

**Independent Commission for Aid Impact (ICAI)**  
**Evaluation of DFID’s livelihoods work in Western Odisha**  
**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 judgement on each programme or topic we review.

1.2 We wish to undertake a post-implementation evaluation of the DFID-funded Western Orissa Livelihoods Project (WORLP), which sought to improve the livelihoods of 124,692 households in the State of Odisha, India.<sup>1</sup> This inception report sets out the purpose and nature of the review and identifies the main themes that it will investigate.

## 2. Background

### *India*

2.1 India's 1.16 billion people and the 28 States and 7 Union territories they live in are diverse. Whilst overall income per person remains low at US\$1,389 per year (around one thirtieth of that for the UK), the country is in the process of rapid economic and social development. India has seen economic growth rates in excess of 8% for much of the last decade and the percentage of the population living in extreme poverty fell from 60% in 1981 to 42% in 2005. Yet, although overall wealth has increased, huge inequalities remain: 456 million people (equivalent to the combined populations of Russia, Germany, Turkey, France, the UK and Poland) still lived on less than US\$1.25 a day in 2005.<sup>2</sup> There are also considerable regional inequalities; most of the extreme poor are concentrated in the northern and western states. At current rates, India will only achieve its Millennium Development Goal (MDG) poverty targets by 2043. One fifth of all child deaths in the world are of Indian children. Girls are particularly at risk. As Save the Children has noted, 'if India fails to achieve the MDGs so does the world'.<sup>3</sup>

### *India as a partner for the UK*

2.2 India has always been a key partner for the UK aid programme. It receives the largest annual amount in bilateral assistance: £295 million in 2009-10. In the past, DFID India has operated under an overall Country Strategy and then, for each of its partner states, a State Strategy. DFID's current priority states are Bihar, Madhya Pradesh and Odisha.

2.3 UK assistance to India remains controversial. There is some scepticism about the appropriateness of providing aid to a country that has seen such strong recent economic growth. The wider policy issue of whether to provide assistance to one of the most rapidly growing middle-income countries in the world is not a matter for ICAI. Our 2011 report on DFID's assistance for Health and Education projects in Bihar noted the International Development Committee's view that 'given current high levels of poverty in India we agree with the Government's decision to maintain an aid programme in India until 2015 provided it can make a difference. DFID rightly focusses on catalytic, demonstration projects that can be replicated and scaled up. This approach should continue.'<sup>4</sup> This evaluation is not intended to revisit this question. Rather, it will focus on the delivery and impact of the specific project in

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<sup>1</sup> Odisha state was until recently called Orissa.

<sup>2</sup> *The developing world is poorer than we thought, but no less successful in the fight against poverty*, World Bank Development Research Group, Policy Research Working Paper 4703, August 2008, [http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2010/01/21/000158349\\_20100121133109/Rendered/PDF/WPS4703.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2010/01/21/000158349_20100121133109/Rendered/PDF/WPS4703.pdf).

<sup>3</sup> *Written evidence submitted by Save the Children to the International Development Committee report 'The Future of DFID's Programme in India'*, March 2011, [www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/writev/616/m15.htm](http://www.publications.parliament.uk/pa/cm201011/cmselect/cmintdev/writev/616/m15.htm).

<sup>4</sup> *DFID's Support for Health and Education in India*, ICAI May 2011, <http://icai.independent.gov.uk/wp-content/uploads/2012/05/ICAI-Evaluation-of-DFIDs-Support-for-Health-and-Education-in-India-Final-Report2.pdf>.

Odisha. Our work will review and build on previous evaluations, assessing their findings and seeking to improve the quality of knowledge available to DFID and others for making programming choices and managing delivery.

### *Odisha*

2.4 Odisha's 42 million people live in 30 districts and comprise 3.47% of the overall population of India. The State's population remains under considerable pressure; while in the decade prior to 2011 Odisha's GDP grew by 15%, the population grew by 14%. The Census of India reports that overall poverty dropped by only 2% during the same period to 46.6% (among the highest in India). The state is relatively under-developed for India; 83% of the population live in rural areas (the 2011 Census of India puts the national rural population at 68.84%).<sup>5</sup> The state is governed from Bhubaneswar.

#### *The Western Orissa Rural Livelihoods Project*

2.5 WORLP began in August 2000 and was completed in March 2011. The project sought to strengthen the livelihoods of its beneficiaries. In 1999 DFID defined a *livelihood* as: '...the capabilities, assets (including both material and social resources) for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base'.<sup>6</sup>

2.6 The project was delivered in two continuous phases. It was implemented through a state-level body, the Orissa Watershed Development Mission, with DFID providing funding and advice. It sought to build up the assets of (particularly poor) households in Western Odisha through a variety of methods such as developing community-based planning and resource management, increasing employment, providing access to finance, improving agricultural production methods, improving access to drinking water and reducing morbidity. The project worked at the household, village and watershed<sup>7</sup> levels, through the Government of Odisha's District and Block<sup>8</sup> structure. The approach was to be as integrated as possible, dealing with complete communities at a time. The project explicitly aimed to demonstrate approaches that could be replicated.

