

**DFID Management Response to the Independent Commission for Aid Impact recommendations on:  
The Effectiveness of DFID's Engagement with the World Bank, March 2012**

<b>ICAI Recommendation</b>	<b>Accept/ Partially Accept/Reject</b>	<b>Action Specified in Management Response</b>	<b>Target date</b>	<b>September 2012 update</b>
<p><b>Recommendation 1:</b> DFID should improve its oversight of the World Bank trust funds it is financing and develop a corporate strategy for allocating resources to trust funds in line with UK Government aid objectives, within 12 months.</p>	<p>Accept</p>	<p>1. DFID Management Board signs off on the Corporate Strategy and Implementation Plan for Trust Funds to deliver:</p> <ul style="list-style-type: none"> <li>• greater policy and donor coherence;</li> <li>• consolidation and rationalisation</li> <li>• consistent and high quality monitoring and evaluation;</li> <li>• stronger focus on VFM.</li> </ul> <p>2. First report to DFID Top Management on progress by DFID in implementing the Corporate Strategy and Implementation Plan.</p>	<p>November 2011</p> <p>September 2013</p>	<p><b>On Track</b> The first draft of the strategy is complete and was circulated internally within DFID for consultation in early September. DFID will consult the World Bank on the strategy in October.</p> <p><b>On Track</b> Support is already being provided to DFID country offices to improve value for money in their negotiations with the Bank e.g. negotiations on a new Ethiopia service delivery fund; across DFID more generally to rationalise existing Trust Funds; and using our influence to improve the World Bank's management of Trust Funds, for example of the Good Practice Principles for the management of Bank Trust Funds.</p>

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<p><b>Recommendation 2:</b> DFID should work with the World Bank during the remainder of IDA16 and through IDA17 to improve service delivery cost-effectively in fragile and conflict-affected states, including through further decentralisation of staff.</p>	Accept	<p>3. Exchange best practice with WB on innovative and cost-effective approaches to delivery in difficult contexts (having identified approach and priority areas by September 2012).</p>	March 2013	<p><b>On Track</b> DFID is in frequent contact with the Bank's Centre for Conflict, Security &amp; Development. At the moment we are working with the Bank on a major sharing of practice in London in late September.</p>
<p><b>Recommendation 3:</b> DFID should review the principal factors influencing the success of IDA projects. It should then assess how to extend the measures and increase the stretch in targets in the IDA Results Measurement System. DFID should</p>	Accept	<p>4. DFID to draw on existing Bank material, particularly the Independent Evaluation Group's (IEG) annual report, to identify the 'influencing factors' driving project performance and improving value for money. DFID to then use this as the basis for an assessment of the IDA16 Results Measurement System, establishing how stretching the existing targets are and whether there are any gaps in the Results Measurement System.</p>	July 2012	<p><b>On Track</b> DFID produced a draft assessment of the IDA16 Rights Measuring System (RNS) in July 2012. We will be analysing the IEG's annual Results and Performance report (RAP) to review the factors underlying the recent decline in project performance. Publication of the RAP has been delayed by Bank management to mid-October.</p>

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use this work to improve performance and value for money through the IDA17 replenishment negotiations		5. DFID will share this assessment with other donors in advance of the IDA16 Mid Term Review (MTR).	October 2012	<p><b>On Track</b></p> <p>We have already shared our ideas with German counterparts and plan to circulate more widely in advance of the MTR in November where the performance of IDA16 to date will be assessed by donors.</p>