

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

DFID's Bilateral Support to Growth and Livelihoods in Afghanistan, February 2014

ICAI Recommendation	Accept/Partially Accept/Reject	Action already taken	Action to be taken	Target date
<p>Recommendation 1: DFID should formally review current and future projects to focus its portfolio more firmly on reducing poverty using evidence-based interventions. This should be completed within six-months using a consultative and evidence-led process.</p>	<p>Partially Accept</p>	<ul style="list-style-type: none"> • DFID's strategy for Afghanistan is currently being reviewed through our evidence-based Country Poverty Reduction Diagnostic (CPRD) methodology. • DFID's current project design procedure requires a theory of change and a strong evidence base; both are reviewed annually for each project. The procedure also requires appraisal of capacity development, climate and environment, social, fragility and conflict, governance and economic issues. • DFID's current project design procedure further requires projects to demonstrate complementarity with other DFID and donor projects as well as alignment with government's plans and priorities. 	<p>1. Within the CPRD process DFID will review current and future projects against constraints, gaps and opportunities, in differing scenarios, to focus specifically on reducing poverty. This will include assessment of opportunities to address the key barriers to an exit from poverty and eventually from aid dependence.</p>	<p>August 2014</p>

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<p>Recommendation 2: DFID should ensure that intended beneficiaries are, as far as practicable, directly consulted when new projects are being designed, so that their needs are clearly addressed and their ownership is enhanced.</p>	<p>Partially Accept</p>	<ul style="list-style-type: none"> • DFID has a variety of methods to ensure intended beneficiaries are consulted about their needs. DFID's procedures assess the strength of local ownership and the capability of implementing partners to engage with beneficiary groups. Both of these factors are important for considering whether to move ahead with a project. • Where poor Afghans are the direct beneficiaries we seek to consult with them. • Where DFID delivers through arrangements such as Multi-donor Trust Funds or agreements with UN partners, DFID's procedures assess the extent to which beneficiaries are consulted. • Where DFID delivers through grant agreements with Non-Government Organisations, commercial contracts with consultants, or challenge fund arrangements with private sector organisations the inception documents of those projects encourage consultation with beneficiary groups and assurance of local ownership. 	<p>2. DFID will develop a full list of Afghan research and development organisations with the expertise to undertake beneficiary consultation. This will enable strengthening of DFID's beneficiary consultation during project design and implementation. Further activity to strengthen research and development institutions will also serve to strengthen DFID's capacity to undertake beneficiary consultation during project monitoring. Where delivery is through arrangements such as Multi-donor Trust Funds, DFID will work with the multilateral partners to strengthen their approach to beneficiary consultation.</p>	<p>November 2014</p>

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<p>Recommendation 3: DFID should enhance its approach and commitment to independent monitoring in order to assess current and future project performance and to allow it to assess the impact of its programme.</p>	Partially Accept	<ul style="list-style-type: none"> • DFID is designing a programme-wide monitoring strategy in Afghanistan. • DFID's current project design procedures include a requirement for measuring performance based on a results framework with baseline data, milestones and targets with associated indicators. • DFID has an approved evaluation strategy for the Afghanistan programme which is being applied across current and future projects. • DFID and other donors have developed effective relationships with a number of competent Afghan research and development institutions which are able to deliver a variety of functions in support of our design and analysis (including monitoring) needs. 	<p>3. DFID Afghanistan's programme-wide monitoring strategy will be published by August 2014. This will set out how DFID will strengthen independent monitoring by providing additional resource to undertake independent monitoring across the portfolio, build the capacity of DFID staff and implementing partners to monitor our programmes better, and provide a cross-portfolio analysis to aid strategic decisions about the shape of DFID's programme in the future.</p>	August 2014