



Independent  
Commission  
for Aid Impact

## ICAI Work Plan – Year 3

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 judgement on each programme or topic we review.
2. In our first two years of operation (12 May 2011 – 11 May 2013), we plan to have delivered 23 reports. This paper sets out our work plan for our third year of operation (12 May 2013 – 11 May 2014), when we intend to publish a further 12 reviews.
3. In Years 1 and 2, our reports will have covered a spectrum of topics, including:
  - **Bilateral aid:** we have examined aid spent in 22 of the Department for International Development’s (DFID’s) 28 priority countries;
  - **Multilateral aid:** we have reviewed DFID’s contributions to a variety of multilateral organisations, including the World Bank, UNDP and the Asian Development Bank, as well as its contributions to the EU’s aid programmes;
  - **Sectors:** we have reviewed programmes operating in a variety of sectors, including in education (in East Africa, India, Pakistan and Nigeria), health (in Zimbabwe, India and Pakistan, as well as through our upcoming UNICEF report), humanitarian assistance (in the Horn of Africa and Pakistan) and water and sanitation (in Sudan and through our upcoming UNICEF report). We will also have covered other sectors, including peace and security, governance, climate change and rural livelihoods;
  - **Other Government department spending:** while the majority of our reports focus on DFID’s programmes, we have also reviewed the cross-departmental Conflict Pool and are currently examining the Foreign and Commonwealth Office’s aid spending; and
  - **Key topics of interest to the International Development Select Committee (IDC), the public and other stakeholders:** these include DFID’s approach to anti-corruption, budget support, aid to Afghanistan and our current review of DFID’s use of contractors.
4. In choosing review topics, we are guided by our framework for selecting proposals, as set out in our original work plan.<sup>1</sup> This centres around the four themes of coverage, materiality, interest and risk and is summarised in Figure 1. We do not require that each of our proposals address all four themes, but instead aim for a balanced range of topics.

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<sup>1</sup> *Independent Commission for Aid Impact – Work Plan*, ICAI, May 2011, <http://icai.independent.gov.uk/wp-content/uploads/2010/11/ICAI-Work-Plan11.pdf>.

**Figure 1: ICAI framework for choosing review topics**

<p><b>Coverage</b></p>	<p><b>Does the proposal contribute to balanced ICAI coverage of the different ways in which UK aid is spent?</b></p> <p>This includes, for example:</p> <ul style="list-style-type: none"> <li>• different categories of aid spending (including DFID bilateral and multilateral spending and other government department ODA);</li> <li>• aid delivery through different types of organisations (including non-governmental organisations (NGOs) and UN agencies); and</li> <li>• aid spent in different sectors (such as health, education and research).</li> </ul>
<p><b>Materiality</b></p>	<p><b>Does the proposal cover an area of UK aid which has a large or significantly increasing budget?</b></p> <p>This could include budgets that are large as a proportion of overall UK aid spending or as a proportion of a particular allocation e.g. to a country or region.</p>
<p><b>Interest</b></p>	<p><b>Is this an area of particular interest to our stakeholders?</b></p> <p>Our stakeholders include intended beneficiaries of UK aid and developing country partners, the IDC, the UK Government and the UK public.</p> <p>We carried out a public consultation in 2010 to give interested parties an opportunity to tell us about their main interests in and concerns with the UK aid programme. We also have ongoing discussions with key stakeholders. Our understanding of the priorities of intended beneficiaries is evolving as we carry out our programme of reviews.</p>
<p><b>Risk</b></p>	<p><b>Are there any particular risks involved in delivering this area of UK aid?</b></p> <p>This includes risks that derive from high corruption levels, difficult operating environments and long delivery chains, as well as opportunities deriving from innovative programming.</p>

5. Our proposed Year 3 work plan is set out in Figure 2 on pages 3-5. In compiling this work plan, we have sought to build on our existing reports and been guided by our framework as follows:

- **Coverage:** we will be covering further DFID priority countries (including South Africa, the Occupied Palestinian Territories and Burma) and the overseas territories; multilateral channels (including GAVI); the International Climate Fund (ICF) which involves spending by government departments other than DFID; a range of sectors we have not yet reviewed (including research, transparency and accountability, trade and DFID’s work with the private sector); and different delivery channels, including DFID’s funding of NGOs through Programme Partnership Agreements (PPAs);
- **Materiality:** many of the reviews encompass significant amounts of spending, as set out in Figure 2. For example, the ICF has a budget of £2.9 billion over four years and DFID’s support to GAVI, Afghanistan and agricultural research are also considerable;

- **Interest:** our work plan is designed in part to support the IDC’s planned and future enquiries. In addition, Afghanistan and civil society (encompassing our reviews of PPAs and citizen participation) were issues of particular interest arising from our 2010 public consultation. We will also be examining UK aid to Burma and the Occupied Palestinian Territories (countries in which there is particular stakeholder interest) and the involvement of the private sector in development is a topical issue; and
- **Risk:** many of our proposals will examine UK aid that involves increased risks, including delivering aid in difficult operating environments (Afghanistan, the Occupied Palestinian Territories). We also plan to cover the opportunities afforded by new ways of working (agricultural research and innovation and learning).

6. We are also planning to follow up our Year 1 reports on DFID’s approach to anti-corruption and its engagement with the World Bank, where we envisage focussing on trust funds. These reviews will form part of our Year 4 work plan.

