 4: Where aid-spending departments develop knowledge management platforms and information systems to support learning on development aid, they should ensure that these systems are accessible to other departments and, where possible, to the public, to support transparency and sharing of learning.

Partially Accept

There are several systems already in place for sharing knowledge and learning across government. All ODA-spending UK Government Departments should report their ODA spend using the IATI data standard as set out in the UK Aid Strategy (2015) and Cabinet Office transparency commitments (2017). Once published, this information is visualised on Development Tracker (DevTracker) and provides a view of UK Aid activity.

DFID has been working with other Departments to support easier transparency publication across the range of programme modes indicated in the report. For example, we have developed and launched DevFlow, a website to streamline publication of IATI data for smaller portfolios and supported other Departments in managing the quality of publication leading up to the Aid Transparency Index assessment. The OECD DAC also collates a range of ODA programming information, which is published and supplemented by DFID's publication Statistics on International Development.

We recognise that there is need for both interoperable systems and interoperable information across Departments spending UK Aid. There is ongoing work across a number of Departments to implement Office 365 to ensure Departments can work together on a secure shared platform. Investment in DFID's programme management software will make it easier for other ODA-spending Departments to use it, but differences in the Finance, Procurement, People and Document management systems used across Government pose a continuing challenge.

As mentioned above, there are several systems already in place for sharing knowledge and learning across government. We will build on this and consider wider opportunities where applicable. We will continue to share systems where this is relevant, whilst acknowledging the different needs and approaches across Departments.