2.7 The project was wide-ranging and sought to reduce poverty in 870 villages (this figure was reportedly exceeded). DFID reports that £31.68 million was spent out of a budget of £32.75 million, 96% of the total (see Figure 1 on page 4).<sup>9</sup> In its 2008-09 Annual Report, DFID claimed that 'the programme has supported the capture of almost 800,000 tonnes of carbon dioxide, whilst also raising close to US\$ 1m in revenue for poor households'.<sup>10</sup>

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<sup>5</sup> Dr C Chandramouli, *Rural Urban Distribution of Population*, July 2011, [http://censusindia.gov.in/2011-prov-results/paper2/data\\_files/india/Rural\\_Urban\\_2011.pdf](http://censusindia.gov.in/2011-prov-results/paper2/data_files/india/Rural_Urban_2011.pdf).

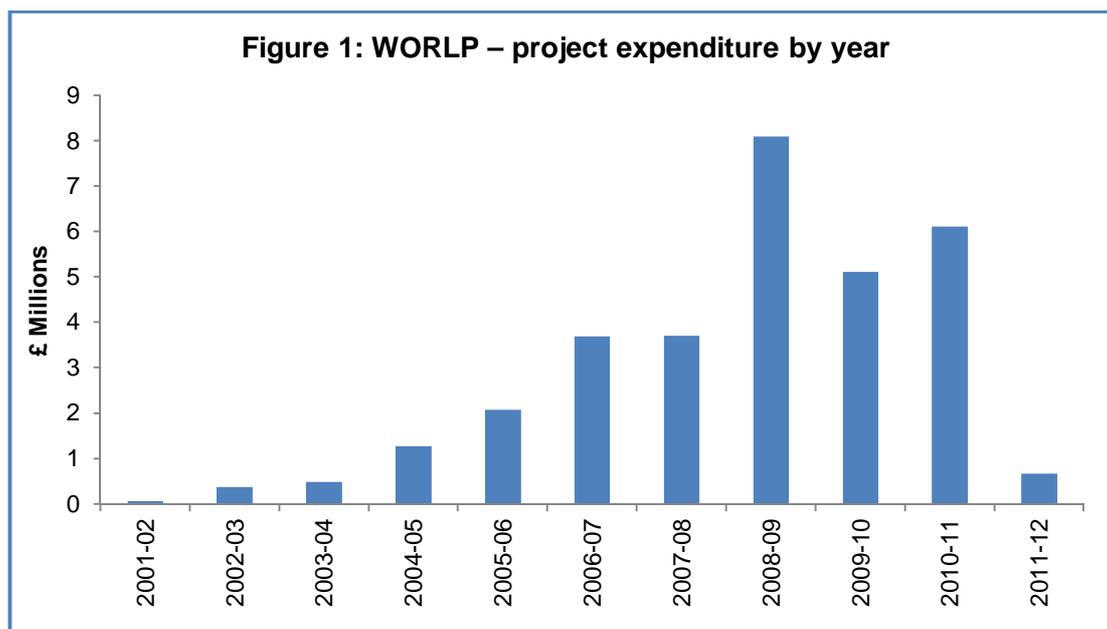
<sup>6</sup> Sustainable *Livelihoods Guidance Sheets, Numbers 1–8*, DFID (1999a, 2000d, 2001), (also available on [www.livelihoods.org](http://www.livelihoods.org)).

<sup>7</sup> A watershed is the area that drains to a common outlet (such as a river or into a lake). It is often seen as the basic building block for land and water planning.

<sup>8</sup> India's States are subdivided into Districts (Orissa has 30 Districts) which are then further divided into Sub-Divisions and then Blocks (represented by Panchayats, or councils). There are 314 blocks in Orissa.

<sup>9</sup> *Project Details: WORLP*, DFID, <http://projects.dfid.gov.uk/project.aspx?Project=107874>.

<sup>10</sup> *Better results for poor people: Annual Report and Accounts 2008-09*, DFID, 2009, <http://www.dfid.gov.uk/Documents/publications1/departmental-report/2009/volume1.pdf>.



