

Independent Commission for Aid Impact (ICAI)

DFID's Scale-up in Fragile States

Inception Report

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1. Introduction

1.1 The Independent Commission for Aid Impact (ICAI) is the independent body responsible for scrutinising UK aid. We focus on maximising the effectiveness of the UK aid budget for intended beneficiaries and on delivering value for money for UK taxpayers. We carry out independent reviews of aid programmes and of issues affecting the delivery of UK aid. We publish transparent, impartial and objective reports to provide evidence and clear recommendations to support UK Government decision-making and to strengthen the accountability of the aid programme. Our reports are written to be accessible to a general readership and we use a simple ‘traffic light’ system to report our judgment on each programme or topic we review.

1.2 We have decided to review DFID’s scale-up of funds to fragile states to assess impact and value for money. DFID has committed to spending 30% of Official Development Assistance (ODA) to support these countries and to tackle the drivers of instability by 2014-15 (up from 22% in 2010). According to the Spending Review, this equates to an increase in annual expenditure from £1,839 million in 2010-11 to £3,414 million in 2014-15. At the same time, DFID has decided to reduce the number of countries in which it works and is focussing on states in which it is more difficult to operate. We will review the quality of programming at a country level to assess whether the additional funds have achieved impact for intended beneficiaries. We will assess the robustness of the decision-making processes at a country level to spend the increased funds, including the capacity of DFID, country partners and the delivery chain to absorb these funds. We will use the country case studies to examine the strategy and allocation process for scaled-up funds.

1.3 This Inception Report sets out the review questions, methodology and work plan for the assessment of DFID’s scale-up of aid in fragile states. It is, however, intended that the methodology and work plan be flexible enough to allow new questions and lines of inquiry to emerge over the course of the review.

2. Background

2.1 The background to this review is described in the Terms of Reference.¹

2.2 DFID’s working definition of conflict-affected and fragile states includes countries where ‘the government cannot or will not deliver core functions to the majority of its people, including the poor’.²

2.3 The 2011 Bilateral Aid Review (BAR)³ announced that DFID would be reducing the number of countries in which it has bilateral programmes from 43 to 28, of which 21 are fragile states. As a result, DFID will be spending more money in fewer countries. Given their fragility, these countries are more challenging to operate in given the nature of the government being unable – or unwilling – to deliver core services to the majority of people.

2.4 Although many of the countries which are identified as fragile are also conflict affected, this ICAI report will not focus exclusively on programmes which seek to tackle issues of conflict prevention, in order to avoid any duplication of findings from the previous ICAI review on Conflict Pool activities.⁴ Instead, this review will assess a balanced sample of interventions where rapid scale-up has taken place.

3. Purpose of this review

3.1 The purpose of this review is to examine the rationale for and impact of scaling up funds in fragile states. We will examine the decisions behind country programming and funding, the quality of programmes and whether additional funds have achieved impact for intended beneficiaries. Through reviewing the country programmes, we will explore the capability of DFID country offices and delivery

¹ *Terms of Reference: DFID’s Scale-up in Fragile States*, ICAI, 2014, <http://icai.independent.gov.uk/wp-content/uploads/2014/04/Fragile-States-ToRs-Final.pdf>.

² *Reducing poverty by tackling social exclusion: a DFID policy paper*, DFID, 2005, <http://www2.ohchr.org/english/issues/development/docs/socialexclusion.pdf>.

³ *Bilateral Aid Review: Technical Report*, DFID, 2011, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214110/FINAL_BAR_20TECHNICAL_20REPORT.pdf.

⁴ *Evaluation of the Inter-Departmental Conflict Pool*, ICAI, July 2012, <http://icai.independent.gov.uk/wp-content/uploads/2013/12/Evaluation-of-the-Inter-Departmental-Conflict-Pool-ICAI-Report.pdf>.

chains to absorb these additional funds in different contexts. We will also consider the strategy and allocation process at a corporate level for scaled-up funds.

3.2 Our review will examine whether DFID has the capacity to deliver the desired scale-up of aid and whether the scale-up of ODA is likely to achieve the intended impact on the poor, on the basis of two country case studies. This review will focus on the following questions:

- Was the quantum of scale-up of funds appropriate and justified for each of the countries identified? What evidence base was used to inform DFID choices?
- Has DFID's choice of delivery channels in fragile states ensured capability in absorbing and appropriately spending additional funding at the pace and volumes allocated?
- At a country level, does DFID have appropriate strategies and capacity to identify, design and manage effective interventions to achieve results? Is the nature of the selected interventions appropriate to the specific country context?
- Have DFID scaled-up programmes made sufficient difference/impact in fragile states?
- Has DFID done things differently in fragile states, in a way that has made a difference and reflects its commitments under the Building Stability Overseas Strategy (BSOS)⁵ and, more recently, the Busan 2011 New Deal for Engagement in Fragile States?⁶ Have these adjustments been adequate to tackle challenges specific to fragile state settings effectively?
- Does DFID have in place the organisational capacity, including staffing, systems and processes, to spend increased funding, while limiting the risks of corruption and inefficiency?

3.3 The detailed questions around objectives, delivery, impact and learning are outlined in the Terms of Reference.⁷

4. Relationship to other reviews

4.1 Through our work to date, we have conducted reviews in almost all of the DFID priority countries that are identified as fragile and conflict-affected states. In particular, ICAI's second anti-corruption review on *DFID's Approach to Anti-Corruption and Its Impact on the Poor*, running in parallel with this review, will have some shared themes. We will ensure duplication is avoided. We have established a regular conference call between the team leaders of all current ICAI reviews and one-to-one contacts between team leaders of other reviews where there may be potential linkages. We are seeking to coordinate and align these reviews by sharing evidence from the field at an early stage, as well as sharing early drafts of reports.

