

**Joint FCO, DFID and MOD Management Response to the Independent Commission for Aid Impact recommendations on:
Evaluation of the Inter-Departmental Conflict Pool, July 2012**

ICAI Recommendation	Accept/ Partially Accept /Reject	Action already taken	Action to be taken	Target date
<p>Recommendation 1: The Building Stability Overseas Board should develop a clearer strategic framework specifically for the Conflict Pool, to clarify its comparative advantage alongside DFID (particularly in regional programming) and identify how it will integrate defence, diplomacy and development into a multidisciplinary approach to conflict prevention.</p>	Accept	<ul style="list-style-type: none"> The Building Stability Overseas Strategy, (BSOS) published in July 2011, for the first time sets out strategic conflict prevention priorities for the Conflict Pool. The subsequent introduction of multi-disciplinary results-based resource bids in autumn 2011 has resulted in a more strategic approach by better aligning available resources to these priorities. Work on developing reporting templates against which the Building Stability Overseas Board (BSOB) can track progress is in hand. 	<ol style="list-style-type: none"> The Conflict Pool Secretariat will develop a Conflict Pool Strategy for the BSOB's approval by the end of 2012. 	End 2012
<p>Recommendation 2: By the next Conflict Resources Settlement (starting in 2015-16), the three departments should simplify</p>	Accept	<ul style="list-style-type: none"> The NAO's landscape review of the Conflict Pool in January 2012 made recommendations about improving and simplifying Conflict Pool management within its existing 	<ol style="list-style-type: none"> In the context of preparing for the next Spending Review, we will consider what other management arrangements and structures would be appropriate and optimal for the 	Subject to timing of next Spending Review.

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<p>the management structure for the implementation of Conflict Pool activities, while retaining a tri-departmental approach to strategy setting and funding allocation.</p>		<p>structure. The BSOB accepted almost all the recommendations and an implementation plan has been drawn up. We see the NAO's recommendations as complementary to ICAI's and implementation of the action plan will address many of ICAI's concerns.</p>	<p>Conflict Pool.</p>	
<p>Recommendation 3: At the next spending review, the three departments should work with the Treasury to reduce volatility in the Conflict Pool budget.</p>	<p>Accept</p>	<ul style="list-style-type: none"> • Various changes introduced at the beginning of the current Spending Review period have already markedly reduced volatility, for example: <ul style="list-style-type: none"> - Better arrangements for the forward purchasing of foreign currency for the Peacekeeping Budget, which have reduced the impact of exchange rate fluctuations and improved forecasting; - The introduction of multi-year resource allocations, with additional resources to be allocated on a yearly basis; - The introduction of the Early 	<p>3. In the context of preparing for the next Spending Review, we will consider what further measures could be appropriate to reduce volatility in the conflict resources settlement.</p>	<p>Subject to timing of next Spending Review.</p>

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		Action Facility, which provides the Pool with greater flexibility to respond to changing or emerging priorities.		
<p>Recommendation 4: To maximise its impact, the Conflict Pool should match its funding model to its specific objectives, balancing a proactive approach to identifying partners for larger-scale activities with a flexible and responsive grant-making process for promising local initiatives and paying more attention to leveraging other resources to take pilot activities to scale.</p>	Accept	<ul style="list-style-type: none"> The Conflict Pool's guidance stresses the importance of working with others engaged in conflict prevention activities and encourages the use of Pool resources for leveraging other support. The results offers template also asks programmes to identify other partners. A number of Conflict Pool programmes, e.g. in the Middle East and North Africa region, have already successfully leveraged other resources where the opportunities exist. 	4. We will develop new programme guidelines to address this.	Autumn 2013.
<p>Recommendation 5: The Conflict Pool should adopt guidelines on risk</p>	Accept	<ul style="list-style-type: none"> The BSOB recently approved a risk register for the Building Stability Overseas Strategy; this includes 	5. The guidelines referred to in action 4 will address this.	Autumn 2013

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management and conflict sensitivity.		high level Conflict Pool risks. These will henceforth be reviewed on a quarterly basis. Conflict Pool programmes are required to maintain their own risk registers. At the project level existing project documentation includes risk assessments as a core element. Conflict Pool guidance includes a short section on risk and refers programmes to departmental best practice.		
<p>Recommendation 6: The Conflict Pool should develop a balanced monitoring and evaluation system which encompasses both strategic resource management and real-time assessment of the outcomes of specific projects.</p>	Accept	<ul style="list-style-type: none"> The Building Stability Overseas Strategy committed the Government to enhancing the Conflict Pool's M&E. The first stage of this was putting in place results offers which better linked resources to delivery. The Conflict Pool Secretariat is now developing programme-level monitoring/reporting templates, against which progress towards delivering the results offers can be assessed. 	6. We will issue improved guidance on monitoring and evaluation for the Conflict Pool.	March 2013

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		<ul style="list-style-type: none"> New project forms introduced this FY include a clearer and more substantial M&E requirement at the project level. 		