Source: DFID

2.8 In 2004, the project was described as having the following purpose: ‘Sustainable livelihoods, particularly for the poorest, promoted in four districts in replicable ways by 2010’. Its planned outputs were:

1. ‘The poorest are organised and able to plan and implement participatory livelihoods focused development effectively.
2. The livelihood asset base for the poorest is enhanced and diversified in 290 watersheds
3. Government, PRI [Panchayati Raj Institution] and NGOs [non-governmental organisations] together implement participatory livelihood focused watershed development effectively
4. Policy and practice constraints to livelihoods of the poorest are reduced in the areas of NTFP [non timber forest produce], migration, land rights, disaster preparedness and women’s issues.
5. Project approaches are adopted in KBK [Kalahandi, Balangir and Koraput] and elsewhere in Orissa.
6. Project management & support arrangements operational<sup>11</sup>

2.9 Each of these outputs was given specific targets to be achieved. For instance, under output 2:

- access by the poorest to financial services and credit is improved;
- at least 70% of the poorest report an increase in months of employment and enhanced income generation activities by programme end;
- at least 35% of poorest households adopt improved sanitary practices by Programme Year 7;
- 35% of women report reduction in agriculture & household related drudgery by Programme Year 7;
- reduced incidence of lean season food shortages and malnutrition in 290 watersheds by programme end;
- returns from rainfed land increase by 30% by Programme Year 7;
- returns from Livestock/Aquaculture particularly for the poorest increased by 30% by programme end;
- 90% of households have access to permanent safe drinking water within 100 metres of their house; and
- incidence of malaria reduced by 10% through adoption of preventative practices.<sup>12</sup>

<sup>11</sup> Western Orissa Rural Livelihoods Project Logical Framework, DFID, 25 May 2004.

2.10 The project plan included a comprehensive suite of monitoring systems. Achievement was to be verified through the production of:

- a baseline survey;
- impact assessment studies;
- end of project evaluation;
- special studies;
- participatory monitoring and evaluation reports;
- project process reports; and
- project documentation.<sup>13</sup>

2.11 Western Odisha's population is particularly vulnerable to climate shocks (rainfall is highly variable; drought and dry spells take place every two years, with a major drought every five to six years; and flash floods are common in the rainy season). It is notable that the programme '...was not designed with any climate change objectives or indicators to measure this, and indeed no major environmental impact was envisaged other than that which might be expected through the enhancement of natural resource assets'.<sup>14</sup>

### 3. Purpose

3.1 To assess the impact and long-term sustainability of DFID's Western Odisha Livelihoods Project.

### 4. Relationships to other evaluations/studies

4.1 WORLP was planned to have a range of assessments made of its performance. In addition to the baseline data, continuous monitoring and evaluation (including by beneficiaries) was intended as part of the project's implementation. The quality of this information will be a key focus of our investigation.

4.2 WORLP was subject to an independent end-of-project impact evaluation during 2011 that was presented to both DFID and the state government's Orissa Watershed Mission.<sup>15</sup> In addition, the Planning Commission of the Government of India commissioned an impact assessment of WORLP alongside two other projects that had operated at the same time: the Orissa Tribal Empowerment and Livelihoods Programme (OTELP) and the Targeted Rural Initiatives for Poverty Termination and Infrastructure.<sup>16</sup>

4.3 Both of these evaluations used quasi-experimental approaches to impact assessment. They undertook comprehensive sampling and comparison of project impact in villages with controls; the former using a sample size of 300 villages (100 of which were controls), the latter using 40 villages in total. The DFID-funded study assessed 4,203 households in total, covering different levels of wealth and caste. 30% of the households were classified as 'very poor'. Both evaluations took place during 2011, at the end of the project's life.

4.4 Findings from both studies were positive, showing that villages had increased access to physical and natural assets, as well as more effective community institutions, better health care and incomes. The dedicated WORLP impact study noted an economic rate of return (ERR) of 25.44%.<sup>17</sup> The DFID-funded evaluation also noted that migration of the poor due to

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<sup>12</sup> *Western Orissa Rural Livelihoods Project Logical Framework*, DFID, 25 May 2004.

<sup>13</sup> *Western Orissa Rural Livelihoods Project Logical Framework*, DFID, 25 May 2004.

<sup>14</sup> *Policy Brief Sustainable Livelihoods and Climate Change Adaptation in WORLP*, DFID.

<sup>15</sup> *Impact Assessment of WORLP*, 2011, Sambodhi Research and Communications Ltd (for DFID), Summary of findings available at: <http://community.eldis.org/59cc6781/Files/>.

<sup>16</sup> *Impact Assessment of Externally Aided Project Interventions on Livelihood of the poor and Marginalized in KBK Districts of Orissa*, Center for Rural Development for Government of India Planning Commission, 2011, [http://planningcommission.nic.in/reports/sereport/ser/ser\\_2901.pdf](http://planningcommission.nic.in/reports/sereport/ser/ser_2901.pdf).

