



**PAVING THE WAY FOR BUSINESS**  
**BUILDING A BETTER INVESTMENT CLIMATE**

# Quarter four report

January to March 2013



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# 1. Glossary of terms

BoE	Bank of England
BIF	DFID's Business Innovation Facility
BIS	Department for Business, Innovation & Skills
BRDO	Better Regulation Delivery Office
DECC	Department of Energy and Climate Change
DFID	Department for International Development
DEFRA	Department for Environment, Food & Rural Affairs
DWP	Department for Work & Pensions
FCO	Foreign & Commonwealth Office
FAQs	Frequently asked questions
GAD	Government Actuary's Department
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue and Customs
IAP	SIDA's Innovations Against Poverty
IC	Investment climate
IFC	International Finance Corporation
IUK	Infrastructure UK
IPO	Intellectual Property Office
IFUSE	Investment facility for utilising specialist expertise
MA	Managing agent
MoJ	Ministry of Justice
M&E	Monitoring and evaluation
OECD	Organisation for Economic Cooperation and Development
OGDs	Other government departments (including subsidiary UK government bodies)
OC	IFUSE Oversight Committee
OFT	Office of Fair Trading

RRA	Rwanda Revenue Authority
RSSB	Rwanda Social Security Board
SARS	South African Revenue Authority
SOCA	Serious Organised Crime Agency
TA	Technical assistance
TRA	Tanzania Revenue Authority
TIWB	OECD's Tax Inspectors without Borders initiative
ToRs	Terms of reference
UKTI	UK Trade & Investment
UNCTAD	United Nations Conference on Trade and Development
VfM	Value for money
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

## 2. Summary of progress for this period

### 2.1. Summary of progress for this period

This report covers quarter four (Q4) of year 1 of IFUSE implementation. Below are key messages of progress this quarter:

- **21 deployments have been completed in the first year of IFUSE's operation** – eight deployments were completed during Q4, with four planned assignment deferred to quarter 5 (Q5). We have 21 requests for support in the pipeline. The overall figure of completed deployments is lower than the 30 originally envisaged during the inception phase. The main reason for this is the challenge of matching demand to adequate OGD supply. Annex 1 includes a summary of IFUSE requests and annex 5 details completed deployments for Year 1.
- **IFUSE has undertaken a comprehensive annual review and strengthened its strategy and operations and M&E approaches** – DFID finalised its strategic report and supplementary review based on the findings of the annual review undertaken in December 2012. Central to this review is how we tackle the critical issues of demand and supply for the facility. The MA made a comprehensive response and changes to the IFUSE processes, structure and documentation. A full breakdown of the annual review recommendations, agreed actions and their status at the time of compiling this report is included at annex 3.
- **We have increased efforts to drive up demand by promoting IFUSE** – in Q4 we followed up with private sector development advisors following their 2012 retreat to explore the type of support that may be required in these countries; DFID consolidated this with a mailshot to country offices not yet participating in IFUSE in March. We have also reached out to PwC network member firms to further promote IFUSE in DFID partner countries, capitalising on the firm's International Development Assistance Network conference at the end of 2012 and the launch of PwC's Africa Business Group in March 2013. Further details of engagement and publicity efforts are set out below and in annex 4.
- **DFID and the MA have continued to address the challenge of assuring adequate supply needs to be addressed further by DFID and the MA** – In addition, we have created a supply and demand strategy which clarifies the approach going forward. A key aspect of the strategy involves clarifying the IFUSE offering and its complementarity with other forms of TA. We are updating marketing material for each of the participating OGDs for inclusion on the IFUSE webpage. Another part of the strategy involves widening the pool of UK government departments taking part in IFUSE. The Bank of England, the College of Policing, Ordnance Survey and the Crown Prosecution Service have agreed to take part in IFUSE within Q4. The UK government's Serious Organised Crime Agency is also discussing participation.
- **Deployments have diversified to include regional knowledge sharing events, reviews of DFID country programmes and scoping missions for further DFID support** – we held a successful knowledge sharing event with HMRC and two revenue authorities (Tanzania and Uganda) on 26 February 2013. The participating revenue authorities also expressed an interest in further IFUSE support. IFUSE is as planning a future knowledge sharing with the BRDO and three inspection authorities (Kyrgyzstan, Tajikistan and Afghanistan). Currently an assignment is being scoped with BIS for a review of DFID Bangladesh's Investment Climate Facility and at the time of compiling this report a deployment is being undertaken by HMRC to South Africa as part of a scoping mission for sustained DFID support to building tax capacity in the southern Africa region.

## 2.2. Key risks and issues

We have noted three main challenges this quarter:

- The first relates to (1) building and sustaining a strong pipeline of demand and (2) creating a supply of qualified and available UK government IC experts to the IFUSE programme. We have developed a strategy – set out in a memo to DFID - to create a steadier and more predictable pipeline of demand which should increase the number of appropriate experts available to provide support to IFUSE. A critical part of this strategy concerns illustrating tangible benefits of IFUSE participation to potential experts and government heads of learning and development.
- Another challenge is the lack of comprehensive understanding of the type of support available through IFUSE and how best to use the facility, especially in DFID country offices. We are tackling this through (1) creating an IFUSE FAQs document for public distribution, and (2) creating OGD-specific profiles detailing what they offer. We are also providing examples to DFID country offices of past deployments to illustrate what the facility can achieve in practice.
- Another challenge is to increase peer learning and knowledge sharing – the ‘spin-off’ effects of IFUSE. We are encouraging the development of peer networks – both between OGDs and beneficiaries and between IFUSE beneficiary governments - in our deployment design. We are also promoting the use of knowledge sharing events following the success of the HMRC knowledge sharing event involving revenue authorities from Tanzania and Uganda.

A summary of the risks identified during IFUSE’s inception period and their mitigating actions is set out in the table below:

Risk/issue	Actions	R/A/G status
Future requests for support cannot be delivered because of an absence of suitable experts from OGDs.	<p>We will continue to explore ways of engaging OGDs to participate in and publicise IFUSE. At the OC on 7 March we discussed options for greater involvement of OGDs in seeking out and developing requests for assistance. The following actions were agreed:</p> <ul style="list-style-type: none"> <li>• A ‘talking heads’ video featuring experts who have participated in IFUSE, discussing what they have found to be the benefits of participation.</li> <li>• Engage further OGDs, such as the Legal Services Commission;</li> <li>• Scope out an awards event to celebrate IFUSE’s first year anniversary – inviting permanent secretaries and chief executives from participating OGDs;</li> <li>• Pilot a deployment involving a non-civil servant expert. We are finalising a deployment in Ethiopia with the OFT using one of their non-executive directors as an expert.</li> </ul>	

Risk/issue	Actions	R/A/G status
Suitable demand is not created for the IFUSE programme.	We continue to reach out to DFID partner countries, DFID country offices and PwC's wider networks in order to tap into demand for IFUSE. Further details are provided in annex 4 – strategy for increasing and sustaining IFUSE supply and demand.	
DFID country offices do not have a comprehensive understanding of the type of support available through IFUSE.	<p>We are updating IFUSE marketing material (including the new gov.uk website) using recent deployments to illustrate to DFID country offices - and OGDs - what IFUSE looks like in practice and its comparative advantages over other forms of technical assistance.</p> <p>Updated marketing materials include:</p> <ul style="list-style-type: none"> <li>• A FAQs document which gives answers to questions relating to the type of assistance IFUSE provides, mechanics of the facility and follow up. Crucially the document sets out the expectations of the DFID country office in the process; and</li> <li>• An updated document detailing OGDs' core skills and available expertise.</li> </ul> <p>We will continue discussions with lead contacts in DFID country offices to give examples of relevant deployments. We are also using existing contacts within beneficiary organisations to further promote IFUSE in that partner country. OGDs have provided contact details to the MA of beneficiaries who could promote IFUSE. The MA has amended the expert feedback form to capture each organisations key contact for all future deployments.</p>	
Lack of effective peer learning and knowledge sharing.	<ul style="list-style-type: none"> <li>• We are encouraging the development of peer networks in deployment design and follow up activity.</li> <li>• We will continue to promote the use of knowledge sharing events across countries following the success of the HMRC knowledge sharing with Tanzania and Uganda.</li> <li>• With BRDO we are planning a knowledge sharing event in Kyrgyzstan, which would be attended by inspection authorities from Kyrgyzstan, Tajikistan and Afghanistan.</li> <li>• We are scoping learning events outside of the OC meetings where experts can share experiences more directly, and documenting the learning that emerges.</li> </ul>	

Risk/issue	Actions	R/A/G status
Key programme data not captured and efforts to enable proper M&E are hampered.	<p>We have tailored post-deployment feedback in order to capture both quantitative and qualitative data to support assessments of IFUSE impact. A sample deployment will be selected for a 'deep dive' approach to capturing their outcomes and 'additionality', ultimately allowing us to evaluate IFUSE's impact. The amended feedback forms will be implemented at the start of year 2.</p> <p>We have amended the ToRs to link follow-up actions to completion of recommendations by beneficiaries, which will give greater clarity about IFUSE's sustainable benefits.</p>	

### 2.3. Summary of requests

#### Status of technical assistance requests

During Q4 we received eight new TA requests, making a total of 44 TA requests during year one of IFUSE. Given the multi-stage nature of some of these requests, the overall total of TA requests comes to 51. Eight deployments were completed during Q4, bringing the total of completed deployments to 21. We anticipate a continuing rise in deployments during the next three months, with nine deployments taking place in April and May. The challenge at this point is to make sure that the OGD capacity to respond is adequate to meet demand.