4.2 See section 4 of the Terms of Reference⁷ for more detailed information on the relationship of this review to ICAI and other reports.

4.3 We have identified a number of other internal reviews and exercises ongoing within DFID that will have an impact on the topic of scale-up in fragile states. The ongoing End-to-End Review of DFID business processes,⁸ which will come to an end in the next few months, may generate useful findings on the changes that DFID has made to the programming and decision-making cycle over the last five years. We will liaise with the team leading this review at an early stage, to ensure that our findings are set in the context of future changes. The Fragile States and Conflict Group (FSCG) is supporting the piloting of approaches agreed in the Busan New Deal in four DFID partner countries, which include mutual accountability frameworks as a mechanism to support programming decisions in country. The new Conflict, Stability and Security Fund (CSSF) is a cross-Whitehall initiative that will fund a broader range of activity to help prevent conflict that affects vulnerable people in fragile states. This will entail

⁵ *Building Stability Overseas Strategy (BSOS)*, DFID, 2011,

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67475/Building-stability-overseas-strategy.pdf.

⁶ *A New Deal for engagement in fragile states*, 2011, <http://www.newdeal4peace.org/wp-content/themes/newdeal/docs/new-deal-for-engagement-in-fragile-states-en.pdf>.

⁷ *Terms of Reference: DFID's Scale-up in Fragile States*, ICAI, 2014, <http://icai.independent.gov.uk/wp-content/uploads/2014/04/Fragile-States-ToRs-Final.pdf>.

⁸ See <https://dfid.blog.gov.uk/2013/05/20/how-can-dfid-get-better-at-programme-management/>.

development of joint strategies to ensure coherence of programming. Other work sponsored by the FSCG is underway to support programming in-country, including research on key issues in fragile states and a guide on sequencing of reforms in fragile states. These initiatives will be considered throughout the course of our review.

5. Approach and Methodology

5.1 Our review will examine whether DFID's decision to scale up aid in fragile states has been based on sound and coherent spending allocation processes, in a way that considers specific country contexts (including their drivers of fragility) and the potential for scaled-up funds to deliver additional impact for intended beneficiaries. DFID has committed the scale-up of ODA in fragile and conflict-affected states through both increased bilateral aid and an increased contribution to multilateral aid. In this review, we will focus more closely on DFID bilateral programmes. We will, however, look at the portfolio of multilateral activities (funded through DFID bilateral programmes), to understand the coherence of interventions in specific fragile geographies.

What is distinctive about our approach?

5.2 Scale-up has happened in DFID in the past, when policy decisions have dictated shifts in allocation and aid delivery approaches. The impact of the additional funding and programming decisions has been subject to many reviews. What is different this time, with DFID's recent decision, is that countries receiving the scale-up are fragile states. The aid delivery approaches and programming decisions used in former scaling-up processes (for example, budgetary aid) may no longer be applicable. In addition, what has worked elsewhere may not be appropriate to fragile states and scale-up is likely to be more difficult to achieve well in fragile countries. The commitment to spend 30% of UK aid in fragile contexts potentially exposes DFID to a range of new risks, including: a shortage of viable programmes in-country which can absorb the available funding and are likely to have sufficient impact; gaps in or complete lack of governmental structures which can form the basis for effective capacity building; insufficient appropriate and capable partners or delivery organisations through which to channel the funds; and difficulties of programme managing and oversight, which increase the risk of ineffective delivery, failure to achieve results or fraud.

5.3 Considerable thinking and broad consultations have taken place over the last decade about appropriate approaches to achieving impact in fragile states. This has culminated in the endorsement of the Busan 2011 New Deal for Engagement in Fragile States⁹ at the Fourth High-Level Forum on Aid Effectiveness in 2011. This New Deal commits DFID, other international partners and fragile states to 'do things differently'. It calls for approaches to risk management that are better tailored to fragile contexts. It includes a commitment to greater investment in country systems, to timely and predictable aid and to building critical local capacities. In addition to committing to a way of working, the New Deal also includes a pledge to 'do different things' – and to structure interventions around peace-building and state-building goals, as opposed to direct service provision.

5.4 DFID finds itself in a unique position from many other donors. It has increased funds to spend at a time when resources available to many others are decreasing – and it is consciously focussing that expenditure more on fragile states. The issues that we will explore, therefore, are where and how DFID is 'doing things differently', to ensure that the scale-up has the impact that is anticipated, in a way that challenges any 'business as usual' approach and promotes new and context-specific approaches. The decision to scale up aid in fragile states – and the potential risks involved – bring urgency to the task of reviewing how these processes of allocation, portfolio development and delivery mechanisms are working; how they are influenced by high-level strategies and by local assessments of context; and how they work together to produce impact.

5.5 The distinctive nature of this review is that it will straddle DFID's policy and programming decisions, by combining the following three areas of investigation for the first time:

⁹ A New Deal for engagement in fragile states, 2011, <http://www.newdeal4peace.org/wp-content/themes/newdeal/docs/new-deal-for-engagement-in-fragile-states-en.pdf>.

- Does DFID's decision to scale up its bilateral programmes come with realistic goals and objectives, which reflect the country context (including other donors) and challenges of working in fragile states?
- Is the increased impact (current and expected) on intended beneficiaries commensurate with the size of the scale-up and DFID's commitment to do things differently?
- Have DFID's resource allocation, programming cycles and delivery mechanisms supported the scale-up effectively?

