

Annual Review

Title: Ethiopia Portfolio Assurance Programme Phase II (EPAP II)		
Programme Value £ (full life): £1 million		Review Date: December 2019
Programme Code: 300436	Start Date: September 2017	End Date: March 2020

Summary of Programme Performance

Year	2018	2019						
Programme Score	B	A						
Risk Rating	Minor	Minor						

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A. Summary and Overview

Description of programme

DFID Ethiopia (DFIDE) has a high value portfolio (currently the largest UK bilateral programme globally). It operates in a challenging context where there are some high levels of delivery and fiduciary risks. The Ethiopia Portfolio Assurance Programme Phase II (EPAP II) aims to strengthen DFIDE's ability to identify, understand, address and manage these risks.

Specifically, the programme:

1. Commissions in-depth reviews of the highest risk elements of DFIDE's portfolio, ensuring that there are robust governance, management and financial controls to manage and mitigate risks;
2. Conduct targeted cash flow tracking reviews following the complete delivery chain from implementing partner through to downstream beneficiary/recipients;
3. Support staff in interpreting finance and assurance reports and adequate follow up;
4. Maintain capability to respond to emerging risk areas, which may include targeted forensic audit in the areas of interest to specific programmes.

EPAP II is expected to provide increased assurance in some of the key priority risk areas in DFID. Beyond helping manage fiduciary risk, these activities will help DFIDE better identify and manage delivery and reputational risks in the major risk programmes and across the portfolio. EPAP II has also explicitly incorporated safeguarding risk reviews as part of the recent safeguarding initiative in DFID.

At the impact level, the programme aims to improve the efficiency and effectiveness of DFID's investment in Ethiopia to ultimately ensure funds are reaching to their intended beneficiaries. The outcome of the programme is improved financial, risk management and governance structures of implementing partners of DFIDE.

The programme is a successor to the original Ethiopia Portfolio Assurance Programme (EPAP I) and builds on the work and lessons learnt from EPAP I. It is delivered by IPE Global Limited as per the contract signed in November 2018.

Summary supporting narrative for the overall score in this review

EPAP II's overall performance against the two outputs for this first year of implementation is scored an A, meeting expectations.

This year, EPAP II focused on completing its inception phase, to lay the foundations for the full implementation of the programme. This included a cross-office effort in DFIDE to agree key criteria for selection of programmes for EPAP II risk reviews, nominations of programmes, developing and agreeing scopes and methodologies for reviews.

EPAP II has been adaptive and flexible in its approach to develop tailored risk reviews based on the needs of each programme and its mandate on assessing the management of key risk areas such as safeguarding, and programme monitoring has been reinforced. EPAP II undertook full review of agreed components of the two selected programmes, culminating in the identification of key risks and recommendations to address these, which were largely accepted.

The work completed this year has been a key step in the journey to achieve the overall objective of EPAP II of maximising assurances across the portfolio and optimising value for money (VFM) for DFIDE.

Table 1: Summary of output performance:

Output	Output Description	Impact Weight (%)	Output Performance
1	Inception phase successfully completed	50	A
2	Quality reports and effective action plans established and managed in accordance with identified needs within the DFID Ethiopia portfolio	50	A

Recommendations for the year ahead

1. **Lesson Learning and dissemination of key findings:** **the key issues identified from the two risk reviews, recommendations and lessons learned should be shared with other programme teams in DFIDE.** This will help to enhance the capability of DFIDE's staff and contribute to the overall desired outcome of the programme. Furthermore, **there should be an internal lesson learning, building on the outcome of the survey of programme teams already undertaken, to assess ways of improving future EPAP II risk reviews.**
2. **Follow up on risk review recommendations with a view to sustain improvements:** while the identification of risks and the related recommendations to manage these by the EPAP II risk reviews are useful to DFIDE and its partners, the real value of EPAP II is secured when all accepted recommendations are fully implemented and are internalised. **SROs and Team Leaders should ensure that recommendations are implemented, and an update should be provided to the Deputy Head of DFIDE's Operation Excellence team at least three times a year (i.e. every four months on average).**
3. **Improved process for programme selection for EPAP II risk reviews:** There were challenges in DFIDE internally to put forward programmes to be reviewed by EPAP II despite the cross-office engagement. This caused delays in the inception phase. **A 'top-down' approach to programme selection should be considered early (i.e. increased senior management engagement) alongside the more consultative 'bottom-up' approach that was mainly adopted this year.**
4. **Consider including financial aid programmes in next reviews:** No financial aid programmes were included in the programme's reviews in the past year. DFIDE's updated draft Fiduciary Risk Assessment (FRA) 2019 assesses moderate fiduciary risk, with an increasing trajectory of risk of the public financial management system in Ethiopia. DFID should review the programme selection criteria for the next round of EPAP II risk reviews to consider whether they remain most appropriate.