Please refer to annex 1 for full details of all TA requests during quarters 1, 2, 3 and 4.

### 2.4. Status report summary

The table below summaries progress against key activities planned in the last reporting period, as well as progress on further activities that have been progressed.

Key activities planned	Progress made in this period
Hold an Oversight Committee meeting every quarter.	<ul style="list-style-type: none"> <li>Two OC meetings were held, on 17 January and 7 March 2013, where the findings and recommendations from the annual review were discussed. The next OC is planned for 22 May.</li> </ul>
Update marketing material	<ul style="list-style-type: none"> <li>We have compiled a FAQs document which answers the main questions on the assistance IFUSE provides and how it works in practice.</li> <li>OGDs are updating their one page profiles for compilation and circulation to DFID country offices, partner country governments and posting on the web.</li> </ul>
Discuss future opportunities with the World Intellectual	<ul style="list-style-type: none"> <li>IPO is confirming the most appropriate contact within the WTO and the WIPO to discuss the IFUSE programme. We will then</li> </ul>

Key activities planned	Progress made in this period
Property Organisation (WIPO) and other multilateral organisations.	<p>follow up with these contacts.</p> <ul style="list-style-type: none"> <li>We have continued to engage at country level with the World Bank and the IFC.</li> </ul>
Agree timings and detailed ToRs for Nigeria and Burma and set up initial calls with Mozambique and Tanzania DFID country offices.	<ul style="list-style-type: none"> <li>ToRs for OFT's deployment to Burma have been approved and a suitable expert confirmed.</li> <li>We are actively working with BIS and UKTI to find a policy development expert to undertake a deployment for DFID Nigeria.</li> </ul>
Review the time inputs per IFUSE deployment and agree any changes to operational procedures or budgeting required as a result	<ul style="list-style-type: none"> <li>We have presented to DFID a summary of the time spent by each MA team member for three completed deployments. To give a balanced picture this included a straightforward in-country deployment; an inward deployment involving multiple beneficiaries; and a deployment for which the scope was unclear.</li> </ul>
Review and enhance M&E system to take account of recommendations made by the IFUSE Annual Review	<ul style="list-style-type: none"> <li>At the end of year 1 we have revised and enhanced the M&amp;E approach to IFUSE. Amendments have been made to the: expert and beneficiary feedback forms, the ToRs template and the IFUSE logframe and handbook. The updated documents have been submitted to DFID for approval and will be implemented beginning in quarter 1 year 2.</li> </ul>
Hold video conference event with HMRC and Revenue Authorities and document outputs.	<ul style="list-style-type: none"> <li>We successfully organised a knowledge sharing event with HMRC and two revenue authorities (Tanzania and Uganda) on 26 February 2013. We have followed up with the two revenue authorities following expressions of interest for further IFUSE support.</li> <li>We are currently scoping out the possibility of a BRDO regional knowledge sharing event that will take place in Kyrgyzstan and involve the inspection authorities from Afghanistan, Kyrgyzstan and Tajikistan.</li> </ul>
Regular IFUSE team meetings	<ul style="list-style-type: none"> <li>The IFUSE team meets weekly, as do briefings between the director and operations lead and the project partner.</li> </ul>
Review and response to recommendations from IFUSE Annual Review	<ul style="list-style-type: none"> <li>Please refer to annex 3 for our response to the annual review.</li> </ul>

## 3. Progress against logframe

### 3.1. Logframe

As part of IFUSE's annual review, and following completion of the first year of operation, DFID and the MA have proposed a series of modifications to the logframe to better reflect what the facility can and should achieve. These will be finalised in early Q5 and should be taken into account when noting progress against the logframe below; indicators at all levels are expected to change or be amalgamated.

Impact	Impact Indicator	Results	Comments/risks
IFUSE TA contributes to reform improvements that reduce monetary time and cost of doing business, increasing predictability of IC and promoting fair and competitive markets in five priority countries.	1. Improvements in specific areas of ease of doing business in priority countries.	<ul style="list-style-type: none"> <li>Too early to report.</li> </ul>	MA needs to discuss with DFID the methodology for these indicators, including the 'attributability' of such improvements to IFUSE interventions, as part of its response to the annual review
	2. Qualitative assessment of IC in priority countries shows discernible improvements.	<ul style="list-style-type: none"> <li>Too early to report.</li> </ul>	As above.
Outcome	Outcome Indicator	Results	Comments/risks
Improved design and implementation of IC reform	1. No. and proportion of IFUSE recipients who note additional TA benefits from HMG involvement.	<ul style="list-style-type: none"> <li>46%</li> </ul>	In Year 1 this figure is based on a qualitative assessment of the outcomes of completed assignments.
	2. Quality of institutional relationships and engagement between OGDs and partner government departments.	<ul style="list-style-type: none"> <li>All 13 institutional relationships and engagement between OGDs and partner government departments have been strengthened through the IFUSE programme</li> <li>From 15 completed end user surveys (out of 20) 46% strongly agree that following TA the</li> </ul>	Four institutional relationships were formed during the BRDO conference – feedback is outstanding from these four institutions. Feedback is also outstanding from Kenya, Rwanda and Uganda.

Outcome	Outcome Indicator	Results	Comments/risks
		<p>strength of their relationship with the UK government Department had improved; 40% agreed, 7% remained neutral; and 7% did not respond to question.</p>	
	<p>3. Number of policy/ legislation/ procedures/ reform proposals approved by partner governments which were supported by IFUSE.</p>	<ul style="list-style-type: none"> <li>• 40%</li> <li>• For three knowledge-sharing deployments this indicator is not directly applicable:               <ul style="list-style-type: none"> <li>○ A round table discussions with Burmese MPs;</li> <li>○ An inward visit from two Tajik delegates to the Land Registry conference;</li> <li>○ An inward visit from four DFID partner countries (Kenya; Tajikistan; Kyrgyzstan; Mozambique and Nigeria) to the BRDO conference.</li> </ul> </li> </ul>	
<p>1. High quality advisory expertise in IC reform delivered by Whitehall network</p>	<p>1.1 Percentage of assignments rated "good" or "very good" by end user.</p>	<ul style="list-style-type: none"> <li>• 25% rated assignments as excellent and 75% rated assignments as very good.</li> </ul>	<p>Whilst there are 21 completed deployments (includes inward and knowledge sharing events) we have yet to receive feedback from five deployments, therefore this figure is calculated out of eight completed deployments.</p>
	<p>1.2 Percentage of assignments with clear ToRs that meet IFUSE criteria (clear IC impacts, feasible scope of work and clear deliverables).</p>	<ul style="list-style-type: none"> <li>• 95%</li> </ul>	<p>IFUSE procedures have been constructed such that only deployments compliant with IFUSE criteria are selected for pursuing.</p>

Outcome	Outcome Indicator	Results	Comments/risks
<p>2. Processes and procedures set up and function</p>	<p>2.1 Number of assignments where deployment processes meet agreed schedules and policies</p>	<ul style="list-style-type: none"> <li>95%</li> <li>Eight deployments have been completed in Q4 and met agreed policies. Four of the eight deployments met the agreed pre-deployment timeframes. The remaining four deployments did not meet the pre-deployment timescales as detailed discussions were required for three of these deployments and the fourth was delayed due to the OGDs internal selection process of the expert.</li> </ul>	<p>Although there have been some delays between the request and finalised ToRs through slower beneficiary / OGD response times, the timing of the experts' missions themselves have all met the beneficiaries' requirements.</p>
	<p>2.2 Percentage of IFUSE advisers who report appropriate briefing on technical assistance best practice</p>	<ul style="list-style-type: none"> <li>75% of IFUSE advisers rated the briefing as excellent or very good</li> </ul>	<p>This is calculated using feedback from 12 advisers across 10 deployments over the whole of year 1. We have discounted seven deployments that did not have pre-deployment briefings, including five inward visits, two multiple deployments, and one knowledge sharing event. There are four deployments for which feedback is yet to be received.</p> <p>In Year 1 this was based on a question that asks for expert feedback on quality of the briefing as a whole. From Year 2 onwards this question has been refined to ask specifically about the technical elements of the briefing.</p>
	<p>2.3 Satisfaction of OGDs with function of IFUSE mechanism</p>	<ul style="list-style-type: none"> <li>40% rated satisfaction as excellent</li> <li>60% rated satisfaction as very good.</li> </ul>	<p>Satisfaction of OGDs with function of IFUSE mechanism is calculated using feedback from 12 deployments, an additional three were inward visits, and there are five deployments that feedback is yet to be received.</p>

