

Submission to the Independent Commission for Aid Impact (ICAI) 3 Year Workplan Consultation

Bond and its members are grateful for the Commission's agreement to accept a brief written submission outside of the consultation's set parameters. The creation of ICAI is an encouraging step for the scrutiny of UK aid and is something Bond members have been campaigning for. We requested this opportunity to enable Bond members to register queries and recommendations about a number of areas of ICAI's work not addressed by the on-line consultation, namely the:

- overarching structure and procedures of ICAI
- methodologies and approaches ICAI will be using for its assessments
- type of cross-cutting issues DFID works on that ICAI should investigate

In addition to this joint submission we envisage several individual NGO submissions in response to the six questions laid out in ICAI's consultation template.

ICAI

Since its announcement, there has been broad support from the international development sector for ICAI and the formation of an additional, independent layer of scrutiny for the impact and effectiveness of UK aid. However, there are six key enquiry areas that we would like to highlight in this submission:

1. Structure of ICAI
2. ICAI Governance
3. Understanding how DFID's investments respond to and link with the broader development context
4. Assessment methodology: balancing qualitative evidence with hard numbers
5. Structure of reporting
6. Cross-cutting issues

This paper will briefly outline these six areas and we would be pleased to expand on any or all of them upon request.

1. Structure of ICAI

We are pleased to see that ICAI has underlined its independence from government by recruiting well-respected and senior Commissioners led by Graham Ward. We particularly welcome the appointment of John Githongo, who will not only bring huge experience of aid accountability and anti-corruption but will also represent a Southern voice on the Commission. However, we are concerned that, while the Commissioners represent a range of important areas of expertise, there is no representation on ICAI from the international

development sector. An additional Commissioner with a strong academic or implementation background in international development would add significant value to ICAI's work by bringing in-depth expertise in and experience of development work to the processes of designing, overseeing and communicating externally about ICAI's investigations.

In relation to the point above, we also look forward to the announcement of the consortium of organisations chosen to undertake ICAI's predicted 20 annual assessments. We believe that this consortium will consist of a 'blend' of private sector organisations with specific auditing, accounting and impact assessment expertise; and of academic and professional development organisations. We strongly support this approach and hope that the mix of agencies managing the body will allow for a variety of assessment methods to be utilised, including both value for money studies and traditional development evaluations (thereby fully replacing the evaluation function of DFID), and the use of qualitative as well as quantitative analysis (see section 3).

It is also imperative that ICAI puts in place a system whereby the voice of aid recipients (developing country partners) can be fed into the assessment process. This was a key talking point at the recent ICAI/NGO meeting convened by Bond and UKAN. This issue is addressed at greater length in section 6 of this paper.

2. ICAI Governance

The Secretary of State's stated aim in creating an independent Commission is welcome, as is the Commission's reporting line to Parliament and the International Development Select Committee. However, the proposed governance arrangements and lack of powers for the new Commission do not reflect the status and influence it should have if it is to effectively hold DFID to account for its work.

At present, the intention is to establish ICAI as an Advisory Non-Departmental Public Body through an Order-in-Council. Given the imperative to ensure robust and independent assessments are provided by the Commission, that the Commission's duty is to Parliament and not to Ministers and to ensure that the Commission endures, we recommend that the Commission should seek to explore the possibility of becoming an Executive non-Departmental Public Body, established through primary legislation. This could conceivably be done now through incorporation into the expected International Development Bill. Alternatively ICAI could work for a commitment from Government to look at a change to its institutional make-up after the completion of the ICIA's first three year work plan.

In relation to the point above, Bond members are also keen to emphasise the importance of there being clear and strong procedures for how DFID is required to respond to ICAI's reports, in order to ensure that DFID management are accountable for addressing findings. We would recommend that ICAI explore the possibility of adopting the approach of the World Bank's Independent Evaluation Group (IEG) as this represents best practice amongst independent development evaluation institutions (see details below).

World Bank IEG's Management Action Record monitoring

World Bank management is formally required to respond to IEG evaluations by stating and justifying the degree to which it accepts the IEG's recommendations. These responses and subsequent action to follow up on recommendations are tracked by the IEG on a rolling 3-year basis (sometimes longer if not fully implemented) and reported on annually in the IEG's Annual Review of Development Effectiveness of the Bank. See - <http://siteresources.worldbank.org/EXT2009ARDE/Resources/appc.pdf>

Finally here we would also recommend that the terms of DFID's accountability relationship and commitments to ICAI (and the IDC) should be presented in a formal Terms of Reference document, which also specifies ICAI's overall remit, how its work relates to that of the IDC and NAO, how it will contract out its investigations, the governance structures and role responsibilities within ICAI and the disciplines / methodologies it will be utilising.

