

DFID Management Response to the Independent Commission for Aid Impact recommendations on:

Rapid Review of DFID's Smart Rules, December 2014

| ICAI Recommendation | Accept/Partially Accept/Reject | Action already taken | Action to be taken | Target date |
|--|--------------------------------|--|---|------------------|
| <p>Recommendation 1: DFID needs to continue to refine the Smart Rules to facilitate ease of use by teams in the field, with a particular focus on clearer principles, focused technical guidance and examples of where discretion can be applied.</p> | <p>Accept.</p> | <p>A Programme Cycle Committee has been established to transparently govern the Smart Rules and agreed a process for continual improvement. This has been communicated to the Department and is intended to support continual improvement, incorporating learning and feedback from internal and external partners</p> | <p>DFID's Programme Cycle Committee will consider the recommendation and commission further work if necessary ahead of the next planned update of the rules.</p> | <p>July 2015</p> |
| <p>Recommendation 2: The Smart Rules need to be enhanced in key areas to meet critical challenges identified by ICAI:</p> | <p>Partially Accept</p> | <p>One of the key elements of moving towards a stronger principles-based approach is a move away from the notion that we improve programme quality and impact by adding overly prescriptive new rules and mandatory processes.</p> | <p>DFID's Programme Cycle Committee will consider the detail of the recommendation and commission further work if necessary ahead of the next planned update of the rules..</p> | <p>July 2015</p> |

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| <ul style="list-style-type: none"> • Be more explicit about intended beneficiary involvement; • Clarify the relationship between value for money, sustainability and impact; • Ensure a consistent approach to risk, adaptation and learning • Enable mobilisation and increased realism in planning; and • Make senior staff (such as heads of office) specifically accountable for continuous learning. | | <p>DFID's investment in programme management capability, leadership development and partnership across DFID is likely to have the highest impact on programme quality.</p> <p>DFID is updating our approach to 'value for money' and more than 200 Senior Responsible Owners and the whole of DFID's Senior Civil Service have completed commercial leadership courses to improve impact.</p> <p>As part of the continuing improvement of programme leadership, we are: examining ways to enhance our management of risk; strengthening the voice of beneficiaries; and sharing lessons.</p> <p>DFID leadership and, specifically, the Programme Cycle Committee, ensure the Smart Rules – and our ways of working - reflect challenges identified by ICAI and maximise impact on poverty reduction.</p> | | |

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| <p>Recommendation 3: DFID needs to maintain the momentum of the change programme which has arisen from the End to End review and continue to engage all departments in a dynamic transformation focused on improving the impact of UK aid on the poor.</p> | <p>Accept</p> | <p>DFID is committed to the programme of reforms and Ministers and senior managers underline their importance at every opportunity.</p> <p>Since June, all teams across the department have been engaged on the reform agenda. This engagement will continue throughout 2015 to sustain dialogue, identify blockages and build partnerships to transform the way we deliver programmes.</p> <p>The proposals and budget for improving capability has been agreed and modules covering a range of areas are currently being designed.</p> | <p>DFID will put in place complementary reforms and supporting measures to maintain momentum including continued training for Senior Responsible Owners, launching of “master classes”, and continual professional development conferences and focusing on cultures and behaviours as well as processes. .</p> | <p>May 2015</p> |

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| <p>Recommendation 4: DFID leadership needs to define a compelling vision and mission for the organisation for the next decade, focused on reducing poverty for beneficiaries and use this to establish some explicit principles for the overall transformation ahead.</p> | <p>Accept</p> | <p>DFID's mission is clear – we lead the UK's work to end extreme poverty. This is displayed in everything we do, from our work fighting Ebola in West Africa to the recent London conference on Afghanistan. This is underpinned by a clear Organisational Vision which was developed following the 2010 Election.</p> <p>Results from 2014's cross Government 'People Survey' underlines the strength with which this is embraced by staff: DFID's engagement index is 71% and staff's understanding of organisational objectives and purposes is 92%.</p> <p>The principles for achieving poverty reduction are set out in the Smart Rules.</p> | <p>DFID leadership will continue to reinforce the Department's vision and mission at every opportunity to both internal and external audiences. Our overall approach will be reviewed following both the 2015 UK General Election and the agreement of the Post 2015 Development Agenda, and we will refresh the vision and mission as appropriate in the light of these.</p> | <p>Dec 2015</p> |
| <p>Recommendation 5: DFID needs to continue to leverage its leadership role in the global aid community to streamline overall system</p> | <p>Accept</p> | <p>As a member of the DAC, the EU, the Global Partnership for Effective Development Cooperation (GPEDC), the New Deal, and other international fora, DFID already plays a key role in driving international cooperation to make</p> | <p>DFID will continue to press the importance of development effectiveness principles in our engagement with all partners, in preparation for the next High Level Meeting of the GPEDC in 2016.</p> | <p>May 2016</p> |

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| effectiveness and improve collaboration between partners. | | <p>development more effective.</p> <p>DFID is highly engaged in the post-2015 process: working to secure a single set of compelling and implementable goals that will eradicate extreme poverty by 2030. As the first G7 country to deliver 0.7, the UK is calling on donors to meet their 0.7 commitments, and is lobbying for a credible international offer on financing for development that is fit for purpose in a post-2015 environment, and which emphasises the importance of development effectiveness principles for all international public finance.</p> <p>DFID engages closely with the World Bank Science of Delivery team and wider initiatives to strengthen tools and capabilities for flexible and adaptive programmes.</p> | | |