Outcome	Outcome Indicator	Results	Comments/risks
3. High quality knowledge sharing among IFUSE participants, partner government professionals and UK government professionals	3.1 Number of active and effective institutional engagement relationships which are generated a result of IFUSE	<ul style="list-style-type: none"> <li>According to feedback, five active and effective institutional engagement relationships have been generated during Q4.</li> <li>During this quarter there were two deployments involving OFT and the Competition Commission of Pakistan. Delegates from the Competition Commission of Pakistan and OFT attended an OECD conference on competition. Key learning from this conference was discussed between the Commission and OFT during a deployment to Pakistan four weeks after the conference. In addition, HMRC continued to strengthen its relationship with the revenue authorities in Tanzania and Uganda through the knowledge sharing event.</li> </ul>	65% of completed deployments created effective institutional engagement relationships. In Year 1 this is based on a qualitative assessment of where new relationships have been formed, evidenced for example by follow-on IFUSE assignments or other forms of ongoing engagement between the OGD and the country/institution concerned. From Year 2 onwards a specific question has been included in the feedback process to capture this data.
	3.2 Number/ proportion of professionals participating in IFUSE who note emergence of a peer network (where assignment ToRs allow).	<ul style="list-style-type: none"> <li>Of 21 deployments to date, experts and beneficiaries from about 11 have remained in contact with one another.</li> </ul>	Of the 21 deployments completed to date four involved the TRA; three involved the Inspectorate in Kyrgyzstan; two involved the National Inspection Body in Mozambique; and two involved the Rwanda Revenue Authority.
	3.3 Usage of knowledge management mechanism /instrument.	<ul style="list-style-type: none"> <li>Too early to report.</li> </ul>	This statement is applicable to the first year of IFUSE's operation and a change to the logframe has been tabled to reflect this.
4. Emergence of collaborative approach across OGDs participating in IFUSE in their support to IC in IFUSE	4.1 Proportion of assignments that are coordinated between OGDs before deployment to expert	<ul style="list-style-type: none"> <li>Too early to report.</li> </ul>	This statement is applicable to the first year of IFUSE's operation and a change to the logframe has been tabled to reflect this.

<p>participating countries.</p>	<p>4.2 Proportion of assignments that have follow-up support from another HMG team</p>	<ul style="list-style-type: none"> <li>• During Q4 no deployment has afforded the opportunity for support from another HMG team.</li> </ul>	<p>This statement is applicable to the first year of IFUSE's operation and a change to the logframe has been tabled to reflect this.</p>
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## 4. Lessons learned

Below is a summary of some of the key lessons learnt during Q4 of year 1 of the IFUSE programme. These relate to the operational aspect of IFUSE and should be read alongside the findings of the annual review and the recommendations made in annex 4 (supply and demand stimulation note) which sets out the IFUSE strategy for implementing this learning.

Stakeholder(s)	Lessons learned
MA and OGDs	<ul style="list-style-type: none"> <li>● <b>Establishing beneficiary contacts early</b> – It is important to obtain information from experts about beneficiary contacts immediately following the deployment to allow for continued relationships with beneficiaries and to use beneficiary contacts in countries to promote IFUSE. We will do this through telephone interviews.</li> <li>● <b>We need to simplify the post-deployment process</b> – We have streamlined this by, for example, asking experts to give feedback at the same time as their post-deployment briefings, which also increases the feedback rate of return.</li> <li>● <b>Tightening up expenses and invoicing</b> – It is important to remind OGDs and beneficiaries of the expenses policy, in particular that all travel will be in standard/economy class unless there are objectively justifiable reasons why the traveller must travel in premium economy or business class. We will do this by referencing DFID’s own travel policy. For invoicing, it is important to have OGDs submit their invoices no later than 30 days after the deployment. Late submission of invoices creates unpredictability in management of IFUSE’s finances and makes VFM evaluation harder.</li> </ul>
MA and DFID	<ul style="list-style-type: none"> <li>● <b>DFID country office engagement</b> – We need to work closely with DFID to identify how best to encourage their country advisers to identify and be more engaged in individual deployments, whilst stressing that IFUSE is not supposed to be a burden to their work. In the two most recent deployments experts found it difficult to engage the DFID country office, in spite of clear communications by DFID and the MA. We have made proposals on how to facilitate their engagement as part of our response to the annual review recommendations.</li> <li>● <b>Follow up with in-country contacts</b> – It is important to obtain appropriate contacts with country DFID or FCO offices as early in the deployment process as possible, particularly in countries where security is a concern. This will allow for appropriate security reviews and measures to be put in place and keep the deployment to schedule.</li> <li>● <b>Simplify IFUSE terminology</b> – We understand that the term ‘investment climate’ is not as accessible a term for some stakeholders to understand and so we propose to supplement this with the term ‘business environment’. In addition, we have been using the more detailed description of IC services that we developed during the inception phase to describe at a more granular level the IFUSE services on offer to</li> </ul>

Stakeholder(s)	Lessons learned
	potential sources of demand, in order to improve stakeholder understanding.
Beneficiaries	<ul style="list-style-type: none"> <li>• <b>Early confirmation of in-country travel requirements by the beneficiary</b> – The beneficiary should be clear at the outset of the request of any requirements for the expert(s) to travel to other regions/provinces as this impacts on the security arrangements and logistics for the experts.</li> </ul>



### Monthly forecasting

	March 2013			Next month
	Planned	Actual	Planned vs. Actual	Planned
<b>MA Total Costs</b>	£28,788	£28,788	£0	£10,288
<b>Managed Fund Total Costs</b>	£38,268	£38,268	£0	£22,738
<b>Total</b>	<b>£67,056</b>	<b>£67,056</b>	<b>£0</b>	<b>£33,026</b>

### Year to date

	Year to date		
	Planned	Actual	Planned vs. Actual
MA Total Costs	£177,557	£175,194	£2,363
Managed Fund Total Costs	£297,942	£179,079	£118,863
	<b>£475,499</b>	<b>£354,273</b>	<b>£121,226</b>

## 5.2. Value for money

In response to the recommendations from the annual review we are improving the way in which we measure value for money on the iFUSE programme, particularly the 'effectiveness' aspect of VfM. By developing a robust strategy to increase and sustain the demand for expertise from developing countries and developing a clearer link between the outputs of deployments and their outcomes we will be able to deliver expected results and VfM.

## 6. Summary of activities planned for next period

### 6.1. Summary of activities planned for next period

Key activities planned for next period	Due date	Responsible	Comments
<b>Oversight Committee</b>			
Oversight Committee meeting	w/c 20 May 2013	MA	
<b>Communications and engagement</b>			
Create IFUSE business cards for distribution by DFID and the MA	By 15 April 2013	MA	
Creation of 'talking heads' videos where experts describe the benefits of their IFUSE experiences, and place these on IFUSE website / promote through other channels	By 30 April 2013	MA and OGDs	
Scope an awards event to celebrate IFUSE's first year anniversary, inviting permanent secretaries and chief executives from participating OGDs	By 31 May 2013	MA	
<b>Improving supply and demand</b>			
Pilot a deployment utilising a non-civil servant expert to determine the feasibility of using a wider pool of expertise to support IFUSE	By 31 May 2013	MA and OGD, in consultation with DFID	
Continue to work with multilateral institutions (World Bank, IFC, WTO) to explore opportunities for working with IFUSE	Ongoing	MA	
Contact the Legal Services Commission to ascertain if they would be interested in becoming involved with IFUSE alongside the Ministry of Justice	By 10 April 2013	MA	
<b>Monitoring and evaluation</b>			
Report on expert and beneficiary feedback through monthly report	Monthly and quarterly reports	MA	

Key activities planned for next period	Due date	Responsible	Comments
Arrange sample of deployments to monitor and evaluate outcomes over a longer period	On a rolling basis (procedure to be confirmed with DFID)	DFID, MA and OGDs	
<b>Knowledge management</b>			
Pilot peer to peer learning session with OGD experts	By 31 May 2013	MA and OGDs	
Hold BRDO regulatory reform knowledge sharing event with regional inspection authorities	Forecast for late June 2013	MA and BRDO	
<b>Programme / risk management</b>			
Maintain regular communication with DFID	Regular phone, email and face to face meetings take place. Next progress meeting scheduled for w/c 29 April	DFID and MA	
Hold regular IFUSE team meetings	Weekly IFUSE team, partner and director meetings	MA	
Implementation of revised IFUSE deployment procedures	By 1 April 2013	DFID and MA	

# Annex

## I. Annex 1: TA requests

This table sets out all of the IFUSE TA requests received to date, in chronological order.