5. Resourcing of EPAP II: EPAP II's implementing partners, IPE Global, should fill any existing resourcing gaps (e.g. the focal person based in the Ethiopia should be replaced urgently). IPE should also consider appointing a support staff to help organise its activities better (e.g. in-country visits).
6. Conclude recommendation on extension of EPAP II: A recommendation on whether EPAP II should be extended beyond the current end date of March 2020 should be made to the Head of Office in quarter 4 of UK's financial year 2019/20. The two risk reviews in the first year of implementation and this AR provide an initial evidence base for this consideration, which has demonstrated the real value add of EPAP II. However, several other factors need to be considered. These include the DFID wide internal business planning underway and operating model considerations, DFIDE teams' demand for the programme, the resourcing available to support the delivery of the programme and an assessment of overall risk faced by DFIDE.

Acronyms:

AR: Annual Review of programme
BDD: Better Delivery Department
BRE: Building Resilience in Ethiopia Programme
DFID: Department for International Development
DFIDE: DFID Ethiopia
EPAP II: Ethiopia Portfolio Assurance Programme (Phase II)
FA: Financial Aid to the Government of Ethiopia
FACC: Financial Accountability and Anti-Corruption Committee of DFIDE
FPbC: Family Planning by Choice Programme
FRA: Fiduciary Risk Assessment
GEFA: Global Evaluation Framework Agreement
GEQIP-E: General Education Quality Improvement for Equity Programme
IPE: IPE Global Limited
M&E: Monitoring and Evaluation
N/A: Not Applicable
PPA: Partnership Principles Assessment
R&M: Refugee and Migration Programme
SRO: Senior Responsible Owner
TA: Technical Assistance
VFM: Value for Money

B: DETAILED OUTPUT SCORING

Output Title	Inception phase successfully completed		
Output number per LF	1	Output Score	A
Impact weighting (%):	50%	Impact weighting % revised since last AR?	N/A – Output not in last AR

Indicator(s)	Milestone(s) for this review	Progress
1.1. Portfolio level consideration undertaken to agree selection of programmes for review	- Approach to programme selection presented to FACC (and whole office) and agreed	All milestones were achieved meeting expectation - A
	- Working Group to agree criteria for selection of programmes and programme selection formed	
	- At least one programme selected from each team (i.e. 3) to be screened/assessed for inclusion in year 1 reviews	
1.2. Programme specific work undertaken	- Methodology for reviews developed by managing agent, discussed with DFID programme teams and all comments incorporated	All milestones were achieved meeting expectation - A
	- Decision made on 2 programmes to be included for reviews	
	- Engagement with partners held and field visits undertaken to develop a deeper understanding of risks and potential solutions	
	- Risk review of 2 programmes initiated	

Supporting narrative for the score

The inception phase of the EPAP II programme was concluded successfully. A process was put in place to reach consensus on the five criteria to be used for selection of programmes, programmes were nominated for review, and choices of programmes for review made. Scope and detailed methodologies for reviews were agreed between IPE and DFIDE and two reviews have been completed since the end of the inception period. Although the selection of programmes took longer than anticipated, the output was delivered as expected, scoring A.

Indicator 1.1 The approach for the inception phase built on the success of and learnings from EPAP I. These indicated the need for a comprehensive engagement of DFIDE teams and partners to agree the approach that each review should take, to ensure that value addition is optimised.

The overall approach EPAP II would take was presented at an all staff meeting in DFIDE and feedback was collected from teams at the outset. Following this, the EPAP II inception phase invested time to ensure that a process was put in place across the DFIDE office to collectively decide on the focus of the EPAP II risk reviews. A working group was formed with two representatives from each DFIDE team, who were tasked to collate views on key risks in each of their teams. The working group agreed on the following five key criteria for selection of programmes. These are areas where there are identified risks on:

1. Governance and management structures within partners and their robustness
2. Partners capacity to deliver
3. Delivery structure (this could be both complexity of the delivery chain and/or a programme having a combination of different aid delivery modalities)
4. Programmes which operate in environment where there is a high risk of corruption
5. The major-risk rating in a programme (e.g. this could be delivery, fiduciary)

It was also agreed that the EPAP II reviews should support all the selected programmes on the area of safeguarding where relevant (linking the review to governance structures, HR processes, grievance redress mechanisms (GRMs), etc).

The EPAP II implementing partner, IPE was invited to this cross-office engagement, enabling them to listen to issues that they should consider in their reviews and to better define review scope.

Four programmes were nominated for consideration by teams - these were Family Planning by Choice (FPbC), General Education Quality Improvement for Equity (GEQIP-E), Refugee and Migration (R&M), and Building Resilience in Ethiopia (BRE) Programmes.

