



## **ICAI Follow up - DFID's Support for Health and Education in India**

1. Our report looked at four health and education programmes in Bihar, India. We concluded that DFID's assistance was contributing to improvements in education and health indicators. We did, however, make recommendations to DFID relating to its forward plan in Bihar, its anti-corruption strategy and identifying and monitoring the particular benefits that UK aid was making.
2. DFID staff have told us that our report's findings provided a constructive challenge to its plans for its Bihar programmes. DFID's management actions are generally appropriate, seeking to address both the detail and the spirit of the issues raised.
3. We recommended that DFID should clarify its forward strategy in Bihar and shift its assistance even further towards the transfer of knowledge and skills, since this is where it adds most value. These recommendations have been met, in part because the overall situation for DFID India has changed significantly since our report. The Secretary of State announced that the UK will stop providing financial aid to India by 2015 and thereafter only undertake technical assistance and investment in private sector projects designed to help the poor while generating a return.
4. We also recommended that DFID should clearly identify and monitor the particular benefits provided by UK aid in order to focus its activities where it adds most value. DFID staff are taking steps to improve monitoring from now on but have found that the lack of a systematic collection of such information in the past has hampered their ability to identify particular benefits of past assistance. Nonetheless, work has included the development of theories of change and the commissioning of a study of technical assistance to consider the particular benefits of that approach. This is helping DFID to identify how best to direct its future influence. It would be helpful for DFID India to share its experiences across DFID, as there are likely to be wider lessons to draw.
5. Finally, we recommended that DFID's anti-corruption strategy should include strengthening ties with local law enforcement bodies and establishing a whistle-blower hotline. DFID reports that responding to this required much effort but was valuable. DFID's actions constitute a proactive approach to this agenda. We particularly welcome DFID India talking to its top 12 suppliers about anti-corruption measures in a meeting in January, which will be followed up in early summer 2013, where suppliers will be expected to set out their corporate measures regarding anti-corruption. This should protect UK ODA from the risk of leakage. There is already evidence that this work is leading to DFID staff behaviour change and has changed the preparedness of DFID staff to deal with situations, such as responding to a recent allegation of corruption.

6. Overall, DFID's response to our recommendations has been comprehensive and has started to have a positive, practical impact on the ground.