5.6 As the review progresses from programmes at the delivery level, through country portfolios and context to headquarters, we will seek to identify issues or risks that reduce the overall impact of the funding. This review will also focus on identifying areas of good practice at country level to address some of the challenges country offices face, as well as the areas in which lessons learned can be shared on doing things differently in fragile states. At a country level, our hypothesis is that DFID is likely to face a number of key challenges in terms of scale-up in fragile states, including:

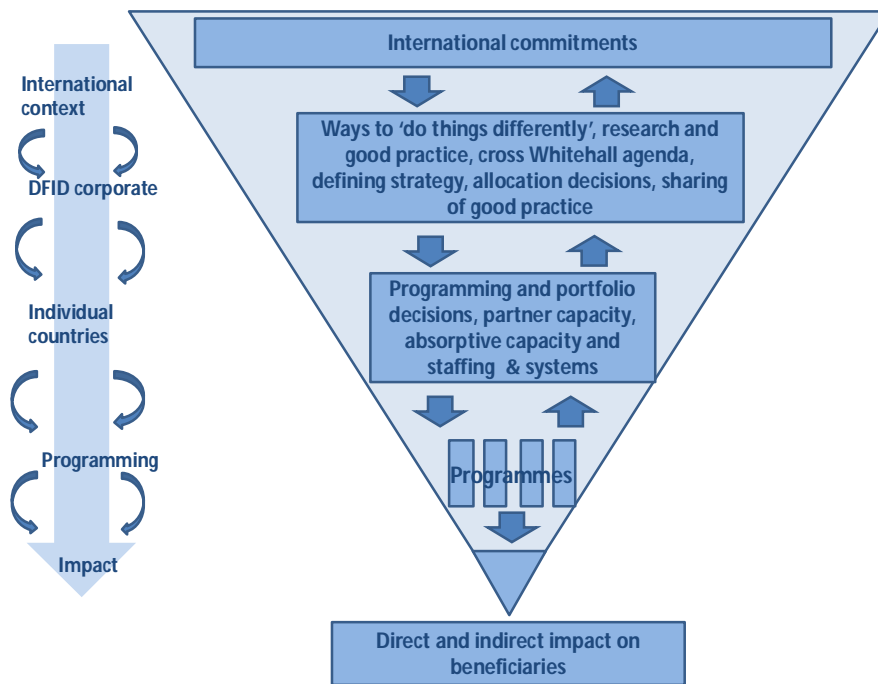
- weakness of government agencies;
- weakness of local civil society;
- lack of capability and absorptive capacity in implementing partners and reliance on third parties (multinational delivery agencies, international non-governmental organisations and contractors) to implement programmes;
- lack of access to parts of the country (or even the country as a whole) for DFID staff because of security issues, reducing the voice of intended beneficiaries in the programming cycle;
- lack of data and difficulty in measuring progress or monitoring impact;
- difficulty in getting senior or experienced DFID staff to deploy to the country for long periods; and
- challenges of responding flexibly to often unpredictable changes, from the political situation to humanitarian emergency and pressure to react quickly, on the basis of limited evidence.

What will we do?

5.7 This review will use a linked top-down/bottom-up approach, drawing on evidence collected in the field and in-country to understand programming and policy decisions in country offices and at headquarters.

5.8 Specifically, we will review strategies and processes at the programme level, country level and corporate level, as illustrated by Figure 1 on page 6. Our review will enable a combination of breadth and depth in the review: from analysis of the initial robustness of the aid allocations between priority countries, to an overview of selected country programmes. We will look in detail at programming in three geographic locations in two countries, designed to address the drivers of fragility in these countries.

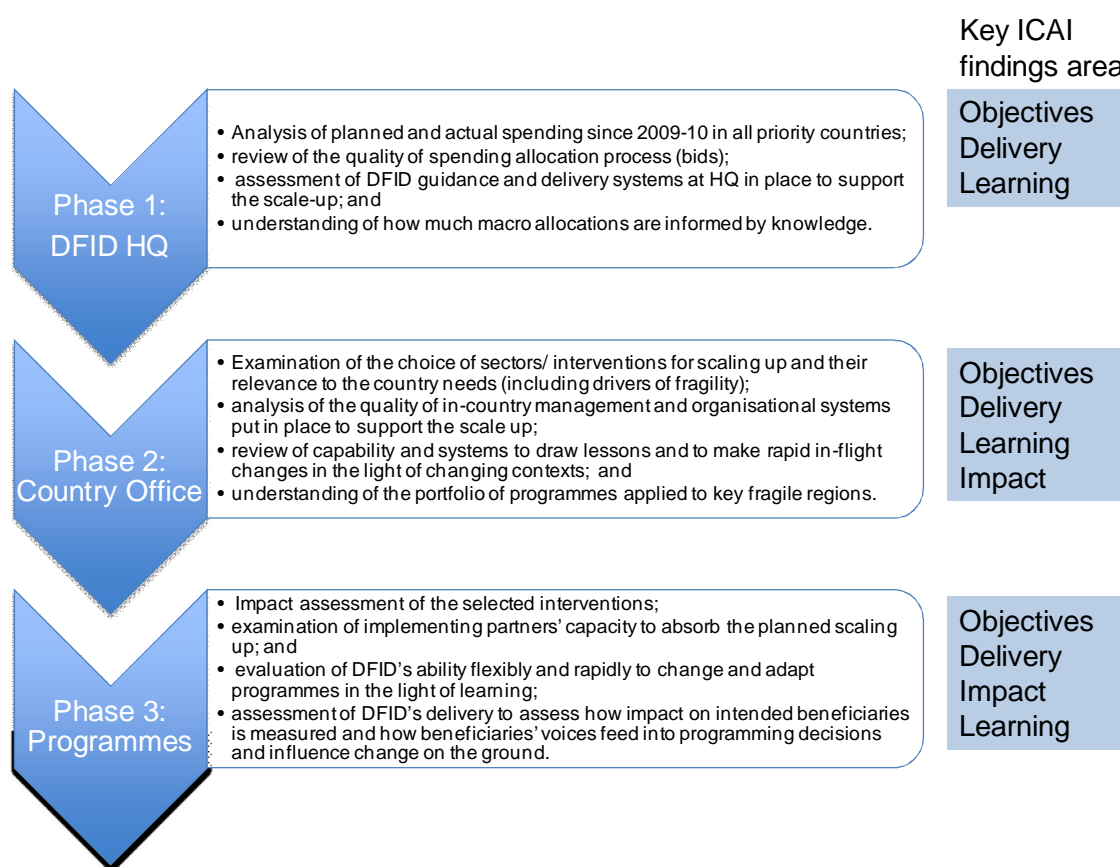
Figure 1: Moving from the corporate level to impact on the ground