No.	Country	Requestor (institution)	Target OGD	IC issue	Status	Target deployment date
51	Uganda	Uganda Revenue Authority	Serious Organised Crime Agency (SOCA)	Financial investigation of tax investigation training	Pending: <ul style="list-style-type: none"> <li>ToRs to be agreed</li> <li>Expert to confirm availability</li> </ul>	w/c 10 June 2013
50	Nigeria (Cross River & Lagos)	GEMS3 (DFID-funded market-development programme)	UKTI	Investment promotion training	GEMS3 to confirm nature of support and Nigerian government demand	TBC
49	Malawi	Malawi Ministry of Trade	OFT Land Registry Ordnance Survey HMRC BIS BoE	Multiple subject matter requests	Pending – ToRs to be drafted	TBC
48	Kyrgyzstan/ Tajikistan/ Afghanistan	Kyrgyzstan/ Tajikistan/ Afghanistan	BRDO	Industry-specific regulations / law	Pending - ToRs to be drafted	Late June / early July 2013
47	Tajikistan	Ministry of Commerce Tajikistan	BRDO	Industry-specific regulations / law	Pending: <ul style="list-style-type: none"> <li>ToRs drafted</li> <li>Experts confirmed</li> </ul>	w/c 29 April 2013
46	South Africa	South African Revenue Authority (SARS)	HMRC	Taxation	Pending: <ul style="list-style-type: none"> <li>ToRs drafted</li> <li>Expert confirmed</li> </ul>	22-25 April 2013
45	Burundi	Burundi Revenue Authority	Land Registry	Land legislation, registration, title transfers	Pending - initial request received	TBC
44	Mozambique	WTO	HMRC	General interface with business	Pending: <ul style="list-style-type: none"> <li>ToRs drafted</li> <li>Experts to attend WTO induction</li> </ul>	May 2013
43	Ghana	WTO	HMRC	General interface with business	Pending: <ul style="list-style-type: none"> <li>ToRs drafted</li> <li>Experts to attend WTO induction</li> </ul>	May 2013
42	Burma	DFID Burma	OFT	Competition policy / market development	<ul style="list-style-type: none"> <li>ToRs agreed</li> <li>Logistics arranged</li> </ul>	29 April – 3 May 2013
41	Botswana	WTO	HMRC	General interface with business	Pending: <ul style="list-style-type: none"> <li>ToRs drafted</li> </ul>	April 2013

No.	Country	Requestor (institution)	Target OGD	IC issue	Status	Target deployment date
					<ul style="list-style-type: none"> <li>• Experts to attend WTO induction</li> </ul>	
40	Pakistan	Competition Commission of Pakistan	OFT	Participation at competition policy / market development conference	Cancelled - declined as it did not fall within IFUSE scope	April 2013
39	Pakistan	Competition Commission of Pakistan	OECD / OFT	Competition policy / market development	Completed	27 February – 1 March 2013
38	Bangladesh	DFID Bangladesh	BIS	Review of IC programme	Pending: <ul style="list-style-type: none"> <li>• Initial draft ToRs received</li> <li>• Confirming if BIS/UKTI expertise is available</li> </ul>	w/c 12 May 2013
37	Ghana	Ghana National Insurance Commission	GAD	Financial sector regulation / supervision	Completed	11 March 2013
36	Nigeria	DFID Nigeria	BIS	Small business policy	Pending – BIS to respond	TBC
35	Tanzania	British High Commission	HMRC	Tax issues and regulation (fourth deployment)	Completed	4-13 February 2013
34	Pakistan	DFID Pakistan	IUK	PPP	Pending: <ul style="list-style-type: none"> <li>• Initial request received</li> <li>• ToRs to be drafted</li> </ul>	Second quarter of 2013
33	Tanzania	IFC	IUK	PPP	Pending: <ul style="list-style-type: none"> <li>• ToRs drafted</li> <li>• Confirming if a suitable expert can be found</li> </ul>	Second quarter of 2013
32	Montserrat	Government of Montserrat	BRDO / BIS	Regulatory reform	Pending - confirming expertise with BRDO	TBC
31	Burma	FCO Burma	UKTI / BIS	Capacity building on foreign investment	Completed	17-19 October 2012
30	Rwanda	Rwanda Social Security Board	GAD	Set-up of a provident fund	Completed	4-8 February 2013
29	Tanzania	Tanzania Revenue Authority	HMRC	Advocate service	Ongoing at time of writing	8-18 April 2013
28	Liberia	Industry of Commerce and Industry Monrovia	BRDO	Regulatory reform	Completed	21-29 January 2013
27	Rwanda	Rwanda	HMRC	Practical training on	Completed	18-22 March

No.	Country	Requestor (institution)	Target OGD	IC issue	Status	Target deployment date
		Revenue Authority (RRA)		taxation of banking, telecommunication and construction sectors		2013
26	Rwanda	Rwanda Revenue Authority (RRA)	HMRC	Intelligence, Investigation and risk profiling training	Completed	21-25 January 2013
25	Burma	DFID Burma	OFT	Competition assessment	Cancelled - OFT unable to support because of timing of deployment	Mid October 2012
24	Ethiopia	DFID Ethiopia	OFT	Competition and consumer protection	Pending: <ul style="list-style-type: none"> <li>• OFT to review draft ToRs</li> <li>• Expert from OFT board identified to undertake deployment</li> </ul>	TBC
23	Turks & Caicos Islands	DFID	BRE/IUK	Private sector development in small island countries	Cancelled - Unable to support because of change in political situation	November 2012
22	Ethiopia	DFID Ethiopia	DWP/HMRC	Social security arrangements	Pending - confirming if a suitable expert can be found in DECC	TBC
21	Zambia	DFID Zambia	DEFRA	Companies law	Scope of request needs to be further investigated	TBC
20	Tajikistan	Land Registry	Land Registry	Conference on role of land registry authorities and growth	Completed	9-14 October 2012
19	Mozambique Kenya Tajikistan Kyrgyzstan Nigeria	BRDO/World Bank	BRDO	Regulatory reform	Completed	21-23 November 2012
18	Mozambique	National Inspection Body (INAE)	BRDO	Regulatory reform	Completed	15-19 October 2012
17	Pakistan	Competition Commission of Pakistan (CCP)	OFT	Technical capacity building of CCP's staff	Completed	25-29 March 2013
16	Kenya	Competition Authority of Kenya	OFT	Consumer protection	<ul style="list-style-type: none"> <li>• Expert confirmed</li> <li>• On hold because of concerns over current security situation in Kenya</li> </ul>	TBC

No.	Country	Requestor (institution)	Target OGD	IC issue	Status	Target deployment date
15	Uganda	Uganda Revenue Authority	HMRC	Taxation	Completed	November 2012
14	Vietnam	DFID Vietnam	IUK	PPP	Completed	3-7 September 2012
13	Pakistan	DFID Pakistan	HMT / BoE	Debt management	Confirming if a suitable expert can be found in HMT	TBC
12	Tanzania	British High Commission	HMRC	Tax issues and regulation	Completed	8-12 October 2012
11	Tanzania	British High Commission	HMRC	Tax issues and regulation – TRA visit to UK	Completed	17-21 September 2012
10	Tanzania	British High Commission	HMRC	Tax issues and regulation	Completed	16-25 July 2012
9	Kyrgyzstan	Kyrgyz ministry of economic regulation	BRDO	Regulatory reform – Training	Completed	22-26 October 2012
8	Kyrgyzstan	Kyrgyz ministry of economic regulation	BRDO	Regulatory reform	Completed	28 May to 1 June 2012
7	Kenya	IFC	BRDO	Regulatory reform – Training	ToRs has been agreed On hold because of concerns over security situation in Kenya	TBC
6	Kenya	IFC	BRDO	Regulatory reform – City Council of Mombasa	ToRs have been agreed On hold because of concerns over security situation in Kenya	TBC
5	Kenya	International Finance Corporation (IFC)	BRDO	Regulatory reform – City Council of Nairobi	Completed	17-21 September 2012
4	Nigeria	GAD/ GIZ	GAD	Microinsurance	Cancelled - Request was not suitable for IFUSE funding at the present time as the procurement process had already begun for the project	N/A
3	Malawi	DFID Malawi	BIS / UKTI	Design DFID's new support to a World Bank led IC programme	Cancelled - Suitable expert could not be found by BIS	N/A
2	Bangladesh	DFID Bangladesh	BIS	Review of Bangladesh	Pending – BIS locating suitable	N/A

No.	Country	Requestor (institution)	Target OGD	IC issue	Status	Target deployment date
				Investment Climate Fund	expert	
1	Rwanda	HMRC	HMRC	Strengthening leadership and management capabilities	Completed	11 to 17 March 2012

## II. Annex 2: Source of TA requests

The table below details the source of TA requests received by the MA for the year to date.