<sup>17</sup> The ERR is described in the DFID report as 'the annualized effective compounded return rate which can be earned on the invested capital'. It is termed 'an indicator of efficiency of an investment, as opposed to net present value (NPV), which indicates value or magnitude'. Our evaluation will comment on these calculations.

distress was seen to decline dramatically, from 47% to 6%, indicating considerably improved resilience.<sup>18</sup>

4.5 The DFID-funded evaluation noted that 'WORLP has been instrumental in establishing watershed plus as an effective regime for holistic natural resource management ensuring equity'. It also notes the influence of the project on policy: 'The WORLP implementation paradigm has had significant influence on the common guidelines for Watershed development projects developed by Government of India in 2008' and that in Odisha 'the Watershed plus approached [sic] pioneered by the project is being replicated in 2332 Watersheds in [the] state.'

4.6 We will review these studies' findings, both in terms of the approaches taken and in assessing whether the observed benefits have proved to be sustainable.

4.7 In looking at the end-of-project evaluations and the earlier information, we are particularly interested in the robustness of the evidence base for DFID and the Government of Odisha's decision-making, both prior to and during the implementation of the project. We will also seek to identify whether the lessons from these impact assessments and other evaluations have been used to influence other activities and evaluations in Odisha, across India and in other parts of DFID's global programme.

4.8 We will also undertake a tracking of the financial flows under this project, mindful that India scored 3.1 in Transparency International's *Corruption Perceptions Index 2011*, where the index ranges from 0 ('highly corrupt') to 10 ('very clean'). India is ranked 95<sup>th</sup> out of 183 countries out of the world.<sup>19</sup>

## 5. Methodology

5.1 Our evaluation will have the following elements:

- i. A literature review, focussing on project reports and evaluations of other DFID sustainable livelihoods programmes in India<sup>20</sup> and similar programmes supported by other development agencies (e.g. World Bank).
- ii. A desk-based assessment of the use of evidence in the design of the WORLP. Using the literature review, an assessment of how well project documentation (especially log-frames and planning documents) has taken on board the knowledge and lessons of previous evaluations. This will assess whether or not there is an evidence base to support DFID's design and whether DFID used all available evidence appropriately.
- iii. A desk-based assessment of the previous two Odisha evaluations: a) the DFID-commissioned work undertaken by Sambodhi; and b) the India Planning Commission evaluation of WORLP alongside two other projects that had operated at the same time. This will give a view on the quality of the evaluative process in each case, the certainty of results and the utility of the reports to inform subsequent programming and further evaluations.
- iv. A detailed analysis of the project's financial information, focussing on the last five years. This will include analysis of the financial reports of partner organisations and the overall project to identify costs and the proportion of allocated funds reaching intended beneficiaries. It will thus consider funds flow, accounting and reporting systems, audit and costs at each stage of the delivery chain.

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<sup>18</sup> *Impact Assessment of WORLP*, 2011, Sambodhi Research and Communications Ltd (for DFID), Summary of findings available at: <http://community.eldis.org/59cc6781/Files/>.

<sup>19</sup> *Corruption Perceptions Index 2011*, Transparency International, 2011, [www.transparency.org/content/download/64426/1030807](http://www.transparency.org/content/download/64426/1030807).

<sup>20</sup> Examples include: The Western and Eastern India Rainfed Farming Projects (WIRFP and EIRFP), the Andhra Pradesh Rural Livelihood Programme (APRLP) and Madhya Pradesh Rural Livelihoods Programme (MPRLP).

- v. Face-to-face and telephone interviews with DFID staff and consultants who worked on the design, implementation, monitoring and evaluation of WORLP to inform analysis of the use of data, impact and performance management.
- vi. Field visits in project districts to review the findings and conclusions of the DFID-commissioned WORLP evaluation completed in early 2011. The visits will be conducted by a team comprising the rural livelihoods consultant on the team, supported by three national consultants. The field team will visit a random sample of 24 villages covered by the DFID commissioned evaluation and will conduct focus group discussions and interviews with key individuals at each location. The villages will be selected from each of the four divisions covered by the initial DFID funded impact evaluation. In each, 2 villages will be from phase one of WORLP's activities, 2 from phase two and 2 from the control group. It is important to revisit villages previously studied to assess and to verify earlier findings and to assess – 18 months later – the extent to which project benefits are likely to be sustainable. This will include whether the differences between the villages where interventions took place and the control are still observable.
- vii. A workshop in Odisha, with 20-30 key WORLP stakeholders (e.g. partner NGOs, local consultants, government officials) to reflect on the achievements and impact of the project (particularly whether the project influenced government policy as expected) and draw key lessons.
- viii. Discussions with senior government officials in Bhubaneswar and Delhi (e.g. Planning Commission, key ministries), DFID staff (in London and Delhi) and key researchers and policy advisors (in Delhi) to identify key issues from implementation, design and the impact of the project overall.
- ix. Analysis of the design of DFID's portfolio of livelihoods projects to identify the wider impact of the WORLP (if any).