Source: ICAI

5.9 Our approach will entail a three-phase analysis, as illustrated in Figure 2 on page 7. Although the fact-finding will be undertaken at three different levels, the focus is on how effective and consistent DFID's strategies and processes are at different levels – and how the whole system of delivering aid in fragile states comes together to achieve impact.

Figure 2: Review phases



Source: ICAI

Desk Review

5.10 We will start with a desk review to include:

- a review of previous findings from programmes in fragile states that have some link to the issues raised by scalability;
- an assessment of DFID's strategies, policies and guidance which are related to – or directly accompanied by – scale-up. These will include, for example, human resources strategies, risk strategies and fiduciary guidance;
- an evaluation of DFID's spending allocation processes and their links with DFID's country office operational plans and business cases; and
- an examination of DFID documentation outlining spending requests versus actual commitments in fragile countries since 2010-11 and, with it, choice of interventions.

DFID Strategy and Policy Headquarters fact-finding

5.11 We will carry out interviews with DFID before making our country visits. We recognise that there are critical areas of responsibility at central level, such as influencing international partners (both multilaterals and through major initiatives such as the Busan New Deal) and cross-Whitehall work on fragile and conflict states. Whilst we will be looking at corporate policy, our major focus will be at country office level. Programming is decided on at country level; we will examine whether there is a coherent flow from the corporate level through to the country office level. We will ask how corporate strategic activities affect country-level decisions and how strategic thinking at the centre is shared effectively with country-level staff.

5.12 We will meet with:

- senior DFID staff responsible for fragile states in order to understand their overarching strategy and desired impact; and the success of this strategy. We will also explore emerging research and good practice in fragile states; and
- senior DFID staff responsible for the End-to-End review, to explore how country-level systems and processes may change.

5.13 We will also meet with ex-DFID staff and with third-party experts in the UK and overseas (mainly by telephone conference) to ensure independent views on the risk and challenges of fragile state programming are taken into account.

5.14 Our interviews will continue on our return from our country visits, in order to follow up on findings raised from observations and analysis in the field.

Country desk review

We will carry out a desk review of four countries, to include two countries in Asia and two in Africa. The desk review will entail:

- a review of DFID's scaling-up decisions; and the rationale and evidence base used to support them;
- a review of DFID's delivery choices chosen for scaling up, through review of business cases and other programme materials;
- a comparative analysis of scaling-up objectives in 2010-11 (baseline) and DFID expenditure (actual and forecast) in 2012-13;
- telephone/video-conference discussions with DFID heads of country offices and senior staff, to discuss:
 - programming decisions, their history and rationale;
 - the capacity of implementing partners to absorb DFID's planned spending;
 - key issues relating to systems, monitoring and evaluation processes and staffing; and
 - what changes have occurred in planned programming and the reasons behind these changes.
- interviews with key international NGOs and third-party experts to take into account independent perspectives; and
- consideration of evidence of the impact of selected programmes at a country level, based on existing DFID documentation and independent evaluations.

Country visits

5.15 We will carry out two country case studies. Details of the selected countries can be found from paragraph 5.24 below. Country visits will entail:

- a review of DFID's overall scaling-up decisions; their identification of risks and challenges linked to scaling-up; and their relevance to the country context;
- assessment of changes made to DFID's management and organisational systems and staffing issues to support the scale-up;
- on the delivery side, a review of DFID's choice of delivery channels to support its scaling-up decisions;
- a review of monitoring and evaluation processes and safeguard mechanisms in place;
- field visits to meet with delivery partners and intended beneficiaries of the selected programmes;

- assessment of the capacity of implementing partners to absorb DFID's planned spending; and
- consideration of the impact/potential impact of the programme.

5.16 For each country visit, we intend to:

- examine the DFID bilateral programme as a whole, looking at:
 - the rationale for scaling up, choice of intended interventions / delivery mechanisms at the time of the Results Offer;
 - what has worked and has not worked since and why; and
 - the quality of the systems that have been put in place to support the scaling-up.
- select and assess the impact of 2-3 interventions in a given location (to take the local context into account), which:
 - have successfully contributed to the scaling-up decision and, hence, can potentially demonstrate additional results (ideally a combination of old programmes with higher levels of DFID expenditure and new / innovative programmes); and
 - together represent a good coverage of DFID's strategy of engagement in-country.