Source of TA requests	Total number
DFID country office	19
IFUSE OGD	16
Partner country government	7
Foreign & Commonwealth Office (FCO) in partner country	2
<b>Total</b>	<b>44</b>

**TA requests by country** The table below details, in alphabetical order, the countries for which TA requests have been received year to date:

Country	Total number of TA requests	Country	Total number of TA requests
Afghanistan	1 <sup>1</sup>	Mozambique	2 <sup>1</sup>
Bangladesh	2	Nigeria	4 <sup>1</sup>
Botswana	1	Pakistan	5
Burma	3	Rwanda	4
Burundi	1	South Africa	1
Ethiopia	2	Tajikistan	3 <sup>1</sup>
Ghana	2	Tanzania	3
Kenya	3 <sup>1</sup>	Turks & Caicos Islands	1
Kyrgyzstan	3 <sup>1</sup>	Uganda	2
Liberia	1	Vietnam	1
Malawi	2	Zambia	1
Montserrat	1		

<sup>1</sup>Number includes multiple countries resulting from BRDO knowledge sharing event / conference

### III. Annex 3: 2012 annual review recommendations

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
1.	<b>Building and sustaining demand</b>	Risk of inadequate demand for support through IFUSE	<b>Recommendation E:</b> adjust logframe to acknowledge the importance of scale and thus incentivise the MA to increase efforts to secure greater demand.	<ul style="list-style-type: none"> <li>MA to make adjustments to logframe for discussion with and approval by DFID, probably by including a specific indicator quantifying expected levels of demand over the programme's lifetime.</li> </ul>	Steadier and more predictable pipeline of demand which will: (i) have positive benefits on the supply side by enabling planning for resourcing on the supply side; and (ii) enable IFUSE activities to become more strategic and focus on outcome level effectiveness	DFID management team and MA	31 March 2012	<b>Closed</b>
2.		<i>As above</i>	<b>Additional strategic recommendation:</b> develop a robust strategy to increase and sustain the demand for expertise from developing countries and develop clearer lines of accountability.	<ul style="list-style-type: none"> <li>MA to set out to DFID strategy for increasing and sustaining demand, building on the engagement plan and covering three main themes: <ul style="list-style-type: none"> <li>- Increasing the number of 'large scale opportunities' (eg WTO support, MENA support) and consolidating these.</li> <li>- Clarifying the core strengths of IFUSE to potential users, focusing on 'repeatable propositions' such as the services provided by HMRC and BRDO.</li> <li>- Identifying additional channels for both DFID and the MA to build and sustain demand.</li> </ul> </li> </ul>	<i>As above, plus</i> IFUSE becomes a sustainable programme able to deliver expected results and VFM.	DFID management team and MA (with responsibilities for strategy to be agreed)	28 February 2012 for initial proposals to DFID	<b>Closed</b>

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
3.		Lack of clear accountabilities in building and sustaining demand	Develop clearer lines of accountability to achieving the scale of assignments required in order for IFUSE to be sustainable.	<ul style="list-style-type: none"> <li>MA representatives to discuss with DFID management team how best to action this recommendation at late February meeting, and results to be documented.</li> </ul>	Clearer lines of ownership, improved incentives to deliver – greater likelihood of success	DFID management team and MA	31 March 2012	<b>Closed</b>
4.	<b>Securing supply and matching to demand</b>	Risk of inadequate supply of expertise from OGDs (and consequent inability to become as sustainable programme delivering on the overall objectives and value for money)	<b>Recommendation B:</b> modify the process by which the ToRs were developed to secure buy-in and a good supply response from OGDs, as well as setting the expectations for a deployment.	<ul style="list-style-type: none"> <li>MA to set out modifications to logframe indicator 1.2 for discussion with and approval by DFID.</li> <li>MA to set out modified procedure in revised IFUSE handbook, taking into account that there are several routes for production of ToRs.</li> </ul>	Clearer expectations on the part of OGDs of demands of IFUSE deployments.	MA, with DFID management team	31 March 2012	<b>Closed</b>
5.		<i>As above</i>	<b>Recommendation E</b> –adjust logframe to acknowledge the importance of scale and thus incentivise the MA to increase efforts to secure greater supply	<ul style="list-style-type: none"> <li>MA to suggest modifications to the logframe for discussion and approval by DFID, and to discuss the incentive structure of IFUSE with DFID at the late February 2013 meeting.</li> </ul>	Greater number of relevant experts available to provide support to IFUSE. IFUSE becomes a sustainable programme able to deliver results and VFM.	DFID management team and MA	31 March 2013	<b>Closed</b>
6.		<i>As above</i>	<b>Recommendation L(i)</b> develop a robust strategy to increase and sustain the supply of expertise from OGDs.	<ul style="list-style-type: none"> <li>MA to set out a strategy in the same note dealing with demand stimulation, which includes: <ul style="list-style-type: none"> <li>- Identifying investment climate themes which are well-covered by IFUSE OGDs and those which need further development;</li> <li>- Developing a 'testimonials' piece for IFUSE to give OGDs an idea of the benefits of deployments for departments and individual participants;</li> <li>- The potential use of experts outside the OGD pool (eg recently retired civil servants,</li> </ul> </li> </ul>	<i>As above</i>	Primary responsibility = MA (with strategic support from DFID)	31 March 2013	<b>Closed</b>

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
				<ul style="list-style-type: none"> <li>professional bodies);</li> <li>- Documenting 'lessons-learned' from OGDs such as the BRDO explaining how they have managed to mobilize their department in support of IFUSE, and sharing this with the Oversight Committee.</li> <li>- Securing explicit permission from DFID for the MA to make greater use of the MA's Whitehall network to secure additional departmental engagement with IFUSE</li> </ul>				
7.	Capturing impact and completing the picture on VFM	Weak links between what IFUSE is aiming to achieve at an outcome level and achievements at an output level and inadequate mechanisms to assess IFUSE's impact and efficiency.	<b>Recommendations A and L(v):</b> construct ToRs with stronger links between a successful deployment (output) and the eventual translation into outcome level (Improved design and implementation of Investment Climate Reform)	<ul style="list-style-type: none"> <li>MA to modify ToRs to make more explicit the relationship between outputs and outcomes, something already emphasized in pre-deployment discussion.</li> </ul>	IFUSE has a realistic ability to add up to more than the sum of all its parts and to achieve its overall objectives.	MA, with strategic support from DFID	31 March 2013	Closed
8.		As above	<b>Recommendation N:</b> put robust system in place to identify and record the benefits of IFUSE-funded interventions, both at an output and outcome level – and assign responsibilities for data gathering and reporting	<ul style="list-style-type: none"> <li>MA to revise post-deployment procedures to capture benefits from deployments, including changing the way information is captured as well as the timing of follow-up (eg structured follow up at a defined points post-deployment).</li> <li>DFID management team to identify potential examples of good data collection and logframes from other relevant programmes which the MA can draw in designing revised procedures</li> </ul>	As above	MA, with strategic support from DFID	31 March 2013	Open

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
9.		Limited information gathering systems and reporting requirements – leading to limited information available to measure and make impact assessments	<b>Recommendation F:</b> greater disaggregation in satisfaction levels should be specified (e.g. beyond 'satisfied' or 'good').	<ul style="list-style-type: none"> <li>MA to make changes to post-deployment feedback process following internal consultation on IFUSE approach to M&amp;E.</li> <li>MA to seek out greater inclusion of qualitative data to support assessments of IFUSE impact and to select specific deployments for a 'deep dive' approach to capturing the outcomes and 'additionality' of deployments.</li> </ul>	Improved data collection and use would enable a more rigorous and nuanced assessment – enabling assessment of impact and refinement of processes	MA and DFID management team	31 March 2013	<b>Closed</b>
10.		Risk that pre-deployment technical briefings are insufficiently detailed or do not take into account lessons learned from previous deployments	<b>Recommendation B:</b> MA to set out in a formal minute to the DFID Management team (by end March 2013) how the pre-deployment technical assistance guidance is currently being provided and what efforts will be made going forward to improve this process. In particular, how can the MA capture some of the lessons learned from experts who have completed deployments for the first time in order to better prepare experts prior to their assignments commencing.	<ul style="list-style-type: none"> <li>MA to discuss with DFID the background to this recommendation at end February 2013 meeting, in order that DFID can share any pre-existing technical assistance guidance that can be used to support briefing and delivery.</li> <li>MA to set out summary pre-deployment technical briefing guidelines including information on how these will be refined on a rolling basis to take 'lessons learned' into account. IFUSE handbook to be updated in line with these changes.</li> <li>MA and DFID to discuss how country offices can become even more involved in technical briefing to experts in-country in order to increase the value of the latter's inputs.</li> </ul>	Continual improvement of IFUSE technical briefings	MA and DFID management team	31 March 2012	Open
11.		As above	<b>Recommendation D:</b> The MA should also take steps to seek specific feedback from experts on the technical briefing, separate from security and general administrative preparedness.	<ul style="list-style-type: none"> <li>MA to change structure of feedback process to incorporate discrete feedback on the quality of technical briefing and to incorporate results on a rolling basis into IFUSE reporting procedures</li> </ul>	As above	MA with input from DFID management team	31 March 2012	<b>Closed</b>