### *Evaluation Framework*

5.2 The evaluation framework for this review is set out in the table below. This has as its basis the standard ICAI guiding criteria and evaluation framework, which are focussed on four areas: objectives, delivery, impact and learning. It also incorporates other pertinent questions we want to investigate in this review. The questions which are highlighted in bold are those from the Terms of Reference (ToR) on which we will focus in particular.

## ICAI: Odisha Framework

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Objectives: what is the programme trying to achieve?			
Does the programme have clear, relevant and realistic objectives that focus on the desired impact? (1.1)	<b>Did the WORLP have clear, relevant and realistic objectives that focus on the desired impact? (ToR 6.2.1)</b>	<ul style="list-style-type: none"> <li>• Evidence of clear and relevant objectives being set at programme, project and intervention levels</li> <li>• Evidence of objectives being specific, measurable, attainable, realistic and time-bound</li> <li>• Evidence of objectives being informed by country context</li> <li>• Evidence of a strategic vision for the programme that was reviewed in line with change of circumstances</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha and project planning and implementation documentation</li> <li>• Project reviews</li> <li>• DFID interviews</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>
Is there a clear and convincing plan, with evidence and assumptions, to show how the programme will work? (1.2)	Is there a clear and convincing plan, with evidence and assumptions, to show how the programme will work?	<ul style="list-style-type: none"> <li>• Evidence of a theory of change from documentation (analysis of problem, options, solution generation, implementation model)</li> <li>• Evidence of design detail for each intervention</li> <li>• Evidence of comprehensive approaches for each intervention</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha project planning and implementation documentation</li> <li>• Project reviews</li> <li>• DFID interviews</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Does the programme complement the efforts of government and other aid providers and avoid duplication? (1.3)	<b>Did the programme complement the efforts of government and other aid providers and avoid duplication? (ToR 6.2.2)</b>	<ul style="list-style-type: none"> <li>• Evidence of design detail for each intervention</li> <li>• Evidence of approaches that include other partners in design for each intervention</li> <li>• Evidence of protocols for engagement</li> <li>• Evidence of dialogue taking place</li> <li>• Evidence of lack of duplication</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha and other donor project planning and implementation documentation</li> <li>• Project reviews</li> <li>• Interviews with DFID</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> <li>• Interviews with DFID, Government of India and State Government of Odisha partners</li> <li>• Third party reporting</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
<p>Are the programme's objectives appropriate to the political, economic, social and environmental context? (1.4)</p>	<p><b>Were the programme's objectives appropriate to the political, economic, social and environmental context? (ToR 6.2.3)</b></p>	<ul style="list-style-type: none"> <li>• Evidence of contextual analysis being undertaken</li> <li>• Evidence of needs assessments</li> <li>• Evidence of planning and implementation using contextual analysis and needs assessments to inform decisions</li> <li>• Evidence of coherent country strategy for health and education at all levels (DFID and Government of India)</li> </ul>	<ul style="list-style-type: none"> <li>• UK Government and DFID strategic information</li> <li>• DFID, Government of India and State Government of Odisha wider policies, project planning and implementation documentation</li> <li>• Project reviews</li> <li>• Interviews with DFID</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Other donor interviews and documentation</li> <li>• Interviews with civil society</li> <li>• Risk assessment</li> <li>• Interviews with intended beneficiaries</li> </ul>
<p><b>Delivery: is the delivery chain designed and managed so as to be fit for purpose?</b></p>			
<p>Is the choice of funding and delivery options appropriate? (2.1)</p>	<p><b>Was the choice of funding and delivery options appropriate? (ToR 6.3.1)</b></p>	<ul style="list-style-type: none"> <li>• Evidence of options appraisal</li> <li>• Evidence of capacity assessment of partners</li> <li>• Evidence from implementation (reporting, achievements)</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha documentation</li> <li>• Interviews with DFID, partners, civil society and intended beneficiaries</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Does programme design and roll-out take into account the needs of the intended beneficiaries? (2.2)	<b>Did programme design and roll-out involve and take into account the needs of the intended beneficiaries? (ToR 6.3.3)</b>	<ul style="list-style-type: none"> <li>• Evidence of consultation with intended beneficiaries and civil society in design, governance, implementation and monitoring</li> <li>• Evidence of satisfaction of civil society with these processes</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with intended beneficiaries and civil society</li> <li>• Third party reporting</li> <li>• Programme reports</li> </ul>
Is there good governance at all levels, with sound financial management and adequate steps being taken to avoid corruption? (2.3)	Is there good governance at all levels, with sound financial management and adequate steps being taken to avoid corruption?	<ul style="list-style-type: none"> <li>• Evidence of sound financial management</li> <li>• Evidence of anti-corruption activity</li> <li>• Evidence that good practice and recommendations in ICAI's anti-corruption report are being acted upon</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with DFID and partners</li> <li>• Country reporting</li> <li>• Technical review of systems</li> <li>• Audit and other financial management reports</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
