

**Minutes of the 14<sup>th</sup> Board Meeting of the  
Independent Commission for Aid Impact  
9 July 2012**

**Attendees**

Commissioners: Graham Ward (GW)  
Mark Foster (MF)  
John Githongo (JG) by teleconference  
Diana Good (DG)

Secretariat: Tom McDonald (TM)  
Clare Robathan (CR)  
Alexandra Cran-McGreehin (AC-M)  
Santosh Chana (SC)

External: Owen Barder, Center for Global Development  
David Hallam, DFID

**Details of the meeting:** Monday 9 July, 9.15 am – 5.00 pm

**Welcome**

1. The Chief Commissioner welcomed everyone to ICAI's 14<sup>th</sup> Board Meeting.

**Minutes of the 13<sup>th</sup> Board Meeting**

2. The minutes of the last Board meeting were formally approved.

**Action Log**

3. TM led a discussion of progress against both outstanding and completed actions from previous Board Meetings.
4. CR updated the Commissioners on the Private Members' Bill put forward by Mark Hendrick MP. In summary, the Bill aims to make provision to meet the UK target for official development assistance (ODA) to constitute 0.7 per cent of GNI and to make provision for independent verification that ODA is spent efficiently and effectively.

**Correspondence and Meetings**

5. TM ran through the correspondence received. This included: a letter from the Secretary of State on ICAI's first year; a letter from the Chairman of the International Development Committee (IDC) with additional questions from ICAI's recent appearance before the IDC; and a letter from Saferworld to the Chief Commissioner encouraging ICAI to routinely consider the impact of UK aid on governance and conflict dynamics within reports.
6. In discussing the IDC's request for further information on ICAI strategy and decisions on the work programme, Commissioners agreed to consider whether the approach set out in our work plan could be strengthened and agreed to do so at a dedicated meeting in October. Consideration of the strategy would underpin our Year 3 work plan, which should be published by the end of 2012.

7. Commissioners discussed the recent evidence session with the IDC and agreed that CR should produce a paper assessing Commissioners' performance and answers given.

**Action SC:** To circulate Secretary of State's letter to Commissioners  
**Action CR:** To produce a paper on the IDC evidence session for circulation before the September Board

#### **Discussion with Owen Barder**

8. Owen Barder was invited by the Commissioners to give his impressions of ICAI's work and impact to date. Following his remarks there was a general discussion of how to address the robustness of DFID's evidence base for decisions made on programme spending.

#### **Risk Management**

9. TM went through the assessment of risks for ICAI. There was a discussion of the ICAI model and the Commissioners agreed to keep this under review.

#### **Post-MDG landscape**

10. David Hallam, Head of the Post-MDG Team (DFID), was invited by the Board to brief them on the UK's objectives for the MDG successor framework, including the emerging UN process for dealing with it. There was also a discussion of progress against the MDGs themselves. DH offered to brief the Board again once the UN process had made more progress.
11. DH also briefed the Board on DFID's objectives for its relationship with UNICEF, to inform Commissioners' consideration of the topic as one of their forthcoming reports.

#### **Programme Update**

12. AC-M took Commissioners through a paper on the updated Year 2 programme, ICAI's forecast 2012-13 expenditure and current traffic light definitions. Having considered different options for traffic light definitions, Commissioners approved the immediate use of a new set of definitions. The definitions and the rationale behind them are set out at Annex A.
13. The Board also agreed final wording for one draft report and discussed a terms of reference document.

**Action Secretariat:** To circulate the new definitions to contractor teams for immediate inclusion in their work.

#### **Discussion with contractor**





14. There was a discussion of various aspects of contractor performance as part of the formal consideration required after one full year of operation. Commissioners agreed that the Chief Commissioner should take up a number of points with his counterpart at KPMG.

**Action TM:** To arrange a meeting between the Chief Commissioner and KPMG.

## Annex A: Traffic Light Definitions

1. We have discussed previously that our current traffic light definitions are too stark and do not accurately reflect the subtleties of the decisions that we are taking when rating programmes. In our annual report, we said that:
 

*“We remain convinced that a separate Amber rating is undesirable, because it might encourage us to sit on the fence. We think that the definitions of Green-Amber and Amber-Red, however, may push us too far towards an overly positive (‘performing well’) or negative (‘not performing well’) headline message. We have decided, therefore, to review our definitions to see if we can reduce any possible bias and will incorporate the new definitions in our forthcoming reports.”*
2. In our discussions, we examined different ways of rewording our definitions, including removing some language altogether. Considerations included the following:
  - **Green rating:** the current wording sets the bar very high, requiring a programme to meet ‘all or almost all’ of our 22 wide-ranging criteria. To enable us to differentiate more between programmes and avoid being clustered around the middle two ratings, we discussed a more realistic requirement for a Green rating.
  - **Green-Amber and Amber-Red ratings:** even if the performance language is amended, there is still a large gap between the two definitions e.g. from meeting ‘most’ to ‘some’ of the criteria.
  - **Red rating:** we have been clear that one very important shortcoming could lead to a Red rating. This is not, however, represented by the current wording: a programme could meet more than ‘few’ of the criteria and still have a serious shortcoming.
  - **Overall,** we currently define the ratings in terms of how many of our 22 criteria are met. In reality, this is not a black-and-white exercise and we are actually measuring the extent to which criteria in each category are met.
3. Commissioners considered different ways of dealing with the challenges set out above and concluded that the following new set of definitions would be the best way of describing the effectiveness and value for money with which aid money was being spent.

	<b>Green:</b> The programme performs well overall against ICAI’s criteria for effectiveness and value for money. Some improvements are needed.
	<b>Green-Amber:</b> The programme performs relatively well overall against ICAI’s criteria for effectiveness and value for money. Improvements should be made.
	<b>Amber-Red:</b> The programme performs relatively poorly overall against ICAI’s criteria for effectiveness and value for money. Significant improvements should be made.
	<b>Red:</b> The programme performs poorly overall against ICAI’s criteria for effectiveness and value for money. Immediate and major changes need to be made.

Action Log from 9<sup>th</sup> ICAI Board Meeting

SC	To arrange meetings with stakeholders from the International Conference on the MDGs.		Ongoing
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Action Log from 12<sup>th</sup> ICAI Board Meeting

CR	To produce a slide pack on ICAI and ICAI reports for Commissioners		In progress. With CR for updating after MF comments.
CR/SC	To arrange for the Board to meet the individuals suggested by JG.		Ongoing - Alastair Boyd and Hilde Johnson

Action Log from 13<sup>th</sup> ICAI Board Meeting

CR	To draft a reply to Water Aid.	Y	Completed
Secretariat	To arrange for MF to attend SAFE training.	Y	Completed
MF	To provide feedback after completing SAFE training.		To follow previous action

Action Log from 14<sup>th</sup> ICAI Board Meeting

SC	To circulate Secretary of State's letter to Commissioners	Y	Completed
CR	To produce a paper on the IDC evidence session for circulation before the September Board	Y	Completed
Secretariat	To circulate the new definitions to contractor teams for immediate inclusion in their work.	Y	Completed
TM	To arrange a meeting between the Chief Commissioner and KPMG.	Y	Completed