

DFID, DECC and Defra Management Response to the Independent Commission for Aid Impact recommendations on:

The UK's International Climate Fund, November 2014

ICAI Recommendation	Accept/ Reject	Action already taken	Action to be taken	Target date
<p>Recommendation 1:</p> <p>The ICF should work through a wider range of delivery partners at the international and national levels, with a stronger understanding of their comparative advantages</p>	Accept	<ul style="list-style-type: none"> The ICF is working with an increasing range of delivery partners, from local civil society and private sector organisations to national governments, private equity funds and multi-laterals based on their comparative advantage 	<ol style="list-style-type: none"> ICF Secretariat to undertake a mapping of ICF delivery partners to identify delivery gaps and inform an ICF Board discussion on the strengths and risks of the current portfolio 	September 2015
<p>Recommendation 2:</p> <p>More flexibility in the allocation of resource and capital expenditure is needed. DECC and Defra would benefit from more flexible and direct access to both resource and capital expenditure</p>	Accept	<ul style="list-style-type: none"> Resource and capital allocation swaps have taken place to allow DECC and DEFRA more flexibility in their programme delivery HMT agreement that DFID will transfer a minimum of 5% of DECC's allocation in 2015/16 as RDEL 	<ol style="list-style-type: none"> The Government will consider as part of and/or in light of the next Spending Review 	September 2015
<p>Recommendation 3:</p> <p>The ICF should develop a more differentiated strategy for working with the private sector,</p>	Accept	<ul style="list-style-type: none"> A number of programmes such as the Climate Public Private Partnership (CP3), the Water Security Programme, and the recently approved Investments in Forests and Sustainable Land Use programme are 	<ol style="list-style-type: none"> DFID and DECC private sector advisers to review the ICF's private sector strategy, including commissioning work to 	November 2015

<p>focussed on the particular conditions and approaches required to attract different forms of private capital</p>		<p>specifically designed to unblock barriers and leverage private climate finance</p> <ul style="list-style-type: none"> • To date £150m of private sector finance has been leveraged since 2012 • The UK has influenced the design of Private Sector windows in Climate Investment Funds, Green Climate Fund, and is exploring the potential for the Green Investment Bank to engage the private sector effectively 	<p>identify ways to increase private sector engagement in adaptation</p>	
<p>Recommendation 4:</p> <p>The ICF should deepen its engagement with developing country governments and national stakeholders, including through greater emphasis on capacity development. This is likely to require greater access to grant and technical assistance resources, including for middle income countries</p>	<p>Partially Accept</p>	<ul style="list-style-type: none"> • HMG missions overseas are engaging with partner Governments and national stakeholders to understand and support capacity building, e.g. Tanzania, Kenya, Indonesia, and Rwanda • Technical assistance is provided through many ICF centrally managed programmes such as the Climate Development Knowledge Network (CDKN) , Nationally Appropriate Mitigation Action (NAMA) Programme and the FCO Prosperity Fund • The ICF strategy has a presumption for returnable capital and Technical Assistance in our bilateral support to Middle Income Countries. We also encourage and enable MICs to fund Technical Assistance themselves where appropriate 	<p>4. Identify opportunities to increase ICF support for country level engagement and capacity building in new and existing programmes; for example by explicitly including capacity building as a selection criterion for future ICF projects and requests for project extensions</p>	<p>December 2015</p>

		<ul style="list-style-type: none"> • The ICF KPI on ‘the level of integration of climate change in national, sectoral or institutional planning as a result of ICF support’ is being used to measure the impact of ICF capacity development programmes • Work has been commissioned to identify the technical assistance needed to deliver low carbon development investments 		
<p>Recommendation 5:</p> <p>The ICF should strengthen coherence across multilateral and bilateral delivery channels and programmes and implement a common, country-level planning process and tracking system</p>	Partially Accept	<ul style="list-style-type: none"> • The ICF Knowledge Platform will provide information on both multilateral and bi-lateral from the ICF to country based HMG and country partners • The ICF approvals process has moved to a portfolio planning approach which allows the Board to improve coherence between multi-lateral and bi-lateral programmes • ICF support is developing country-level planning and finance systems to improve coherence such as in Ethiopia, Nepal, Kenya and Bangladesh 	5. Whilst recognising the need to strengthen coherence the ICF seeks to support countries <i>own</i> systems to plan and track climate programming. To do so the ICF will identify and showcase systems that enable effective country-level planning and use them to inform future capacity building support from the ICF	January 2016

<p>Recommendation 6:</p> <p>The ICF should be more transparent and inclusive, publishing its strategies, activities and progress on an ICF website, in a coordinated reporting format in partnership with other climate finance data providers</p>	<p>Accept</p>	<ul style="list-style-type: none"> • The ICF publishes its strategies, activities and progress on the ICF page of the GOV.UK website • The new ICF Knowledge platform is being designed to improve access to ICF data • The ICF also reports its activities to international fora e.g UNFCCC and OECD DAC, and is helping them develop common reporting formats based on learning from the ICF 	<p>6. Update the ICF 'GOV.UK' website regularly with improved quality and transparency of public information on the ICF</p>	<p>July 2015</p>
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