

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

The Effectiveness of DFID's Peace and Security Programme in Nepal February 2013

ICAI Recommendation	Accept/Partially Accept/Reject	Action already taken	Action to be taken	Target date
<p>Recommendation 1: To maintain and build on beneficiary impact achieved to date, DFID Nepal should, within six months, develop an analytically based, forward looking governance and security strategy. This should link to a measurable results framework, with ambition consistent with the level of spending.</p>	<p>Accept</p>	<ul style="list-style-type: none"> • DFID in Nepal has built on existing analysis by updating the Country Governance Assessment jointly with other development partners (January 2013). • DFID in Nepal has started an internal review of the Theory of Change for the Operational Plan, to be completed by end April. • The Nepal Results has 2 headline results out of 8 total, on governance and security and 27 lower-level indicators measuring impact across the range of governance and security programmes. We have started a process to review and update the Results Framework in line with the changing political context and given the achievement of some targets. 	<p>1. DFID in Nepal will undertake a comprehensive strategic review of the peace and security programme, drawing on recent analysis and mapping out the future programme direction.</p>	<p>July 2013</p>
<p>Recommendation 2:</p>	<p>Accept</p>	<ul style="list-style-type: none"> • DFID takes compliance very seriously. 	<p>2. DFID in Nepal will conduct</p>	<p>May 2013</p>

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<p>To ensure projects deliver value for money throughout their life cycles, DFID Nepal should ensure compliance with DFID procedures. It should, within six months, update its project information and planning systems and ensure that these are maintained.</p>		<p>As the last Internal Audit Department report on Nepal (Sept 2012) noted “the office has in place a robust operational plan and strategy, underpinned by effective management systems and processes.”</p> <ul style="list-style-type: none"> • An initial review of project information related to peace and security programmes on the DFID website has been undertaken and information gaps cited by ICAI have now been addressed. • We have updated the Nepal Peace Trust Fund and UN fund log frames and merged them into one consolidated log frame. 	<p>a full review of all our project documentation, and ensure these are accurate and up-to-date. We will ensure all required information is uploaded to the website.</p>	
<p>Recommendation 3: To deliver value for money, DFID Nepal should develop greater visibility of the end-to-end costs of delivery. This requires a more sophisticated consideration of</p>	<p>Accept</p>	<ul style="list-style-type: none"> • An up-dated ‘How to Note’ for writing business cases was issued in January 2013. This included strengthened guidance for analysis of administration and overhead costs during project design. • Where DFID uses agents and other intermediate beneficiaries, business cases must now specify in detail flow 	<p>3. DFID Nepal will pilot a revised approach to analysing the costs of delivery, in our planned Security and Justice Business Case. This will be used as a model for all future Business Cases, as well as informing existing</p>	<p>August 2013</p>

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<p>administrative and programme costs at the design stage. At a corporate level, DFID should consider standardising its approach to this analysis.</p>		<p>of funds to identify administration and overhead costs to distinguish them from other project costs.</p>	<p>programming.</p>	