



DFID Response

03 August 2018

DFID Response to the Independent Commission for Aid Impact performance review on: DFID's governance work in Nepal and Uganda, June 2018

DFID welcomes the Independent Commission for Aid Impact's performance review of DFID's governance work in Nepal and Uganda, and its recommendations.

Recommendation 1: DFID should articulate in more detail its strategic approach to governance at country level, and make more use of scenario planning and risk management tools to support portfolio management in volatile contexts. Its strategies should consider and articulate the desired balance of risk and return across its governance portfolios.

Partially accept

We agree that being strategic in our governance work at headquarters and country level is the appropriate approach to take. The Governance, Open Societies and Anti-Corruption Department is updating DFID's governance strategy to guide country office work. We agree that governance analysis and interventions need to be integrated across country portfolios to deliver development impact in the most effective way.

We plan to adopt a more interdisciplinary analysis of a country's political settlement, society, state and economy to identify the main entry points and opportunities to support long-term development. Scenario planning and risk assessments are already increasingly used across our country portfolios, particularly in volatile or fragile contexts, and we are undertaking more joint analysis with the Foreign and Commonwealth Office.

Recommendation 2: DFID should identify areas where sustained engagement is likely to be required to generate the desired results, and invest in long-term relationships with key counterparts, while maintaining the flexibility to scale individual activities up and down as appropriate.

Accept

We share ICAI's view that taking a flexible approach to governance programming provides opportunities to balance sustained engagement with responsive and agile interventions, based on a very thorough understanding of the context. We know that improvements in governance require time, patience and trusted relationships, as well as the ability to react quickly and flexibly to any sudden changes to governance structures or the locus of power.

DFID's country office governance teams, including our staff appointed in country, are

well-placed to lead investments in long-term relationships with different partners such as government counterparts, civil society, business as well as other development actors.

DFID is increasing its work on adaptive and agile programming in the governance field, and is drawing evidence from a number of programmes that have been piloting this approach. Lessons include the value of working to support local coalitions to achieve changes they prioritise, developing suites of complementary programmes, and identifying appropriate contracting models that support adaptive programmes.

DFID's enhanced Strategic Relationship Management programme will enable us to develop longer-term relationships with supply partners, and share greater innovation and learning from different environments and over longer timescales. We are piloting commercial mechanisms that build in greater flexibility for programmes to adapt quickly to changes in local context.

Recommendation 3: DFID should increase the time governance advisers spend on technical inputs and external influencing and engagement, rather than programme management and administration.

Accept

We are already reviewing how to support our advisers to spend more time on technical inputs and building understanding of the specific context, helping ensure our programmes deliver their intended results. This includes piloting "Analysis and Engagement" champions—who will be responsible for driving deeper analysis and strengthening external engagement and relationships—in several country offices.

We continually review our programme processes to ensure they are proportionate and do not place an excessive burden on programme teams. The Senior Responsible Owner (SRO) role, as defined in 2014, includes being objective about performance and adaptation based on learning and feedback – areas where advisers have an important role to play. The division of labour between advisers, programme managers and others in programme teams can vary according to the size and complexity of programme and the context for delivery.

DFID is also re-invigorating its Programme Management Profession to ensure the necessary capacity, leadership and expertise are in place to maintain high standards on compliance requirements, such as due diligence of partners, including on safeguarding.

Recommendation 4: DFID should develop the capacity of the governance cadre by (i) improving utilisation of staff appointed in country; (ii) posting home civil service staff for longer periods in country, (iii) increasing diversity in terms of experience, backgrounds and local knowledge, (iv) placing more weight on practical delivery experience in recruitment.

Partially accept

We agree that DFID should make the most of the technical expertise of its 120-strong governance cadre, which is unique amongst donor agencies in terms of its size and breadth. This network includes 30 Staff Appointed in Country (SAIC) advisers (based in country offices) and around 90 Home Civil Service (HCS) advisers working across country offices and at headquarters.

i) SAIC advisers bring a wealth of local knowledge, networks and unique relationships to DFID's work that go beyond those that HCS staff can establish during their postings. They also provide institutional memory over the long term. There has been good progress in the development of SAIC staff and capabilities in recent years with a small but growing number of senior SAIC advisers, and increasing uptake of

international assignments for SAIC advisers which help advisers broaden their understanding of governance and implications for programming in different contexts.

We agree that DFID could go further in supporting the development and utilisation of its SAIC advisers. Country offices are best placed to determine how that should take place to meet their needs, supported by cadre-wide development activities that bring the latest learning, evidence and analysis to all advisers.

ii) The governance cadre is governed by overarching civil service recruitment procedures, and DFID guidance on postings for Home Civil Service (HCS) staff. Most HCS staff serve an average of three years at post. The mixture of in-country depth of knowledge by SAIC staff and technical expertise from HCS governance staff means DFID is able to blend best practice and learning with in-depth, locally-specific insights. That said, we recognise the advantages to longer postings for HCS advisers to enable them to build a detailed understanding of what works in that specific context.

iii and iv) We welcome the acknowledgement of the breadth of technical knowledge and previous experience that DFID's advisers bring to their work, including our SAIC advisers. DFID, like all civil service departments, recruits against competencies as well as relevant experience. In addition, DFID's governance technical competency framework places a significant emphasis on the value of 'applied skills' alongside learned knowledge. We find that these processes enable us to recruit advisers from a suitably diverse range of backgrounds and experience.

Recommendation 5: DFID should use evaluation more to test key propositions underlying governance programmes and portfolios, increase investment in how learning takes place within programmes, and ensure the lessons are utilised.

Accept

DFID has an overarching evaluation strategy. Evaluation is one important component alongside wider research and evidence sources. Programme design processes consider the evidence, latest research, past results and achievements, and include relevant lessons from other parts of the portfolio. All programmes undergo Annual Reviews and a Project Completion Review which examine the outputs and achievements in depth, testing a programme's assumptions and theory of change and addressing issues of value for money and risk management.

DFID is already improving our approach to learning from evaluations and evidence.

A new approach is being developed that will strengthen DFID's access to governance evidence and reporting on governance results. The approach will bring together evidence on what works from programme reviews, research and evaluations in a way that will facilitate learning. A pilot of a small number of areas will be developed by the end of 2018 with more comprehensive reporting available in 2019.