

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

ICAI Recommendation	Accept/Partially Accept/Reject	Original Management Response		March 2013 Update
		Action	Target Date	
<p>Recommendation 1: 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>	Accept	<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"> • greater policy and donor coherence; • consolidation and rationalisation • consistent and high quality monitoring and evaluation; • stronger focus on VFM. 	November 2012	<p>Completed The Management Board approved the Strategy in December 2012. It has been placed on DFID's intranet accessible to all staff.</p>
		<p>2. First report to DFID Top Management on progress by DFID in implementing the Corporate Strategy and Implementation Plan.</p>	September 2013	<p>On track A new post was filled in January 2013 to advise DFID teams on Trust Fund management issues. The postholder will update existing guidance to spending departments; improve DFID's data on the distribution and performance of the trust fund</p>

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				portfolio; and progress negotiations with the Bank. We will report progress by September 2013.
<p>Recommendation 2: 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	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).	March 2013	<p>Completed Following a successful learning event in September 2012 between the World Bank's Centre for Conflict Security and Development (the 'Hub') and DFID, we have continued to exchange ideas on emerging best practice on staffing, risk management, country analysis and conflict training. DFID has agreed to second a Governance Adviser to the World Bank's Hub in Nairobi from July 2013 for two years to continue our two-way lesson-learning. DFID is also using feedback from country offices to build the case for further operational reform – to be debated at the 1st replenishment meeting in</p>

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<p>Recommendation 3: 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 (RMS). DFID should use this work to improve performance and value for money through the IDA17 replenishment negotiations</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>Completed Following publication of the IEG annual report in mid-October, DFID finalised its assessment of the IDA16 Results Measurement System in advance of the Mid Term Review (MTR) Meeting in November.</p>
		<p>5. DFID will share this assessment with other donors in advance of the IDA16 Mid Term Review</p>	October 2012	<p>Completed We used the assessment to frame our position at the MTR in November where the performance of IDA16 was assessed by donors. This led to agreement to start the IDA17 Results discussion early. We have shared the assessment with other IDA</p>

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				donors, including at a UK-hosted meeting of likeminded donors in February 2013.