**Figure 2: ICAI Year 3 work plan<sup>2</sup>**

	<b>Report</b>	<b>Rationale</b>
1	Programme Partnership Agreements with non-governmental organisations (NGOs)	<ul style="list-style-type: none"> <li>• Addresses coverage and materiality</li> <li>• While we have examined NGO delivery of DFID programmes in particular countries, this study will allow us to examine this different mechanism by which DFID funds NGOs centrally</li> <li>• DFID currently has 41 PPAs with a combined commitment of £360 million over the period 2011-14</li> </ul>
2	Health in Burma	<ul style="list-style-type: none"> <li>• Addresses materiality, coverage and interest</li> <li>• Burma is the subject of international interest given recent political developments</li> <li>• Health accounts for around half of DFID Burma’s planned £187 million spending in 2011-15</li> </ul>
3	DFID’s Support to Montserrat	<ul style="list-style-type: none"> <li>• Addresses coverage and risk</li> <li>• Allows us to cover a different area of DFID spending: DFID has distinct responsibility for provision of services to UK citizens in Montserrat</li> <li>• We are planning to focus primarily on capital projects to maintain and expand essential infrastructure</li> </ul>
4	DFID’s trade and economic development programmes in Southern Africa	<ul style="list-style-type: none"> <li>• Addresses materiality, interest and coverage</li> <li>• Allows us to examine this area of DFID’s activity for the first time</li> <li>• This work is at the regional, rather than country, level</li> <li>• Activity includes the £100 million Trade Mark Southern Africa Programme</li> <li>• At the request of the IDC,<sup>3</sup> we will explore the connections with the East Africa trade programme and learning between the two regions</li> </ul>

<sup>2</sup> Figures are drawn from DFID Operational Plans and from information provided to us by DFID.

<sup>3</sup> Suggestions for our future work plan were provided by the IDC Sub-Committee on the Work of ICAI.

5	DFID's support to the Occupied Palestinian Territories	<ul style="list-style-type: none"> <li>• Addresses materiality, coverage, interest and risk</li> <li>• Allows us to cover this priority DFID country programme for the first time</li> <li>• Planned spending in 2011-15 is £343 million, in the areas of governance and security, wealth creation, health, education and poverty, hunger and vulnerability</li> <li>• The IDC has requested that we explore the implications of recent political and regional developments for DFID's work and the linkages between humanitarian assistance and development programmes</li> <li>• We will aim to include a visit to Gaza as part of this study, dependent on the security situation at the time</li> </ul>
6	Transparency, accountability and citizen participation in Africa	<ul style="list-style-type: none"> <li>• Addresses coverage, interest and risk</li> <li>• This is a stated area of focus for a variety of DFID country offices, including areas such as working through civil society organisations, strengthening media scrutiny and enabling citizens regarding services and rights</li> <li>• An opportunity for us to evaluate an area of DFID's work that is typically harder to measure</li> <li>• As suggested by the IDC, we will look at how accessible DFID's information is to intended beneficiaries, including to those with limited or no access to communication devices</li> <li>• Likely to have a strong intended beneficiary focus</li> </ul>
7	DFID's support for agricultural research	<ul style="list-style-type: none"> <li>• Addresses coverage, materiality and risk</li> <li>• Allows us to cover DFID's research work and the agriculture sector for the first time</li> <li>• Will follow on from the IDC's upcoming report on global food security</li> <li>• DFID's Research and Evidence Division has a budget of £225 million in 2012-13, of which a quarter is allocated to agricultural research</li> <li>• Includes significant spending on the multi-donor Consultative Group on International Agriculture Research (CGIAR)</li> <li>• The IDC has suggested that this report: examine the links between DFID's research and policy; explore the impact of agricultural research on food security and improved nutrition outcomes; and look at how competitive the bidding process is for agricultural research and whether the net should be cast wider</li> </ul>

8	Innovation and learning within DFID	<ul style="list-style-type: none"> <li>• Addresses coverage, interest and risk</li> <li>• Innovation and learning are necessary to design and deliver more effective programmes across DFID's varied portfolio</li> <li>• Allows us to examine how DFID approaches design, risk management, monitoring and, where appropriate, scale-up of innovative programming</li> <li>• Also allows us to see whether DFID is using formal and informal learning channels effectively to spread best practice across the organisation</li> </ul>
9	DFID's Afghanistan country programme	<ul style="list-style-type: none"> <li>• Addresses materiality, coverage, interest and risk</li> <li>• We reviewed the DFID Afghanistan programme controls and assurance in Year 1 – assessing the risk of theft, fraud and corruption</li> <li>• This review will be an opportunity to assess the impact of the programmes</li> <li>• Out of £651 million planned spending in 2011-15, £277 million is planned for wealth creation, £213 million governance and security, £130 million education and £31 million humanitarian.</li> </ul>
10	DFID's work with the private sector	<ul style="list-style-type: none"> <li>• Addresses materiality, coverage, interest and risk</li> <li>• DFID work focusses on increasing private investment and delivering better and more affordable basic services.</li> <li>• The newly created Private Sector Department, one part of DFID's work in this area, has a four-year budget of £936 million</li> </ul>
11	DFID's support to GAVI	<ul style="list-style-type: none"> <li>• Addresses coverage and materiality</li> <li>• GAVI is a public-private partnership that brings together governments, vaccine manufacturers, non-governmental organisations, the Gates Foundation and other multilateral organisations</li> <li>• GAVI was one of the top performers in DFID's 2011 Multilateral Aid Review</li> <li>• At a pledging conference in June 2011, DFID committed £163 million of funding per year for the next five years</li> </ul>
12	International Climate Fund	<ul style="list-style-type: none"> <li>• Addresses coverage, materiality and risk</li> <li>• Novel programme with rapidly increasing funding - £2.9 billion over 2011-12 to 2014-15</li> <li>• Allows us to examine aid spending by other government departments – the Department for Energy and Climate Change and the Department for Environment, Food and Rural Affairs.</li> <li>• There are known monitoring and evaluation challenges</li> </ul>