3. Understanding how DFID's investments respond to and link with the broader development context

ICAI's work will involve assessing the impact of the specific financial and technical investments that DFID makes on the ground through its projects and programmes.

However, it is important that ICAI's assessments look beyond these parameters to understand how these investments respond to and link with the broader development context in the countries in which DFID is operating. In all countries where DFID operates donor resources (beyond simply DFID's own resources) will only represent a limited proportion of the total resources being invested in supporting development and donor support will be looking to compliment the efforts of local bodies leading development efforts.

Over the last decade the international aid community – including the UK Government – has designed and committed to implement standards for donors to promote local ownership and leadership of development efforts and coordinate their assistance in support of these efforts. These standards are set out in the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, both of which will be reviewed and updated in late 2011.

ICAI will therefore need to incorporate an assessment of DFID's implementation of these standards into each of its country level investigations, ensuring an understanding of how effectively DFID has understood the local context and local development priorities, and how well it has designed and implemented activities that complement local contexts and priorities, and how well it has worked collaboratively with other donors.

DFID's resources are also often invested and scrutinised (including evaluations¹) in partnership with other donors which means that ICAI will need to investigate how effectively DFID has worked with other donors and look for opportunities to undertake joint evaluations with them.

4. Assessment methodology: balancing qualitative evidence with hard numbers

We understand that it is more important than ever to ensure that British taxpayers' money is spent in a transparent, accountable, and high-impact fashion. ICAI will play an important role

¹ For example, DFID is currently in the latter stages of taking part in major multi-donor evaluations of budget support, public sector reform, public financial management and anti-corruption programs; such evaluations help to promote cross agency learning, promote efficiency and reduce burden on recipients of these programs

in scaling-up these efforts over the coming years, which will inevitably involve using methods to better quantify the impacts of the UK's aid.

However, we feel it is important to underline the need for ICAI to look beyond simply assessing quantifiable impacts but also to assess more qualitative factors and impacts and to use suitable methods to do so. This approach would recognise that as well as focussing on more tangible areas such as service delivery development work also centres significantly on issues such as accountability, empowerment, governance and capacity building, which are less open to quantification and require more varied, nuanced and qualitative methods of assessment to be used. Many of these interventions also aim to deliver impacts over a long time-scale, requiring incremental change to be carefully assessed. It is critical that these time frames do not compromise the significance accorded to the project evidence and that ICAI balances less tangible outcomes (often derived from qualitative monitoring methods) with the more demonstrable results required for ICAI's annual reporting cycle.

Given the above, we therefore welcome the willingness of ICAI to look at the viability of a number of different types of studies including *'evaluations; value for money reviews; reviews; and investigations.'*⁴

Specifically, we would caution against the view that the only 'rigorous' impact evaluation methodology is randomised control trials (RCTs). They are one method among many, suitable for some interventions but not others. We feel it is important that ICAI adopts context appropriate evaluation methodologies and embraces a mixed methods approach that sees the value in both quantitative and qualitative evidence gathering. Doing so will also support impact assessments that not only identify if an intervention has been successful, but also reveal why and how and provide information that can be incorporated into learning processes that improve development practice.

Furthermore, when it comes to value for money, while we acknowledge DFID's desire to promote monetised assessments, competitive benchmarking and the highlighting of efficiencies, these criteria are not always appropriate and may lead to a race to the bottom in terms of price and, thus, potentially, quality of provision. We hope that ICAI aid assessments take this into account and produce holistic reports which mitigate rather than exacerbate this risk.

We strongly encourage ICAI to work together with those in the development community, in academia and civil society, who are exploring and testing new approaches to evaluating the impact of development interventions. ICAI should draw on their learning and understanding and support work that seeks to find improved ways to assess impact in both quantitative and qualitative ways that take into account the complex, long-term factors at play in social and economic change processes. It is vital that approaches to evaluating the success of development interventions explicitly acknowledge that these processes are different to the mechanisms used to judge success in for-profit work and that value for money should not be interpreted as the cheapest response to a development challenge.

5. Structure of reporting

It has been stated to Bond that ICAI reports will be drafted independently of Government with both the Secretary of State and the Chair of the International Development Committee being given brief oversight immediately prior to publication.ⁱⁱ With this in mind, does the Commission yet have a sense of the editorial process which reports will go through and will the four ICAI Commissioners have editorial rights over each respective report?