5.17 We will focus on programmes in three specific locations, which have been selected by the DFID country office as priority areas in the two selected countries. We will include more difficult-to-access locations (whether because they are rural, distant from the capital or in insecure parts of the country). We will look at the overall rationale for programming decisions in these geographies, by assessing in more detail a sample of programmes that together are representative of DFID's scaling-up decisions in these geographies. This could potentially include those in governance, security and justice, stability and peace-building and accountability – but also more straightforward delivery of services, gap-filling and emergency humanitarian activities, with innovative programmes receiving special emphasis. This sampling will enable us to explore the trade-off that DFID has had to make between responding to immediate beneficiary needs and taking a more risky approach focussing on long-term state-building goals.

5.18 Our expectation is that the choice of different geographies will provide contrasting examples of DFID's choice of priority sectors, aid delivery models and implementing partners in fragile states. Importantly, it will enable us to take on board local context dynamics.

5.19 We will undertake initial desk reviews of our selected countries ahead of the country visit. This will include reviews of: country strategies; background documents such as political economy analyses; business cases; and programme documentation. We will arrange interviews (by telephone or face to face for those now in the UK) with former DFID staff who have had country responsibilities, on the basis that many of the programming decisions were made before the current post holders took over. We will also meet with any key partners, such as international NGOs based in the UK. We will also draw on the country expertise of our panel (see section 6 below) to prepare for the country visit.

5.20 As part of the country review process, we will conduct a range of interviews with stakeholders and intended beneficiaries in-country to include:

- DFID staff and consultants responsible in-country for the design, implementation, monitoring and evaluation of programmes in fragile states;
- staff of partner organisations implementing DFID bilateral or multilateral projects;
- other donors and development stakeholders;
- intended beneficiaries – mainly using a small number of focus groups; and
- partner governments and other country stakeholders.

5.21 It is possible that security issues may, in some countries, prevent the review team from holding meetings with intended beneficiaries in key delivery locations. We also need to ensure that we reach a sufficiently broad sample of stakeholders and beneficiaries in order to capture diversity in views and, in so doing, avoid biased findings that would only reflect particular power and group dynamics. To increase focus on beneficiaries, we will explore the option of recruiting a team made up

of international and local consultants/beneficiary survey firms to undertake follow-up focus groups with key beneficiary groups in the two selected countries on our behalf.

5.22 We will develop the ICAI assessment framework to use during the country visits to ensure that the questions that have been identified as critical for the review are sufficiently explored and that evidence and sources of evidence are fully documented.

Analysis and Report Writing

5.23 Following the research stages of our review, we will analyse the data collected, assess evidence and then write our report, which will seek to address the key questions identified in Section 3. We will then make clear recommendations to DFID based on our analysis and findings.

Selection of country case studies

5.24 The choice of country case studies draws on our initial review of DFID headquarters spending allocation processes. Our aim has been to achieve good coverage of DFID’s approaches to scaling up interventions. Our two countries were drawn from a shortlist of those for which DFID has made a significant commitment to scaling-up. According to the 2011 Bilateral Aid Review, the top five recipients of overall scaled-up aid by 2014-15 are:

- Pakistan: 107% increase;
- Ethiopia: 62% increase;
- Nigeria: 116% increase;
- Bangladesh: 91% increase; and
- Democratic Republic of Congo (DRC): 94% increase.

5.25 Our starting point for country selection was that the country case studies would be drawn from those receiving the most significant increases in funding and, therefore, appearing in Figure 3 below.

Figure 3: Top three countries receiving budget allocation increases per year (numbers in brackets indicate percentage increase)

2010-11 to 2011-12	2011-12 to 2012-13	2012-13 to 2013-14	2013-14 to 2014-15
Somalia (69.23%)	Nigeria (16.67%)	Somalia (73.91%)	DRC (17.27%)
Yemen (30%)	DRC (12.24%)	Nigeria (66.67%)	Ethiopia (13.04%)
Nigeria (27.66%)	Kenya (10%)	Pakistan (54.31%)	Yemen (12.50%)

5.26 The second filter in the country selection process came from more detailed examination of publicly available information provided by DFID. Further selection criteria included:

- the main characteristics of the country’s fragility and poverty – and, with those, DFID’s response to normal and emergency situations in fragile states;
- the breadth of the portfolio of interventions in a particular region;
- the changes in expenditure over the past five years by sector;
- the choice of aid delivery mechanisms, type of implementing partners and their capacity; and
- the nature and level of maturation of the interventions begun as part of the scale-up process.

