

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

DFID's Rural Livelihoods Work on Western Odisha, February 2013

ICAI Recommendation	Accept/Partially Accept/Reject	Action already taken	Action to be taken	Target date
<p>Recommendation 1: It is particularly important for livelihoods and other climate resilience programmes that DFID enables long term planning and budgeting. DFID staff should be made aware that departmental budgeting cycles should not constrain effective planning. This is especially the case where an intervention's success depends on community participation and ownership.</p>	<p>Accept</p>	<ul style="list-style-type: none"> • DFID already sets future year indicative budget allocations for a number of years ahead to enable Divisions to effectively plan. • As UK Government Spending Review periods do not align with multi-year development projects, the Department has agreed with HM Treasury a commitment threshold up to which expenditure can be committed in years out beyond the current Spending Review period. This allows interventions to be developed and implemented over a number of years. • The monthly report to the Executive Management Committee includes information about the level of resources committed beyond the SR period against the threshold agreed with Treasury – providing information 	<p>1. DFID will issue a communication to staff on how programme planning can take place within the constraints of the departmental budget cycle.</p>	<p>June 2013</p>

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		about the extent to which there remains space to commit resources into the future.		
<p>Recommendation 2: Exit and sustainability matter. There should be a specific mandatory workstream in all projects, from inception, that plans for exit and sustainability. DFID needs to manage livelihoods projects actively right through to the end.</p>	Partially accept	<ul style="list-style-type: none"> • Revised Business Case Guidance issued in January 2013 requires the design and delivery options for all interventions to be appraised for sustainability. This includes setting how the impact of an intervention will be sustained and any additional resources that will be required as a result. • The Intervention Summary has been revised and now requires teams to explain how impact from the intervention will be sustained. • The Project Completion Review (PCR) requires assessment of likelihood of benefits being sustained and any challenges to sustainability. DFID has suitable procedures for managing project exit and sustainability. A new mandatory 	<ol style="list-style-type: none"> 2. DFID will prepare a sustainability strategy for the transition of its programme in India. 3. DFID/NAO are carrying out a joint stocktake of Annual Reviews (AR) that will include consideration of whether the AR has sufficient focus on sustainability of outputs and outcomes. 	<p>July 2013</p> <p>September 2013</p>

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		workstream is not required for livelihoods projects specifically.		
<p>Recommendation 3: The project emphasises the benefits of transparency to and involvement of beneficiaries. DFID should continue to develop greater transparency at all levels, including in respect of project results.</p>	Accept	<ul style="list-style-type: none"> • DFID’s progress in increasing transparency of aid information is evidenced by its position in the 2012 Aid Transparency Index. • DFID’s Aid Transparency Guarantee has led to an unprecedented increase in the information on projects and programmes available on the website and as open data • Under this policy, DFID has put in place pilot programmes, designed to test approaches to generating and using feedback from beneficiaries. • DFID issued new ‘How to Note’ on including beneficiary participation in monitoring. 	<ol style="list-style-type: none"> 4. DFID in India will refresh its guidance on transparency standards for project delivery partners 5. DFID will launch a new open data platform for UK aid making aid information more accessible to stakeholders, and create a DFID ‘community of practice’ on beneficiary monitoring to improve cross departmental lesson learning. 	<p>July 2013</p> <p>September 2013</p>

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		<ul style="list-style-type: none">• DFID's Results Framework was published for the first time last year and will be updated every 6 months• Launched a challenge to DFID's funding partners to increase their transparency in use of DFID funds.		