<p>Are resources being leveraged so as to work best with others and maximise impact? (2.4)</p>	<p><b>What was the evidence base for DFID's decisions and cost analysis? (ToR 6.3.2)</b></p>	<ul style="list-style-type: none"> <li>• Evidence of options available</li> <li>• Evidence from implementation</li> <li>• Evidence from opinion of partners</li> <li>• Evidence of other finance sources</li> <li>• Evidence of active engagement to identify and utilise other funding sources</li> <li>• Evidence of other funding sources being tracked</li> <li>• Evidence of all funds being managed holistically</li> <li>• Evidence of how well the project and DFID worked with others, whether costs were shared and whether joint missions were undertaken</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha project planning and implementation documentation</li> <li>• DFID, Government of India and State Government of Odisha financial documentation</li> <li>• Project reviews</li> <li>• Interviews with DFID</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> <li>• Interviews with Government partners</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Do managers ensure the efficiency and effectiveness of the delivery chain? (2.5)	<b>Did managers ensure the efficiency and effectiveness of the delivery chain? (ToR 6.3.4)</b>	<ul style="list-style-type: none"> <li>• Evidence of cost review and management</li> <li>• Evidence of options analysis in procurement</li> <li>• Evidence of appropriate changes to budgets, design and delivery to improve cost-effectiveness</li> <li>• Evidence of the quality of technical assistance provided</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Management minutes</li> <li>• Evaluation reviews</li> <li>• Project documentation</li> <li>• Third party assessments</li> <li>• Interviews with DFID</li> <li>• Interviews with technical assistance providers</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>
Is there a clear view of costs throughout the delivery chain? (2.6)	Is there a clear view of costs throughout the delivery chain?	<ul style="list-style-type: none"> <li>• Evidence of cost appraisals assessments</li> <li>• Evidence of appropriate financial reporting</li> <li>• Evidence of assessments being provided by all partners</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Project documentation</li> </ul>
Are risks to the achievement of the objectives identified and managed effectively? (2.7)	<b>Were risks to the achievement of the objectives identified and managed effectively? (ToR 6.3.5)</b>	<ul style="list-style-type: none"> <li>• Evidence of risk appraisal at strategic level prior to design</li> <li>• Evidence of each element of delivery having a risk appraisal</li> <li>• Evidence of risk registers throughout the delivery chain</li> <li>• Evidence of appropriate management of identified risks</li> </ul>	<ul style="list-style-type: none"> <li>• Risk appraisals</li> <li>• Risk registers</li> <li>• Interviews with DFID and implementing agencies</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Is the programme delivering against its agreed objectives? (2.8)	<b>Did the programme deliver against its agreed objectives? (ToR 6.3.6)</b>	<ul style="list-style-type: none"> <li>• Evidence of delivery against Logical Framework targets</li> <li>• Evidence of a link between DFID funding and its key targets</li> </ul>	<ul style="list-style-type: none"> <li>• Project reports</li> <li>• Third party reporting</li> <li>• Interviews with DFID</li> <li>• Interviews with other parties, including intended beneficiaries</li> </ul>
Are appropriate amendments to objectives made to take account of changing circumstances? (2.9)	<b>Were appropriate amendments to objectives made to take account of changing circumstances? (ToR 6.3.7)</b>	<ul style="list-style-type: none"> <li>• Evidence of analysis</li> <li>• Evidence of decision-making based on analysis</li> <li>• Evidence of appropriate changes in delivery having taken place</li> <li>• Evidence of agility by decision-makers to enable effective changes</li> </ul>	<ul style="list-style-type: none"> <li>• Management minutes</li> <li>• Project documentation</li> <li>• Evaluation reviews third party assessments</li> </ul>
<b>Impact: what is the impact on intended beneficiaries?</b>			
Is the programme delivering clear, significant and timely benefits for the intended beneficiaries? (3.1)	<b>Did the programme deliver clear, significant and timely benefits for the intended beneficiaries? (ToR 6.4.1)</b>	<ul style="list-style-type: none"> <li>• Evidence of delivery to intended beneficiaries</li> <li>• Evidence of short-term benefits</li> <li>• Evidence of long-term benefits</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha Reporting</li> <li>• Evaluation and monitoring reports</li> <li>• Observation</li> <li>• Interviews with civil society</li> <li>• Third party reporting</li> <li>• Programme reports</li> <li>• Interviews with intended beneficiaries</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Is the programme working holistically alongside other programmes? (3.2)	<b>Did the programme work holistically alongside other programmes? (ToR 6.4.2)</b>	<ul style="list-style-type: none"> <li>• Evidence of joint design</li> <li>• Evidence of joint management with other bilateral donors and multilateral organisations in the delivery of programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Project documentation</li> <li>• Partner assessments</li> <li>• Third party assessments</li> <li>• Project reviews</li> <li>• DFID interviews</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>
Is there a long-term and sustainable impact from the programme? (3.3)	<b>Was there a long-term and sustainable impact from the programme? (ToR 6.4.3)</b>	<ul style="list-style-type: none"> <li>• Evidence of systemic change</li> <li>• Evidence of improvement in both quality and coverage of programmes</li> <li>• Evidence of social impact</li> <li>• Evidence of impact of Technical Assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Project documentation</li> <li>• Evaluations</li> <li>• Partner assessments</li> <li>• Third party assessments</li> <li>• Project reviews</li> <li>• Interviews with DFID</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> <li>• Interviews with intended beneficiaries</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Is there an appropriate exit strategy involving effective transfer of ownership of the programme? (3.4)	<b>Was there an appropriate exit strategy involving effective transfer of ownership of the programme? (ToR 6.4.4)</b>	<ul style="list-style-type: none"> <li>• Evidence of targets to build sustainable capacity</li> <li>• Evidence of achievement of sustainable capacity being in place</li> <li>• Evidence of increasing leadership and capacity from partner government</li> <li>• Evidence of exit strategy for external support in place</li> </ul>	<ul style="list-style-type: none"> <li>• Project documentation</li> <li>• Partner assessments</li> <li>• Third party assessments</li> <li>• Project reviews</li> <li>• DFID interviews</li> <li>• Government of India and State Government of Odisha interviews</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>
Is there transparency and accountability to intended beneficiaries, donors and UK taxpayers? (3.5)	<b>Was there transparency and accountability to intended beneficiaries, donors and UK taxpayers? (ToR 6.4.5)</b>	<ul style="list-style-type: none"> <li>• Publicly available reports (online, media other)</li> <li>• Interviews with civil society and intended beneficiaries</li> <li>• Interviews with donors</li> <li>• Public information evaluation and reporting</li> </ul>	