5.27 Our initial work also identified:

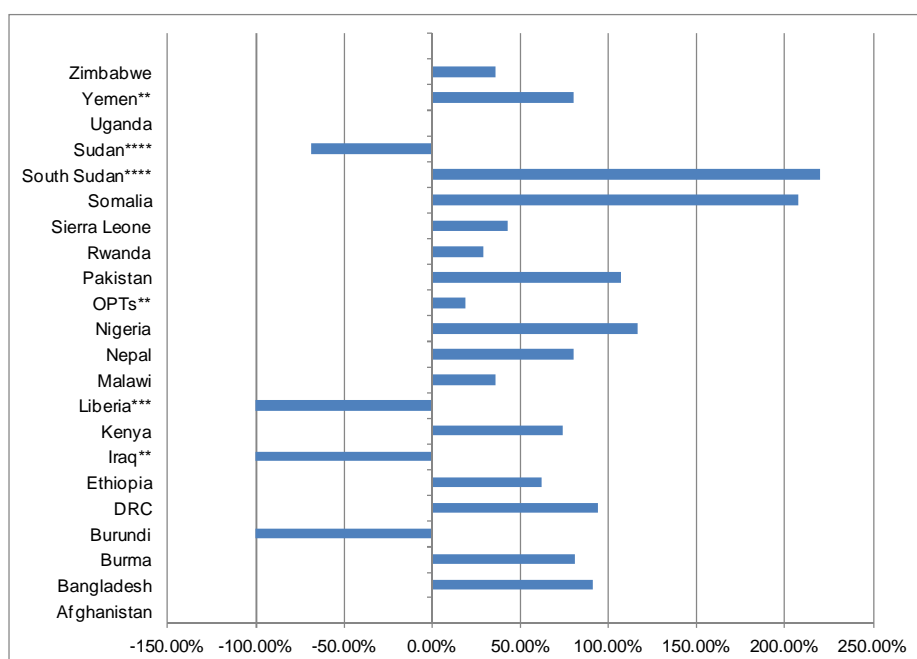
- the level of planned versus actual spending (identifying in particular countries where financial records indicate that DFID has not been able to spend all of its planned budget commitments and where spending has not been even over a year);
- the choice of aid delivery mechanisms, type of implementing partners and their capacity; and
- programme details, locations and the results of DFID’s annual reviews.

5.28 We further attempted to avoid countries which had received several ICAI reviews in the past two years.

5.29 We have selected the DRC and Somalia as our two country case studies. Out of the possible countries, we have made the selection for the following reasons:

- the DRC not only meets all of the core criteria (fragility and scale-up) but it has been reviewed by ICAI on fewer occasions than other countries receiving significant scale-up; and
- Somalia has not, to date, been the subject of an ICAI review. In addition, Somalia faces major issues of fragility and has received a large scale-up (208% between 2010-11 and 2014-15). Apart from South Sudan, this is the largest percentage scale-up across DFID’s priority countries. Furthermore, Somalia has been chosen by DFID as one of its four pilot countries for the Busan New Deal, which means that this review will be able to assess the potential impact of changes to processes that this might entail.

Figure 4: DFID’s budget changes in fragile and conflict-affected states from 2010-11 (baseline) to 2014-15 (planned scale-up)¹⁰



5.30 We propose selecting three or four localities. In DRC, we propose selecting DFID programming in North Kivu and either Katanga or Kasai Occidentale; and we will select one or two localities in Somalia (areas will depend on accessibility for security reasons).

¹⁰ *Tajikistan – part of a broader budget allocation for Central Asia and therefore discounted from the graph. Budget allocations for Central Asia are £14 million in each of 2011-12, 2012-13, 2013-14 and 2014-15. (Total: £56 million); ** Country Plans not published externally, *** The Liberia programme was reviewed after the elections in 2012.****Sudan and South Sudan figures cannot be separated for baseline year, as this was before South Sudan’s independence.

6. Roles and responsibilities

6.1 The Team Leader will be the primary point of contact with DFID. KPMG will provide oversight of this review under the overall leadership of the ICAI Project Director. Supplementary analysis will be provided by KPMG staff. It is proposed that this review be undertaken by a core team of four, as well as a number of other non-core team members to assist with various aspects of the review.

6.2 An expert panel of three advisers will input into the development of the review scope, field visits, findings and analysis to provide a quality assurance, challenge and peer review function.

Team Leader (independent)

She has over 20 years of consultancy experience, both in the UK public sector and in international development, which is the area where she has focussed for over 18 years. Her work has ranged from providing expert advice to a donor or government as an individual, to strategic design of new programmes, to managing delivery of multi-million implementation programmes. She has worked extensively in a number of DFID's priority fragile states, in particular Ethiopia, Kenya, Malawi, Nepal, Nigeria, Rwanda, South Sudan, Sudan, Tajikistan, Uganda and Zimbabwe. She has undertaken organisational reviews of international development institutions – most notably DFID. She undertook a review of DFID's management of work in the Caribbean, Overseas Territories and Latin America, developed strategies to enhance capacity to address corruption issues at a country office level and has delivered training and capacity building to DFID staff. She worked with DFID to assist it to use funding increases to leverage change and bring about institutional reform in the Asian Development Bank, with the objective of improving the Bank's processes in areas such as people management and focus on results. She worked extensively with DFID between 2008 and 2010 to develop performance frameworks for UN agencies. She designed the original framework for United Nations Development Programme. She later undertook reviews of the efficiency and effectiveness of DFID's processes in this area and worked with a range of UN agencies to identify the impact of the frameworks on their processes and culture.

She is team leader for this review and will be travelling to the DRC, Kenya and Somalia for fieldwork.

Team Member 1 (KPMG)

She has been at KPMG for eight years working across a number of sectors including health, education and international development. She lived and worked in Sierra Leone, a post conflict state, from 2009-2010, with Tony Blair's Africa Governance Initiative. She was responsible for capacity building in the Ministry of Health and Sanitation and the roll-out of the government's Free Health Care Initiative. During her time there, she visited Liberia to look at Ministry of Health priorities and funding mechanisms and to Rwanda to look at impact of micro finance, both fragile states. She has previously volunteered in Sri Lanka post the tsunami, working in temporary camps on shared social facilities. She has been involved in a number of ICAI reports. For DFID's Support for Palestine Refugees through the United Nations Relief and Works Agency (UNRWA), she undertook an assessment of UNRWA's financial management capability and analysed UNRWA's current financial position. She visited Lebanon, the West Bank and Jordan assessing the capability of finance units in each location. She recently travelled to Ethiopia with ICAI, also classed as a fragile state by some, in order to assess DFID's private sector development portfolio; she wrote the annex to the PSD report.

