

# **ICAI follow-up of: DFID's governance work in Nepal and Uganda**

A summary of ICAI's full follow-up

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# Executive summary

ICAI's follow-up review is an important element in the scrutiny process for UK aid. It provides the International Development Committee and the public with an account of how well the government has responded to ICAI's recommendations to improve spending. It is also an opportunity for ICAI to identify issues and challenges facing the UK aid programme now and in the future, which in turn helps to inform subsequent reviews.

This document is a summary which focused only on the results of our follow up of DFID's governance work in Nepal and Uganda. The full Follow Up report of all our 2017-18 reviews, including overall conclusions from the process and details of our methodology, can be found on our website.

## Findings

### DFID's governance work in Nepal and Uganda

The review of DFID's support to strengthening governance in Nepal and Uganda was the last in ICAI's 2017-18 review cycle, published in late June 2018. We focused on just two countries in order to allow for in-depth exploration of the quality of assistance and results in a broad area of programming. The review found that DFID's governance work was well tailored to the country contexts and largely achieved its intended outcomes, but needed a stronger strategic orientation and approach to learning. Our five recommendations are summarised in the table below.

Table 1: Summary of recommendations and the government's response

Subject of recommendation	Government response
A more detailed strategic approach to governance at country level, balancing risk and return across its governance portfolios	Partially accepted
Invest in long-term relationships with key counterparts, while maintaining the flexibility to scale individual activities up and down as appropriate, to maximise opportunities for desired results	Accepted
Rebalance how governance advisers spend their time – fewer programme management and administrative tasks and more technical inputs and external engagement	Accepted
DFID should increase the diversity and develop the capacity of its governance cadre	Partially accepted
Improve the capturing of learning, particularly through an increased use of evaluations	Accepted

### A more detailed strategic approach to governance at country level, balancing risk and return across its governance portfolios

Our review had found that, particularly in Uganda, decisions were sometimes made that appeared to focus more on the short-term needs of DFID than the long-term interest of the country. We noted that there was a lack of country-level governance strategies and a tendency to be reactive to events (whether in country or changes in UK political priorities). We therefore recommended that DFID should articulate more clearly its long-term goals and strengthen its scenario-planning and risk management tools, in order to make its governance work at country level more resilient and adaptive. Its strategies should consider and articulate the desired balance of risk and return across its governance portfolios.

DFID only partially accepted this recommendation. It argued that governance was identified as the key issue in its Country Development Diagnostics process, undertaken in the second half of 2018, and would also form the core of all its new business plans. A separate country-level governance strategy would therefore be superfluous. Our follow-up exercise confirmed that the draft business plans under development for both Nepal and Uganda include governance issues at their heart.

In December 2018, after delays, DFID also agreed a new governance position paper entitled *Governance for Growth, Stability and Inclusive Development*. This was published in March 2019. It sets out four 'shifts' in DFID's governance work: thinking and working politically across all initiatives, integrating governance for growth, stability and inclusion, being confident in the UK's values, and keeping DFID at the cutting edge of governance work. DFID is developing guidance and tools to support the country offices in putting the approach in its governance position paper (GPP) into practice.

The guidance is currently under development and it is too early to tell what the impact of the GPP will be on country-level planning and strategy. We would therefore like to return to this issue in next year's follow-up review, once the new business plans have been finalised.

### **Invest in long-term relationships with key counterparts, while maintaining the flexibility to scale individual activities up and down as appropriate, to maximise opportunities for desired results**

Governance change takes time. Our review noted that where DFID had engaged consistently over time it was often able to get good results. DFID accepted our recommendation to pursue opportunities for long-term engagement with a flexible and adaptive approach. A range of improvements have taken place, including the development of guidance on adaptive programming (see the discussion on LearnAdapt in the sub-section on value for money in this report).

Beyond guidance, there has as yet been little consistent action – for instance on how to recognise and reward staff who spend time investing in long-term relationships with national counterparts. We therefore plan to return to this recommendation in next year's follow-up review.

### **Rebalance how governance advisers spend their time – fewer programme management and administrative tasks and more technical inputs and external engagement**

DFID accepted our recommendation that it should maximise value from its governance advisers by increasing the amount of time they have available to spend on technical inputs (including into other sector programmes) and external influencing and engagement, rather than programme management and administrative tasks. The response to this recommendation has been good in both the countries reviewed. For instance, in Uganda, the DFID governance team now has a dedicated programme manager, which has given the team more time to spend on core technical tasks. At the central level, efforts are under way to learn lessons from the use of more in-depth advisory posts. We will return in next year's follow-up exercise to see whether this has resulted in changes to guidance or practice.

### **DFID should increase the diversity and develop the capacity of its governance cadre**

The review focused on how appropriate DFID's governance work was to the local context, in particular whether programming was informed by a sufficiently deep and sensitive contextual understanding. We recommended that DFID should develop the capacity of its governance cadre by (i) improving the use of staff appointed in country, (ii) posting UK-recruited civil service staff for longer periods at country posts, (iii) increasing diversity in its country teams, in terms of experience, backgrounds and local knowledge, and (iv) placing more weight on practical delivery experience when recruiting staff.