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
<b>Learning: what works and what needs improvement?</b>			
Are there appropriate arrangements for monitoring inputs, processes, outputs, results and impact? (4.1)	Are there appropriate arrangements for monitoring inputs, processes, outputs, results and impact?	<ul style="list-style-type: none"> <li>• Evidence of appropriate monitoring systems throughout the delivery chain</li> <li>• Evidence of appropriate schedules for monitoring and reporting</li> <li>• Evidence of appropriate reports being compiled and used</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha project planning and implementation documentation</li> <li>• Government of India and State Government of Odisha evaluation process</li> <li>• Project reviews</li> <li>• Interviews with DFID</li> <li>• Interviews with Government of India and State Government of Odisha officials</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>
Is there evidence of innovation and use of global best practice? (4.2)	<b>Was there evidence of innovation and use of global best practice? (ToR 6.5.1)</b>	<ul style="list-style-type: none"> <li>• Evidence of lesson-learning incorporated in design and implementation of the programme and constituent projects</li> <li>• Evidence of innovation</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha project planning and implementation documentation</li> <li>• Project reviews</li> <li>• Interviews with DFID</li> <li>• Interviews with Government of India and State Government of Odisha officials</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> <li>• Interviews with intended beneficiaries</li> </ul>

Relevant ICAI Evaluation Framework Questions	Review Questions	Criteria for Assessment	Sources of Evidence
Is there anything currently not being done in respect of the programme that should be undertaken? (4.3)	<b>Was there anything not done in respect of the programme that should have been undertaken? (ToR 6.5.2)</b>	<ul style="list-style-type: none"> <li>• Comparison with best practice</li> <li>• Comparison with recommendations from evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• DFID, Government of India and State Government of Odisha project planning and implementation documentation</li> <li>• Project evaluations and monitoring reports</li> <li>• Interviews with DFID</li> <li>• Interviews with Government of India and State Government of Odisha officials</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> <li>• Interviews with intended beneficiaries</li> </ul>
Have lessons about the objectives, design and delivery of the programme been learned and shared effectively? (4.4)	<b>Have lessons about the objectives, design and delivery of the programme been learned and shared effectively (in Odisha, in India and across DFID)? (based on ToR 6.5.3)</b>	<ul style="list-style-type: none"> <li>• Evidence of lesson-learning from previous and comparable exercises incorporated in design and implementation of the programme and constituent projects</li> <li>• Evidence of recommendations from annual monitoring incorporated into operations</li> <li>• Evidence of lesson-learning being shared effectively with other similar programmes</li> <li>• Evidence of DFID staff visiting the field</li> <li>• Evidence of knowledge capture</li> <li>• Evidence of dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• DFID and Government of India and State Government of Odisha evaluations</li> <li>• DFID operational plans</li> <li>• Interviews with DFID</li> <li>• Interviews with Government of India and State Government of Odisha officials</li> <li>• Interviews with other donors</li> <li>• Interviews with civil society</li> </ul>