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
12.			<b>Recommendation G:</b> MA to set out in a formal minute to the DFID Management team (by end March 2013) a clear breakdown of the current MA technical input to the ToR process (including a breakdown of time, detail of specific inputs, value add and relevant staff members).	<ul style="list-style-type: none"> <li>MA to present breakdown of inputs by staff member for representative sample of recent completed assignments, for discussion with DFID, ahead of submission by end March.</li> </ul>	Demonstration of value added by MA on an assignment-specific basis.	MA	31 March 2012	<b>Closed</b>
13.	<b>Refining processes and policies</b>	Risk that individual deployments' quality and impact goes down as volume increases	<b>Recommendation M:</b> The DFID Management team must ensure that as the number (and possibly size of deployments increases, the quality of MA input does not suffer and that an administrative burden does not transfer to other actors in the process (e.g. DFID country offices, OGD experts).	<ul style="list-style-type: none"> <li>MA to discuss with DFID management team at end February 2013 meeting to clarify and agree response to this recommendation.</li> </ul>	Sustained quality of IFUSE deployments.	DFID management team with support for	31 March 2012	Open
14.		'Additionality' of IFUSE difficult to capture	<b>Recommendation N:</b> robust system must be in place to identify and record the benefits of IFUSE-funded interventions, both in the immediate aftermath (drawing on deliverables) and the prospect of on-going attributable benefits ("additionality").	<ul style="list-style-type: none"> <li>MA to work with DFID to outline what this would look like in practice and amend IFUSE Handbook, including responsibilities for data gathering and reporting. Specifically this could comprise the following: <ul style="list-style-type: none"> <li>- Adjustments to the logframe;</li> <li>- Examining how to support OGDs to build more enduring relationships or networks with beneficiaries in order to capture feedback;</li> <li>- Looking at how OGDs can play a greater role in identifying and tracking indicators as part of post-deployment relationship building and skills development.</li> </ul> </li> </ul>	'Additionality' can be captured, with clear responsibilities for this function.	MA and DFID management team	31 March 2012	Open
15.		Perceived lack of performance control mechanisms for MA	<b>Recommendation O:</b> DFID and the MA undertake a consultation on possibilities around developing efficiency-saving strategies (particularly with respect to the managed fund, but also relating to	<ul style="list-style-type: none"> <li>MA to discuss IFUSE incentive structure and performance control with DFID at end February 2013 meeting.</li> <li>MA to produce a 'FAQ' document, to reduce nugatory</li> </ul>	Joint examination of potential efficiencies in IFUSE procedures.	MA and DFID management team	30 June 2012	Open

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
			processes that save time on administration), which could result in a contract/logframe amendment.	<p>time spent by MA team explaining the IFUSE mechanism to potential users of the facility</p> <ul style="list-style-type: none"> <li>MA to submit a breakdown of current inputs to IFUSE assignments to inform any further action required on this recommendation</li> </ul>				
16.		Lack of clarity over who (DFID or the MA) is responsible for the measurement of VFM.	<b>Recommendation P:</b> that by the end of March 2013, clear, numerical measures of VFM should be agreed, with benchmarks established and reporting responsibilities well defined.	<ul style="list-style-type: none"> <li>MA to set out how to adjust current management information systems to better capture data on economy and efficiency.</li> <li>MA to discuss with DFID to agree how 'effectiveness' is to be measured and who has responsibility for what, in the context of the logframe adjustments mentioned above.</li> </ul>	Clearer evaluation of VFM	MA and DFID management team	31 March 2012	<b>Closed</b>
17.	<b>Strengthening accountability &amp; ownership</b>	Incentives to address issues weak, lines of accountability unclear, shared vision weak.	<b>Strategic recommendation</b> geared towards clarifying lines of accountability and ownership.	<ul style="list-style-type: none"> <li>MA to discuss with DFID during lat February 2013 meeting.</li> </ul>	Clearer incentives, lines of accountability and shared ownership, meaning a greater likelihood of success.	MA and DFID management team	31 March 2012	<b>Closed</b>
18.	<b>Promotion of high quality knowledge sharing</b>	Risk of limited evidence of knowledge sharing amongst IFUSE participants or an emerging peer-to-peer network at beneficiary level	<b>Recommendation H:</b> MA to clarify with DFID management team (by end March 2013) their interpretation of relationships directly attributable ('generated as a result of') to the IFUSE mechanism. DFID to consider if MA reporting has so far been in line with the intention of the indicator and if a modification of the indicator is necessary to accurately reflect IFUSE's additionality.	<ul style="list-style-type: none"> <li>MA to discuss with DFID during end February 2013 meeting to revisit the logframe, examine what good practice resembles and to outline proposals for an alternative indicator for measuring the emergence of peer networks.</li> </ul>	Clearer understanding of the indicator and potential reworking of the logframe. Ability to fine-tune IFUSE definition of knowledge sharing.	MA, with contributions from DFID management team	31 March 2012	<b>Closed</b>
19.		The 'high quality' aspect of knowledge sharing is not captured in	<b>Recommendation I:</b> the logframe would benefit from a specific indicator that defines assignment quality in terms of application to more than one IFUSE deployment,	<ul style="list-style-type: none"> <li>MA to discuss and agree way forward with DFID management team at end February 2013 meeting.</li> <li>DFID management team to</li> </ul>	Quality of knowledge sharing becomes measurable.	DFID Management Team with support from MA	31 March 2012	<b>Closed</b>

No	Category	Issue / risk	Recommendation (with reference to relevant annual review recommendation where appropriate)	Actions	Expected Impact	Owner(s)	Deadline	Status (open/closed)
		indicators	to capture potential for relevant lesson-learning or programme refinements.	produce proposals for logframe review by end March 2013, with input from MA as required.				
20.	Collaboration across OGDs pre- and post-deployments	Risk of knowledge sharing between deployments weak, diminishing the impact of IFUSE	<b>Recommendation J:</b> To support reporting against the proposed indicator at point B, the coordination of lesson-learning across deployments/between OGDs/country partners needs to be strengthened and better communicated by the MA, even in the absence of the formal on-line network previously envisaged.	<ul style="list-style-type: none"> <li>MA to set out suggestions on how to improve knowledge sharing, including:               <ul style="list-style-type: none"> <li>- Using feedback forms to capture information differently (including structured feedback at defined points post-deployment);</li> <li>- Suggesting a more dynamic lessons-learned approach, for example including interviews with beneficiaries and NGOs;</li> <li>- Piloting knowledge sharing / lessons learning type events outside of the oversight committee;</li> <li>- Including FAQs on the IFUSE website.</li> </ul> </li> </ul>	Improved knowledge sharing leading to greater demand and supply stimulation and more efficient deployment processes.	MA, with support from DFID management team	31 March 2012	<b>Closed</b>
21.		That the strategic case for IFUSE concerning strengthening OGD cooperation with respect to learning opportunities is no longer relevant or critical to IFUSE success	<b>Recommendation K:</b> The contribution of cross-OGD collaboration to supporting IC reform activities would be better captured by noting the instances in which the deployed experts had successfully called on wider HMG expertise during their deployment or in the post-deployment stage.	<ul style="list-style-type: none"> <li>MA to discuss and agree way forward with DFID management team at end February 2013 meeting.</li> <li>DFID management team to produce proposals for logframe review by end March 2013, with input from MA as required.</li> </ul>	Suggested impact: output 4 rolled into output 3 of the logframe to strengthen the latter and align with DFID reporting requirements.	DFID management team with support from MA.	31 March 2012	<b>Closed</b>

## IV. Annex 4: Supply and demand note

# Draft strategy for increasing and sustaining IFUSE supply and demand

20 March 2013 v1.4

### 1 Introduction

This note sets out a draft strategy for increasing and sustaining supply and demand under the Investment Facility for UK Specialist Expertise (IFUSE), for discussion with and validation by DFID so that we can agree on an updated engagement plan and the actions required to manage the key supply and demand risks facing the programme.

This note responds to two recommendations in IFUSE's first annual review and its accompanying strategic recommendations (finalised in January 2013), namely:

- **Additional strategic recommendation one:** develop a robust strategy to increase and sustain the demand for expertise from developing countries and develop clearer lines of accountability.
- **Recommendation L(i)** develop a robust strategy to increase and sustain the supply of expertise from OGDs.