DFID partially accepted this recommendation, disagreeing to some extent with the analysis that the capacity and skills of country-appointed staff were under-utilised. DFID has recently begun to take actions to address some policies that reinforced the sense that country-recruited staff were not fully integrated in country offices, such as removing the practice of having different emails for country-recruited staff. We expect to see further improvements and look forward to returning to this recommendation in next year's follow-up review.

## Improve the capturing of learning, particularly through an increased use of evaluations

The ICAI review found a very limited use of governance evaluations in Nepal and Uganda at both portfolio and programme levels. It also noted that there was clear room for improvement in how DFID captured and integrated learning – at portfolio, country and programme level. We recommended that DFID should use evaluation more to test the validity of key propositions underlying its governance programmes and portfolios, increase its investment in learning within programmes, and use these lessons to inform the management of country portfolios and programmes.

Centrally, work is under way to develop a new approach to measuring results using technology to link evidence and evaluations. At country level, both Nepal and Uganda have stepped up research and evaluation plans. DFID Nepal also plans to fund a post through the School of Oriental and African Studies and Yale University to collate and communicate lessons from its programming documentation. Both country offices have worked with DFID's Research and Evaluation Department to improve their learning strategies. It will be worthwhile to return to this recommendation next year to see the results of country-level efforts and to check on progress in reviewing DFID's central evaluation strategy for governance programming.

## Conclusion

In conclusion, it may have been a little too early to follow up on the recommendations from the governance review, which was published in late June 2018. This was the last review in the 2017-18 review cycle, leaving little time for DFID to respond, and making it too early for ICAI to assess the progress made. We will therefore return to all the recommendations in next year's follow-up exercise.

# Summary of findings

Subject of recommendation	Recent developments	ICAI's assessment of progress
<p>A more detailed strategic approach to governance at country level, balancing risks and return across its governance portfolios.</p> <p>Government response: <b>Partially accepted</b></p>	<ul style="list-style-type: none"> <li>• DFID argued that a separate country-level governance strategy would not assist with integrating governance across the portfolio since the Country Development Diagnostics process would form the core of all new business plans.</li> <li>• The department has recently published a new governance position paper.</li> <li>• A series of guides will be published to help country offices put this approach into practice.</li> </ul>	<ul style="list-style-type: none"> <li>• The position paper is usefully organised around four 'shifts' in its governance work: thinking and working politically, integrating governance for growth, stability and inclusion, confidence in UK values, and keeping DFID at the cutting edge of governance work.</li> <li>• The guides are not yet ready and it is too early to tell what impact the position paper will have on country-level planning.</li> </ul>
<p>Invest in long-term relationships with key counterparts, while maintaining flexibility to scale individual activities up and down.</p> <p>Government response: <b>Accepted</b></p>	<ul style="list-style-type: none"> <li>• At the general level of furthering flexible, adaptive programming, there has been a range of actions.</li> <li>• For instance, DFID is developing guidance on adaptive programming (see the discussion of LearnAdapt in the follow-up of the value for money review above).</li> </ul>	<ul style="list-style-type: none"> <li>• There are significant improvements in DFID's work on designing and monitoring adaptive programming.</li> <li>• There has been little specific action addressing ICAI's recommendation, including on issues such as how to recognise and reward staff who spend time investing in long-term relationships with national counterparts.</li> </ul>
<p>Rebalance how governance advisers spend their time.</p> <p>Government response: <b>Accepted</b></p>	<ul style="list-style-type: none"> <li>• Both country offices we reviewed made changes in response to this recommendation. For instance, in Uganda the governance team now has a dedicated programme manager to give the team more time for core technical tasks and advocacy work.</li> </ul>	<ul style="list-style-type: none"> <li>• The response to this recommendation has been good within the two country offices reviewed.</li> <li>• At the central level, efforts are under way to learn lessons from the use of more in-depth advisory posts. We will see whether this has resulted in changes to guidance or practice in next year's follow-up exercise.</li> </ul>
<p>Increase the diversity and develop the capacity of its governance cadre.</p> <p>Government response: <b>Partially accepted</b></p>	<ul style="list-style-type: none"> <li>• DFID did not completely agree that its locally recruited staff in country were underutilised.</li> <li>• Recent actions include giving locally recruited staff the same emails as UK-recruited staff, removing a highly visible symbol of differentiation between the two groups.</li> </ul>	<ul style="list-style-type: none"> <li>• It is too early to tell whether practices contemplated or begun will have the desired effect of making better use of the skills, experience and local knowledge of country-recruited staff.</li> </ul>
<p>Improve the capturing of learning, particularly through an increased use of evaluations.</p> <p>Government response: <b>Accepted</b></p>	<ul style="list-style-type: none"> <li>• Centrally, work is under way to develop a new approach to measuring results using technology to link evidence and evaluations.</li> <li>• At country level, both Nepal and Uganda are stepping up their research and evaluation plans.</li> </ul>	<ul style="list-style-type: none"> <li>• We would like to revisit this next year, to see the fruits of country-level efforts and check on the progress of DFID's central evaluation strategy for governance programming.</li> </ul>



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