

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

**The Effectiveness of DFID's Engagement with the Asian Development Bank, July 2012**

ICAI Recommendation	Accept/Partially Accept/Reject	Original Management Response		March 2013 Update
		Action	Target Date	
<p><b>Recommendation 1:</b></p> <p>Where DFID is co-financing projects with ADB, it should be clear about the relative contributions of each partner, strengthen its initial risk assessment and resource accordingly and improve its real-time monitoring and evaluation.</p>	Accept	<p>1. DFID will provide country offices working with the ADB with specialist knowledge and advice on the relative contributions of ADB and DFID.</p>	April 2013	<p><b>Completed</b></p> <p>DFID has systems in place, including quarterly update meetings, to provide advice to country offices and regional departments that are developing Trust Fund proposals. This includes advice on the comparative advantages and strengths and weaknesses of working with the bank, based on the MAR findings. Examples include the proposal to co-fund the Urban Resilience project in South-East Asia and the regional Asia Climate Public Private Partnership project .</p>
<p><b>Recommendation 2 :</b></p> <p>As a shareholder, DFID</p>	Accept	<p>2. The UK will use discussion of the ADB Results Framework (2013-2016) to ensure that the choice of</p>	December 2012	<p><b>Completed</b></p> <p>Revised Results Framework was approved by ADB in</p>

ICAI Recommendation	Accept/Partially Accept/Reject	Original Management Response		March 2013 Update
		Action	Target Date	
<p>should concentrate its influence on improving the impact of ADB and ADF projects, in particular by strengthening project design, implementation and independent evaluation on the ground.</p>		<p>indicators and the proposed targets stretch the bank to improve its performance and enable shareholders to assess progress.</p>		<p>January 2013. We were successful in getting more sex disaggregated indicators, stronger climate change indicators and more stretching targets on organisational and operational effectiveness. There is still scope for the bank to improve their inclusive growth indicators and develop indicators for procurement efficiency gains. We will follow up in mid-2013 as part of the bank's Development Effectiveness Report discussions and the next discussion on the bank's medium-term work programme in November 2013.</p>
<p><b>Recommendation 3 :</b> Ad-hoc discussions between DFID country offices, DFID HQ and the UK representative at ADB should be formalised in</p>	<p>Accept</p>	<p>3. Quarterly policy and programme meetings will be established between IFID, the UK representative in Manila and Asia Division staff.</p>	<p>October 2012</p>	<p><b>Completed</b> The first Quarterly Meeting was held in October 2012, and the second in early February 2013. Further quarterly meetings are</p>

ICAI Recommendation	Accept/Partially Accept/Reject	Original Management Response		March 2013 Update
		Action	Target Date	
<p>quarterly strategic reviews for the five DFID focus countries where ADB activity is significant.</p>				<p>planned. The meetings have improved communications between DFID HQ, country offices and the UK representation at the bank. It has also led to improved coordination of direct contact with the bank in Manila and when bank representatives visit London.</p>
<p><b>Recommendation 4 :</b> DFID needs to ensure that it always has the right information to make choices about when and how to work with ADB. If DFID wishes to use the MAR for this purpose, then future MARs should consider the capabilities of multilateral agencies on-the-ground across a range of countries, capabilities and project types.</p>	<p>Accept</p>	<p>4. Future MAR assessment will have a greater focus on delivery on the ground in a range of countries, using evidence from regular DFID office monitoring of multilateral performance and targeted country visits.</p>	<p>April 2013</p>	<p><b>Completed</b> The 2013 MAR update is underway and evidence through country office monitoring in Afghanistan, Bangladesh, India, Pakistan and Tajikistan is being used.</p>