Team Member 2 (Aguilhas)

She is a development economist and policy analyst, with 19 years of experience in international development, mostly in Africa. In the last ten years, she has led and managed numerous strategic evaluations for bilateral and multilateral donor agencies at headquarters and in country offices. Her main expertise is in aid effectiveness and governance-related issues. She has worked on short- and long-term assignments in a number of fragile states, including Côte d'Ivoire, the Democratic Republic of Congo (DRC), Ethiopia, Liberia, Sierra Leone and Pakistan. She was the co-author of DFID's synthesis report of country programme evaluations in fragile states in 2010 and led the DFID country programme evaluation in DRC in 2008. She was the project manager of the evaluation of Danish

engagement in and around Somalia in 2011. In 2009 and 2011, she helped the OECD DAC International Network on Conflict and Fragility to monitor donor engagement in seven different fragile states. Back in 2006, she worked as a policy adviser for the UK non-governmental organisation, International Alert, specifically assessing the European Union's engagement in the Great Lakes regions. She is a guest lecturer at the University of York Post-Conflict Reconstruction Unit and the London-based International Centre for Parliamentary Studies.

She has participated in two ICAI reviews, of the Conflict Pool (with visits to Pakistan and DRC) and of DFID support for empowerment and accountability programming in Malawi and Ghana. She was also involved in drafting the terms of reference for the ICAI anti-corruption review.

She will be travelling to the DRC and will be carrying out the desk-based research.

Team Member 3 (KPMG)

She holds a Masters degree from the University of Oxford in Social Anthropology and has a background in Sociology and Social Psychology. She has a strong research background and a special interest in gender issues. She has had 13 years' experience living and volunteering in developing countries such as Sri Lanka and Kenya.

She is a team member and will be travelling to Kenya for fieldwork.

Team Member 4 (KPMG)

She is a Chartered Accountant with a Masters in Development Studies and has over seven years' experience working across public sector audit. She has also worked at the European Commission's Humanitarian Aid Office and at the Institute of Development Studies. She has worked for two years as part of the internal audit team at an NHS Foundation Trust hospital and has experience of auditing charitable funds at a range of healthcare organisations. She will look at fiduciary systems and controls and will join the team in country.

She will be travelling to the DRC and Kenya for fieldwork.

Advisory Panel member 1

He is the Secretary General of International Alert and Professor of Peace and Conflict Studies at Manchester University's Humanitarian and Conflict Response Institute (HCRI). Previous positions include Director of the Peace Research Institute Oslo (1993-2001) and Director of the Transnational Institute, Amsterdam (1991-3). He was also Chairman of the UN Peacebuilding Fund's Advisory Group until 2011. He has written widely on peace, conflict and security issues since the mid-1970s and blogs on international politics. He was appointed OBE in 2002.

He will perform a peer review and advisory function for the team as a member of the Advisory Panel.

Advisory Panel member 2

She holds an MA Political Science, an MBA and an MSc in Foreign Service. She is a Governance and Security advisor and founder of Development Results. She advises on development results in fragile and conflict-affected situations. She brings 13 years of World Bank, USAID, OECD, United Nations Development Programme (UNDP) and partner government experience – from research and policy to practice. Specific areas of expertise include political economy analysis; strengthening domestic accountability; capacity development and aid effectiveness.

She will perform a peer review and advisory function for the team as a member of the Advisory Panel.

Advisory Panel member 3

He is Executive Director of Saferworld. He was previously Head of Saferworld's Europe and Central Asia Programme and the Director of Programmes for Saferworld's country and regional work. He has spent 20 years living in Africa supporting humanitarian initiatives with non-governmental

organisations, with the UN and as a freelance consultant. His work focusses on the development of conflict prevention and post conflict recovery initiatives and specialises in global conflict prevention mechanisms, inclusive political processes and international conflict prevention advocacy.

He will perform a peer review and advisory function for the team as a member of the Advisory Panel.

Peer Reviewer (University of Manchester)

He has more than 10 years' experience teaching undergraduate and MA and MSc students development microeconomics (theory and applied) and supervising and teaching PhD students quantitative and qualitative research methods in British and Indian higher education institutions. He has been in charge of extensive primary data collection exercises with a development economics angle in India (Western Uttar Pradesh, Andhra Pradesh, Coastal and Central Karnataka, Delhi, Mumbai), in Nepal and in East Africa. These included household surveys, tracking of in-depth interviews documenting the work-life histories of (young and other) migrants, interviews with local political leaders and behavioural experiments. His academic publication record features a wide range of poverty and development-related themes.

Researcher 1 (TNS Global)

He holds a masters degree in Public Health and currently works as an Associate Director for TNS RMS. He previously served as Principal Consultant on the TNS Global team for ICAI's Child Mortality review. He will participate as project director for this review.

Researcher 2 (TNS Global)

She holds a background in qualitative and quantitative research and as an HIV/AIDS counsellor. She is a Senior Research Executive for TNS RMS and will serve as a Principal Consultant on the TNS Global team.

7. Management and reporting

7.1 We will produce a first draft report for review by the ICAI Secretariat and Commissioners by w/c 25 August 2014 with time for subsequent revision and review prior to completion and sign off in w/c 17 November 2014.