## 6. Roles and Responsibilities

6.1 KPMG will provide oversight of this review under the overall leadership of the ICAI Project Director. Supplementary analysis and peer review will be provided by KPMG and Agulhas staff.

6.2 The team will consist of the following members:

Team member	Role
Team leader	Team Leader
Team member 1	Senior livelihoods expert
Team member 2	Finance
Team member 3	India Rural Livelihoods Expert

### Team leader

He is a Director of Agulhas Applied Knowledge. He specialises in aid effectiveness, governance and institutional development. He was originally a health service manager in the UK and has worked on health service reform projects throughout Africa and Asia. He has particular knowledge of the Indian subcontinent, having in the past been a governance adviser for DFID in Bangladesh in the late 1990s. He supported the implementation of over £1 billion of assistance for education in Bangladesh. He will lead the team and will focus on governance and oversight issues.

### Team member 1

He is a livelihoods expert with over 30 years' experience in consultancy and research on rural livelihoods and poverty reduction, much of it in South Asia. He led the design of a number of DFID projects and the World Bank's flagship rural poverty programmes in Bangladesh, India and Pakistan and has also worked on more than a dozen impact evaluations of rural livelihoods programmes in Asia and Africa. He has a good knowledge of watershed development programmes in India and led the consultancy team supporting implementation of the rainfed farming projects in India (1990-2006), which preceded the rural livelihood programmes (e.g. WORLP). He will be the senior livelihoods expert on the team.

### Team member 2

She is an advisor in KPMG's Management Consulting Public Sector group, focussing on organisational financial management. She has over ten years' experience in auditing and advising public sector and government clients. While UK based, her family is originally from Bihar. She also spent her childhood in Bihar, has extended family members in Patna and has travelled in the region. Her main role will be to analyse data sources and figures to support the findings of the report.

### Team member 3

He has over ten years' experience in consulting, research, training and implementation of development projects and programmes. He has expertise across the support areas of planning, monitoring, impact assessment, research, institutional development and governance and reform. He has special interest in the areas of health (health systems, reproductive and child health, sexual health), natural resource management and livelihoods. He has been involved in the planning of health projects and programmes at regional and national levels and for various types of organisations (from small community-based organisations to governments). He has developed and implemented monitoring systems in over eleven states of India. He is a Director of Catalyst Management Services, based in India.

## 7. Management and Reporting

7.1 We will produce a first draft report for review by the ICAI Secretariat and Commissioners by 23 November 2012, with time for subsequent revision and review prior to completion and sign off in February 2013.

## 8. Expected outputs and timeframe

Phase	Timetable
<b>Planning</b> Drafting Inception Report	July and August 2012
Finalising methodology	August 2012
<b>Phase 1: Field Work</b> UK Field Work	August to October 2012
India Field Work	17 September– 6 October 2012
<b>Phase 2: Analysis and write-up</b> Roundtable with Commissioners	w/c 22 October 2012
Further analysis and first draft	By 23 November 2012
Report quality assurance and review by Secretariat and Commissioners	w/c 26 November 2012 – w/c 28 January 2013
Report to DFID for fact checking	w/c 4 February 2013
Report finalisation	w/c 25 February 2013

## 9. Risk and mitigation

9.1 The following sets out the key risks and mitigating actions for this evaluation:

Risk	Level of risk	Specific Issues	Mitigation
Inability to access key information	Medium	Unable to see all relevant DFID files	Ensure clear authorisation is given at start-up  Team sampling to assess whether DFID India has provided sufficient information from Quest  DFID India to provide hard copies where possible, if not easily available in electronic form
Intended beneficiary voices not heard	Low	Inability to identify intended beneficiaries	Randomised sample  Use of local researchers  Wide sample
Safety and Security	Low	Risk to the person	Operate within FCO guidance  Use of experienced local guides and drivers

## **10. How will this ICAI review make a difference?**

10.1 This review will seek to quality assure the evidence used by DFID within its planning and its project evaluations. By focussing on the validation of DFID's own evidence and findings, we will improve DFID's accountability for the management of results and also the Department's ability to generate appropriate data for learning. The review will build DFID's understanding of livelihoods, improving knowledge management overall.