These recommendations stem from the concern that, in spite of the combined efforts of DFID and PwC as MA we run the risk of (1) not generating sufficient demand for IFUSE's services, and (2) matching IFUSE demand with appropriate supply from across the participating UK government departments. This is critical for three reasons: IFUSE has an ambitious year-on-year target (30-50-70) for the number of deployments, a requirement to show a measurable impact on the business environment through its activities and also to demonstrate value for money.

We expect this strategy to deliver the following benefits:

- On the **demand side**, the creation of a steadier and more predictable pipeline of demand which will: (a) have positive benefits on the supply side and for the MA and DFID by enabling more accurate resource planning and forecasting; and (b) enable IFUSE activities to become more strategic and focused on outcome level effectiveness, as well as the delivery of high quality outputs;
- On the **supply side**, increasing the number of appropriate experts available to provide support to IFUSE, with IFUSE becoming a more sustainable programme, delivering results and value for money.

For clarity we group our recommendations below under the two themes of demand and supply stimulation, as well as setting out the work we are already doing to generate demand and supply for IFUSE.

### 2 Increasing and sustaining demand

#### 2.1 *Increasing the number of deployments that offer a sustainable pipeline*

We need to increase the number of opportunities that cover multiple DFID partner countries and which offer a sustainable pipeline through a single organisation or initiative, not only to offer a more predictable flow of opportunities but also to increase overall programme efficiency. Examples include:

- Working with HMRC and the World Trade Organisation on a programme of assistance to trade facilitation negotiations which should result in four deployments before July 2013 and many more before end 2014. We are also working to get DFID and the FCO to make use of IFUSE support under the Arab Partnership, covering some five countries in the MENA region.
- Building on our existing connections with 'tier 3' multilateral institutions such as the Commonwealth Secretariat and with the United Nations Conference on Trade and Development (UNCTAD) to see if there are any programmes with an obvious entry point for IFUSE. We would like to explore this approach further with DFID to explore what other opportunities of this type with multilateral institutions are out there.
- Building in follow-up activity as part of each IFUSE intervention's design. Whilst IFUSE deployments typically take the form of short-term, targeted support, we try to encourage repeat assignments since effective implementation of recommendations typically demands more sustained support. Having discussed this with DFID and the OC members we have agreed on the strategic value of 'repeat assignments' and will reflect this in the IFUSE logframe.

## 2.2 *Clarifying IFUSE's core strengths to potential users of the facility*

In order to build demand for IFUSE we have found that it is important not just to talk about the thematic areas covered by the facility but its comparative advantage over, or complementarity with, other forms of technical assistance. This is a recurrent theme in discussions with potential users. Specifically we need to:

- Clarify the core strengths of IFUSE and possibly focus on 'repeatable propositions' offered by core IFUSE participants, for example the work HMRC have done with revenue authorities in Africa, and the work that BRDO have delivered in developing deregulation strategies in a number of countries in central Asia and Africa. At the same time we can be clearer to potential users of the facility on what counts as an investment climate reform theme and showcase the specific expertise of participating OGDs.
- Do more to illustrate IFUSE communications with practical examples of deployments, including quotes from the facility's users on its benefits. Similarly we need to be aware of the need to adapt communications styles to different country contexts (for example, in Nigeria, formal written correspondence is the best way to get government bodies' attention).
- Clarify lead times for IFUSE assignments, including examining how we can reduce the turnaround time between the initial request for assistance and the ensuing deployment. This is a question that crops up often in discussions with potential users.

Modifying and updating the IFUSE website and publicity material will help articulate these key messages (including updating the descriptors of available expertise, which will be drafted by the OGDs). Further to discussions with the OC we will be publishing a 'Frequently Asked Questions' document to enhance understanding of IFUSE and make the deployment process more efficient.

## 2.3 *Identifying additional channels for both DFID and the MA to generate and sustain demand*

Part of our strategy for increasing demand consists in boosting existing marketing of IFUSE to DFID country offices and potential IFUSE users in government. Existing approaches that we propose to develop further include:

- Using PwC's network of member firms to publicise IFUSE in DFID partner countries and regions, particularly using their contacts in government, which we started in January and which has already produced useful leads.

- Harnessing existing PwC-managed projects (such as DFID's Business Innovation Facility (BIF) and SIDA's Innovations against Poverty (IAP)) to take IFUSE directly to beneficiaries and DFID country offices, and capitalising on other overseas travel by IFUSE personnel (Ethiopia, Somalia and Kenya being recent examples). BIF has appointed a dedicated manager based in each of its target countries, having found that identifying and pursuing opportunities without a permanent in-country presence is extremely difficult. We may be able to use this network of managers as an additional channel for IFUSE services.
- Talking to other organisations with business interests in DFID partner countries that could leverage contacts in government (such as British Expertise (the UK's leading business association representing British firms' interests internationally, and Trademark East Africa).

Other approaches we can take include the following:

- Making more effective contact with DFID PSD advisers both at HQ and country office level, which could also include connecting with DFID or FCO secondees in partner country governments or international financial institutions (IFIs). We would like more support from DFID to make connections since 'cold calling' by the MA may not always get the strength of results we are looking for. For example, our attempts to pursue opportunities following the DFID PSD advisers' retreat have met with a positive, but limited response (just two responses to date out of seven follow-ups by us, only one of which (DFID Somalia) demonstrated real interest in IFUSE).
- Specifically, the MA will need more support with the following:
  - Increasing efforts to promote IFUSE through directors and heads of department;
  - Identifying and discussing IFUSE opportunities with other donors with a significant in-country presence in DFID partner countries;
  - Circulating a 'how to' note to all advisors, what IFUSE offers and what competencies does it offer (drawing on PwC's additional work on IFUSE communications);
  - Ensuring the DFID management team is kept in the loop interactions between PwC and DFID so that colleagues can track queries or requests for clarification.
- Refreshing the strategy for publicising IFUSE at key sector events attended by DFID, PwC and OGDs to cover 2013 and 2014. One such opportunity is at the annual *Civil Service Live* event in July.
- Systematically identifying investment promotion agencies in the UK (such as UK Export Finance), private sector interest groups in DFID partner countries and IFI resident representative networks which can help pinpoint specific investment climate issues for IFUSE take-up and help us make connections with relevant contacts in beneficiary governments.

### 3 Increasing and sustaining supply

#### 3.1 *Identifying investment climate themes which are well-covered by IFUSE OGDs and those which need further development*

We recognise that IFUSE needs to expand the range of investment climate themes it covers in order to make it more attractive as a facility to DFID partner country governments. As a first step, we have already mapped the agreed IFUSE investment climate themes against existing OGDs to identify (1) gaps in thematic expertise and (2) the areas in which fewer deployments have been carried out, and exploring the reasons

why. We suggest presenting this overview at the 7 March Oversight Committee meeting so that we can agree on actions to boost coverage of investment climate themes.

### *3.2 Developing a 'testimonials' piece for IFUSE to give OGDs an idea of the benefits and requirements of deployments*

We need to do more to illustrate to the OGD audience what deployments look like in practice and in particular how they offer excellent learning and development (L&D) opportunities. Our aim is get to a position where OGDs view IFUSE as an integral part of L&D for their personnel.

To do this we propose to produce more dynamic illustrations of IFUSE in practice through:

- Producing a series of short video interviews ('talking heads') with experts for sharing across the IFUSE OGD network.
- Staging learning events outside of Oversight Committee meetings where experts can share their experiences more directly, and documenting/ disseminating the learning (this corresponds to the 'knowledge-sharing' recommendation in the annual review).
- Capturing written testimonials from experts who have done IFUSE deployments to share their perspectives on the benefits of participation. These could be showcased online, through OGD learning and development coordinators, and at big events such as Civil Service Live. Following discussions with DFID and the OC we will agree a strategy for raising awareness of and engagement in IFUSE, including at permanent secretary and director general levels, including scoping out the possibility of having IFUSE 'awards' or a similar event to mark our first year of operations.

Repeating these activities periodically, potentially bi-annually or quarterly, will allow us to refresh our content in order to maximise its appeal either to 'reluctant participant' OGDs, or those who are yet to formally engage with IFUSE.

### *3.3 Harnessing a wider pool of expertise*

One theme in the original IFUSE terms of reference that we have explored - but not conclusively - is the use of experts outside the OGD pool. Potential sources of expertise we could consider include, for example, recently retired civil servants, professional bodies, standards institutions or third sector organisations.

The main driver for this proposal is the perceived risk that OGDs - with their reduced budgets and increasingly stretched human resources - might not be able to respond adequately to demand for IFUSE support. Organisations outside of the OGD pool would have to be selected according to strict criteria to avoid dramatically changing the 'government to government' character of IFUSE, and in ways that maintain value for money, for example, by operating on an 'at-cost' basis (or equivalent), rather than a consultancy basis.

Following discussion with the OC the MA has agreed to scope out a pilot assignment in year 2 using an expert from one of the sources set out above. As part of this we will evaluate the impact on costs to DFID and other operational issues, including the management of duty of care issues.