8. Expected outputs and time frame

8.1 The main deliverables will be:

Activity	Timetable
Desk review of DFID documents Finalising methodology Drafting Inception Report	February – April 2014
Country Visits: Country 1: DRC Country 2: Somalia and Nairobi	w/c 26 May and w/c 02 June 2014 w/c 23 June-w/c 30 June and 07 July 2014
Analysis and report drafting Roundtable with Commissioners First draft report Report quality assurance and review by Secretariat and Commissioners Report to DFID for fact checking Final report sign-off	28 July 2014 w/c 25 August 2014 w/c 27 October 2014 w/c 17 November 2014

9. Risks and mitigation

9.1 The following sets out the key risks and mitigating actions for this review.

Risk	Level of risk	Specific Issues	Mitigation
Inability to access critical and quality information	Low	<p>Unable to see all relevant DFID files</p> <p>Unable to have full access to financial and/or programme information</p> <p>Restricted access to confidential documents</p> <p>Risk of factual inaccuracies as a result of difficulty in obtaining reliable data</p>	<p>Working closely with DFID to understand key documentation from the beginning and need for any emerging documentation throughout the project life-cycle.</p> <p>Ensure clear authorisation is given at start-up.</p> <p>Allow sufficient time to work with partners, during our visits, to clarify any further information requests.</p> <p>Ensure credible sources are used. Cross check sources to ensure reliability. Keep a log of data sources for cross referencing and ensure that a robust quality assurance process is followed.</p>
Voice of intended beneficiaries not heard	Medium	<p>Not able to identify and/or access intended beneficiaries due to communication and infrastructure within developing countries and rural settings</p> <p>Language and cultural barriers make it difficult to hear beneficiaries' views</p> <p>Beneficiaries might not be aware of the interventions which might benefit them; both because high-level in nature or because of medium-term time-frame</p>	<p>Tailor methodology to allow for access to hard-to-reach areas, for example through the use of locally engaged teams of experienced field researchers.</p> <p>Ensure team is equipped with the right spread of expertise, including knowing the local language.</p> <p>Ensure that evidence collated is from wider beneficiary groups which may include central and local government stakeholders, civil society organisations (CSOs) and wider development partners.</p>

Risk	Level of risk	Specific Issues	Mitigation
Timing, staff turnover and security issues may limit our ability to meet the specific DFID staff who have been actively working in more remote locations to contribute to programme design	Medium	<p>We may not be able to understand the thinking behind selection of delivery mechanism or partners</p> <p>We may have limited opportunity to test the political economy or other analyses that stand behind decision making</p>	<p>Ensure that staff who have moved on but who were involved in design of current programmes are interviewed</p> <p>Allow sufficient time after end of country visits to enable follow up interviews for those who could not be seen in country</p>
Limited time of country visits mean that our findings might not be representative of DFID fragile states	Medium	Level of decision-making at country office level means that there might be a wide range of practice and activities happening and our review will capture this from a small number of countries	<p>Select fragile states based on comprehensive selection criteria.</p> <p>Examine more than one fragile state through two country visits.</p> <p>Desk-based reviews will allow further reach.</p>
Safety and security	Medium/High	<p>Health and security risk to the team in the field.</p> <p>Changes in political context prevent team from making field visits.</p>	<p>Team will complete adequate safety training courses.</p> <p>Team will operate within FCO guidance.</p> <p>Team will use experienced local guides and drivers.</p> <p>Contingency plans will be made to ensure the assignment can continue.</p>
Unable to obtain sufficient impact data	Medium	We understand that DFID's work in fragile states is a 10-20 year endeavour, it may be too early to assess impact.	We will find alternative ways to examine impact, for example critical assessment of trajectories of impact in annual reviews of programmes; detailed probing of planned impact set out in theories of change or impact data for programmes that have been in existence for 2-3 years.

10. How this ICAI review will make a difference

10.1 DFID's decision to focus on a smaller number of states (almost all of which are fragile) and to increase bilateral funding means that – for the first time – significant scale-up is being focussed on the most fragile states. Programming in fragile states is no longer an unusual aspect of DFID work: with these changes, it is now the norm. This change in the fundamental nature of DFID's work potentially exposes DFID to a range of new risks, which merit examination.

10.2 DFID is already aware that the mechanisms for project design and delivery of aid in fragile states need to be strengthened. DFID has committed to finding better ways of delivering aid to fragile states. DFID also believes that a broader range of adapted aid instruments should be used in fragile states, in order to minimise risk.

10.3 This review will use a bottom-up approach, using the evidence collected in the field and in-country to inform programming and policy decisions. Specifically, we will review strategies and processes at the corporate level, the country level and the programme level, focussing on the linkages between the different levels, how decisions at one level influence another level and whether the decisions made at each level are consistent. Our review will enable a combination of breadth and depth: from analysis of the initial robustness of the aid allocations between priority countries to an overview of selected country programmes and into the detail of 4-6 specific programmes designed to address the drivers of fragility in these countries.

10.4 This review will compare approaches to scaling-up which have been used by DFID for some of the more complex and difficult-to-achieve programmes that have been developed. It will generate lessons for DFID in terms of good practice in addressing risks and issues specific to individual fragile country contexts. Furthermore, it will comment on the effectiveness, impact and balance of DFID's portfolio in the selected countries and use the insights to make recommendations that might help improve policies for – and guidance to – country offices on fragile states programming, to inform the future design of country portfolios and individual programmes – and to contribute to the achievement of increased impact for DFID's spending.