In terms of report structure, there is no specific question in ICAI Consultation template relating to the format of reports or the key objectives for the report process. Will reports contain pure analysis or will they include recommendations for improvement to the relevant aid project, and will organisations or individuals responsible for the relevant programme be given the opportunity to respond to a report's findings and be held to account for implementing the necessary improvements?

Furthermore, who will be responsible for setting the terms of reference for each report and will they be co-ordinated to fit into the overall objectives of ICAI?

Finally, ICAI has been clear that it wants reports to be accessible to the non-specialist reader. This is a commendable objective but can ICAI also assure NGOs and development professionals that each report's analysis will be robust and comprehensive with full explanations and evidence to back-up any conclusions? Related to this, will all quantitative data and sources used for each report be published for scrutiny?

6. Cross-cutting issues

The consultation survey does not allow respondents to effectively highlight important cross-cutting issues that Bond members believe should be a focus of ICAI's assessment of DFID work. We therefore use this section to highlight some of these cross-cutting issues:

6.1 Ownership by, empowerment of and accountability to recipients

These are all critical objectives that DFID's work needs to both contribute and be sensitive to. Encouragingly, they are also emerging priorities for DFID. Given this, and that previous evaluations by DFID have not focussed systematically on these issues, it is important that ICAI focuses attention on them in its investigations. The best way to ensure taxpayers' money is well spent is to focus on accountability to recipients and affected communities, it will be critical for ICAI to include feedback from such groups in their assessments.

Linked to this point is the need for ICAI to acknowledge in its assessments that aid recipients must be categorised as two distinct and equally important groups: state/government recipients, and society/citizen recipients. Both groups must be brought into the assessment process, with recipient engagement in ICAI process not being confined to responses from recipient governments only. The DFID Bilateral Aid Review team pioneered some limited civil society assessments in recipient countries (Bangladesh, Ethiopia, Uganda); ICAI should build on this and make recipient country civil society consultation a consistent part of all aid assessments.

6.2 Policy coherence

In seeking value for money for taxpayers, it is important that other Government departments across Whitehall consider the development impact of their policies and do not undermine aid efforts. Value for money cannot be achieved unless UK policies on climate change, tax, corruption and trade are consistent with development goals. We urge ICAI to take questions of policy consistency and coherence into account to really see if UK aid is achieving its potential in terms of value for money for taxpayers.

6.3 Implementation of DFID's international commitments and related corporate policies

In recognition of its responsibilities to contribute effectively to global development efforts, DFID has made a range of commitments through initiatives led by bodies such as the UN, the OECD and international financial institutions. DFID's implementation of these commitments needs to be periodically assessed by ICAI in order to promote its accountability and effectiveness as a global development partner.

6.4 Technical assistance (TA – training, capacity building, advice)

At least a quarter of DFID's aid is delivered as Technical Assistance (TA), it is perhaps the most difficult form of aid to deliver effectively but its effectiveness is critical to the ability of developing countries to lead their own development efforts. Despite this, there has been no major assessment of DFID's TA for many years and certainly not since new guidance was introduced on its use in 2006. Bond members therefore urge ICAI to undertake such an assessment in order to explore how effectively its TA is being delivered and the suitability of its existing policies and practices.

Bond would like to restate its thanks to ICAI for the agreement to allow Bond members to highlight some structural issues around ICAI outside of the formal consultation document. A number of Bond members will be submitting a completed consultation form which will hopefully offer significant help and guidance on where and on what the Commission focuses on in its first three years. In the meantime, should you have any questions on this submission please, contact the Bond advocacy team at any stage: advocacy@bond.org.uk.

This document is endorsed by the following organisations:

1. Action Aid
2. Action for Global Health
3. Bond
4. Cafod
5. Care International UK
6. Christian Aid
7. Comic Relief
8. Concern Worldwide (UK)
9. Fairtrade Foundation
10. Gender and Development Network
11. Health Poverty Action
12. Homeless International
13. International HIV/AIDS Alliance

14. Oxfam
15. Progressio
16. Saferworld
17. Save the Children
18. SCIAF (Scottish Catholic International Aid Fund)
19. TB Alert
20. TUC
21. Traidcraft
22. Tearfund
23. VSO
24. WaterAid
25. WOMANKIND Worldwide
26. World Vision

Ends

ⁱ ICAI Document: Questions for Consultation into ICAI 3 year workplan

ⁱⁱ IDC/Bond private briefing, 28 October 2010