### *3.4 Documenting 'lessons-learned' from OGDs such as the BRDO explaining how they have managed to mobilize their department in support of IFUSE*

We know that some OGDs, such as BRDO, have made a particular effort as part of their international programme to invest in IFUSE, and have managed to secure a clear and sustained commitment to the

facility in practice. By contrast other OGDs have found mustering support for IFUSE more challenging, meaning that generating a positive response for individual deployments has also been challenging.

We would like to invite the OGDs that have been stronger at institutionalising IFUSE to present their approach at the Oversight Committee in order that the others can draw lessons for their own participation in the facility, and adopt this in our marketing of IFUSE to new OGDs.

In taking this forward, we are conscious that although the OC has proved an effective governance forum for IFUSE to date, we should seek opportunities to augment it to ensure that we have a regular channel at a more senior level into key participating Departments. Following discussion with OC members we have agreed that on balance the OC remains the right forum for IFUSE. We will therefore explore ways of refreshing the focus and agenda of OC meetings.

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## V. Annex 5: IFUSE activity in Year 1

Date of deployment	Country	Requestor (institution)	Target OGD	Beneficiary	Type of deployment	IC issue	Type of support	Follow up (Y/N)
11-17 March 2012	Rwanda	Rwanda Revenue Authority(RRA)	HMRC	Rwanda Revenue Authority	In-country deployment	Leadership development and performance management	Scoping mission for leadership development and performance management training in the RRA	No
28 May to 1 June 2012	Kyrgyzstan	IFC	BRDO	Ministry of Economic Regulation	In-country deployment	Regulatory reform	Review the institutional set up of the inspections systems and provide proposals for institutional reforms	Yes – second deployment
16-25 July 2012	Tanzania	FCO	HMRC	Tanzania Revenue Authority (TRA); population of Tanzania and investors	In-country deployment	Taxation	Review the current design, structure, content and administration processes of taxpayer education and the TRA's website	Yes – second deployment (inward visit)
3-7 September 2012	Vietnam	DFID Vietnam	IUK	DFID Vietnam	In-country deployment	PPP	Support DFID Vietnam and the Vietnam PPP Office to define areas for DFID support to strengthen the capacity and the legal and institutional framework for the PPP programme.	No
17-21 September 2012	Tanzania	FCO	HMRC	Tanzania Revenue Authority; population of Tanzania and investors	Inward visit	Taxation	TRA delegation visit to the UK to view first hand best practice in customer service and taxpayer education	Yes – third deployment
17-22 September 2012	Kenya	IFC	BRDO	City Council of Nairobi and Ministry of Local Government	In-country deployment	Regulatory reform	Support the city council of Nairobi build on previous reform work by improving implementation procedures, capacity building, risk analysis and the development of checklists	Yes – second deployment to be confirmed
8-12 October 2012	Tanzania	FCO	HMRC	Tanzania Revenue Authority; population of Tanzania and investors	In-country deployment	Taxation	Consultancy service for website improvement	Yes – four deployment

Date of deployment	Country	Requestor (institution)	Target OGD	Beneficiary	Type of deployment	IC issue	Type of support	Follow up (Y/N)
9-14 October 2012	Tajikistan	Land Registry	Land Registry	Government of Tajikistan (Tajikistan Land Committee)	Knowledge sharing	Conference on role of land registry authorities and growth	To help Tajikistan's land registry authority gain comparative lessons and experience on how land registry offices can help find solutions to the ongoing economic crisis affecting the global property markets	No
15-19 October 2012	Mozambique	National Inspection Body INAE	BRDO	National Inspection Body INAE	In-country deployment	Regulatory reform	Review the institutional set up of the inspections systems and provide proposals for institutional reforms	Yes – representative from NIAE attended a BRDO/World Bank conference
17-19 October 2012	Burma	FCO	UKTI	Myanmar Government and Myanmar Investment Commission	In-country deployment	Capacity building – foreign investment	Provide advice on foreign investors' needs, before parliamentary discussion of the new foreign investment law	No
22-26 October 2012	Kyrgyzstan	IFC	BRDO	Ministry of Economic Regulation	In-country deployment	Regulatory reform	Deliver risk awareness and risk analysis training; and work with planning staff in the Inspectorate to complete an initial strategic plan	Yes – knowledge sharing event June 2013

Date of deployment	Country	Requestor (institution)	Target OGD	Beneficiary	Type of deployment	IC issue	Type of support	Follow up (Y/N)
21-23 November 2012	Mozambique Tajikistan Kyrgyzstan Nigeria Kenya	World Bank	BRDO	City Council of Nairobi and Municipal Council of Mombasa; State Inspectorate for Environmental and Technical Safety Kyrgyzstan; National Inspection Body – INAE of Mozambique Government; Office of the President & State Committee on Investments and State Property Management Tajikistan; and Lagos State Government	Knowledge sharing event	Regulatory reform	Share current practice in business inspection reform through peer to peer learning and provide practical learning experiences for delegates	Yes – deployment to Tajikistan end of April 2013 and second deployment to Kenya to be confirmed
5 November to 17 January 2013	Uganda	Uganda Revenue Authority	HMRC	Uganda Revenue Authority	Desk based review	Taxation	Review the current proposal for the URA Tax Investigation Training Curriculum and determine best option for the design and delivery of the Tax Investigation Training Curriculum and make recommendations on improvements.	Yes – second deployment HMRC couldn't but expert but SOCA expert now involved
21-25 January 2013	Rwanda	Rwanda Revenue Authority	HMRC	Rwanda Revenue Authority	Inward visit	Intelligence, Investigation and Risk Profiling Training	Enable the RRA Tax Investigators witness first-hand HMRC's approach to tax intelligence, investigation and risk profiling and apply this learning to the RRA on their return	Yes – second deployment on audit skills

Date of deployment	Country	Requestor (institution)	Target OGD	Beneficiary	Type of deployment	IC issue	Type of support	Follow up (Y/N)
21-29 January 2013	Liberia	IFC	BRDO	Ministry of Commerce and Industry and its Inspectorate Division	In-country deployment	Regulatory reform	Provide practical support to improve the effectiveness of the inspection process and provide technical expertise and recommendations in relation to risk based approaches, capacity building measures, coordination and business engagement to improve the effectiveness of inspections	Yes – second deployment to be confirmed
4-8 February 2013	Rwanda	Rwanda Social Security Board	GAD	Rwanda Social Security Board	In-country deployment	Set-up of a Provident Fund	Advice on the set-up and implementation of a defined contribution scheme	In part – initial request for additional assistance from RSSB – OGD to be confirmed
26 February 2013	Tanzania and Uganda	Managing Agent	HMRC	Tanzania Revenue Authority and Uganda Revenue Authority	Knowledge sharing event	Knowledge sharing event	Help revenue authorities share lessons and experience and to explore how iFUSE could help the authorities take forward any of the discussed actions	In part – having discussions with revenue authorities for further support

Date of deployment	Country	Requestor (institution)	Target OGD	Beneficiary	Type of deployment	IC issue	Type of support	Follow up (Y/N)
27 February to 1 March 2013	Pakistan	Competition Commission of Pakistan	OFT	Competition Commission of Pakistan	Knowledge sharing	Organisation for Economic Co-operation and Development conference	Allowing the Competition Commission of Pakistan share and discuss experience with equivalents from around the world, giving them new insights and ideas, and strengthening their hand within the Pakistani government. Also to develop a peer to peer relationship that will enhance the quality of knowledge exchange and support sustainable competition reform.	Yes – follow up deployment to Pakistan March 2013
6-13 March 2013	Tanzania	FCO	HMRC	Tanzania Revenue Authority; population of Tanzania and investors	In-country deployment	Taxation	Build on the recommendations for improvement from previous deployments with a focus on ensuring a successful soft launch of the TRA website.	Yes – fifth deployment to be confirmed
11 March 2013	Ghana	Ghana National Insurance Commission and Deutsche Gesellschaft für Internationale Zusammenarbeit	GAD	Ghana National Insurance Commission	Conference sponsorship	Actuarial capacity development	Support the formulation of an Actuarial Capacity Development strategy.	Yes – second deployment to be confirmed
25-29 March 2013	Pakistan	Competition Commission of Pakistan	OFT	Competition Commission of Pakistan	In-country deployment	Technical capacity building	Technical capacity building of the professional staff (bid rigging; enforcement tools to tackle cartels; and advanced economic theories).	No

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We certify that any expenditure shown above in the quarter 4 report and detailed in the accompanying Statement of Expenditure has been actually and necessarily undertaken on behalf of the project as specified in the Project Document and as agreed by the Department for International Development. Any forecast of expenditure shown above in the quarter 4 report and detailed in the accompanying Forecast of Expenditure represents a realistic forecast of payments to be made by the end of the forecast period.