Indicator 1.2 The EPAP implementing partner, IPE conducted a desk review of key programme documents of the four programmes put forth for consideration (review of DFID business case, progress/performance reports, strategy documents, risk registers/maps, logframes and budget documents), with a view to develop a methodology paper that sets out the approach for each review.

Potential approaches for the reviews were discussed with DFIDE to help focus them on areas that were deemed to add high value to the delivery of the programmes. Interviews and discussions with DFID implementing partners were also held to identify risks that posed the highest levels of implementation challenges.

Two programmes were included in the first round of reviews. These were:

1. FPbC, where it was agreed that the EPAP II risk review should focus on the £20m Technical Assistance (TA) component, testing its effectiveness in supporting the overall objective of the Financial Aid to the Government of Ethiopia (FA) component. The review aimed to make recommendations on strengthening the implementing partner's capacity as a TA agency, support in strengthening reporting systems, and make recommendations on whether or not the component should be extended.
2. R&M, where the EPAP II risk review primarily focused on the three main multilateral delivery partners, assessing any gaps on capacity to deliver, assessing strength of monitoring and evaluation systems, VFM including measurement and reporting and testing the robustness of safeguarding measures put in place.

Full reviews of GEQIP-E and BRE will be considered in the second year of implementation of EPAP II. At the time of the development of the scope and methodology for the EPAP II reviews, GEQIP-E and BRE were either in the process of putting in place or had just appointed a TA agency to support the delivery of the non-TA elements of the programme's objectives. In addition, one of the partners of BRE, is already included in the R&M review, as a common partner for both programmes.

Lessons identified this year, and recommendations for the year ahead

- The consultative approach to selection of programmes (in line with the lessons learnt in EPAP I) promoted a collaborative and engaging process to selection of programme for EPAP II reviews. However, some levels of reluctance by DFIDE programme teams to put forth their programmes for reviews were exhibited. For example, following the EPAP II internal working-group's agreement on programme selection criteria, teams only identified one programme for review. The main factors that were presented for the low level of nominations were resource constraints, programmes being either at early stages or coming to end and programmes undergoing a recent audit. This contributed to the inception phase of EPAP II programme taking longer than initially anticipated. To avoid a reoccurrence of delays, a 'top-down' approach to programme selection should be considered early (i.e. increased senior management engagement) alongside the more consultative 'bottom-up' approach that was mainly adopted this year.
- DFIDE and IPE Global should consider reviewing an implementing partner that delivers two or more programmes to achieve economies of scale. There are likely to be overlaps on the risks identified and the findings from one programme review will have potential benefit for another programme – in a similar way a due diligence assessments (DDAs) and findings can be useful to multiple programmes delivered by the same partner. This approach proved useful in this round of reviews.

Output Title	Quality reports and effective action plans established and managed in accordance with identified needs within the DFID Ethiopia portfolio		
Output number per LF	2	Output Score	A
Impact weighting (%):	50%	Impact weighting % revised since last AR?	N/A – Output not in last AR

Indicator(s)	Milestone(s) for this review	Progress
2.1. Number of risk reviews completed for addressing key risks	Two reviews completed	Met expectation: A
2.2. % of members of DFIDE's programme team (whose programmes are reviewed) agree that the risk reviews were of high quality and helpful to their programme delivery	80% 'agree' or 'agree strongly'	80% of those surveyed 'agreed' risk reviews were helpful to their programme delivery – Met expectation: A
2.3. % of EPAP Review recommendations accepted by DFID programme teams	70% of recommendation accepted	90% of recommendations were accepted – Moderately exceeded expectations: A+
2.4. Action plans established and monitored by SRO's (e.g. in delivery plans, stand-alone trackers)	100% of accepted recommendations included in action plans	100% of accepted recommendations are included in trackers – Met expectation: A

Supporting narrative for the score

Overall progress towards output 2 met expectations, scoring A. IPE was able to build good relationships with partners in a short time and conducted assessments with sensitivity. IPE were able to identify several good practices on risk management and made recommendations that will help to enhance the delivery of the programmes, contributing to the overall aim of EPAP.

Indicator 2.1 IPE completed two reviews following the conclusion of the inception phase. The desk review of the two selected programmes (R&M and FPbC), initial discussions with DFIDE teams and partners based in Addis Ababa were followed by a series of engagements with a wider group of stakeholders. These included in-depth interviews and discussions with implementing partners that DFIDE has direct agreements with (i.e. Tier 1 partners such as MSI, Engender Health, AAU, UNICEF, UNHCR, ILO, WFP, DRC), and their downstream partners (e.g. Goal, STC, ACF, Plan, IMC). Field visits were also undertaken to refugee camps in two regions (Gambella and Tigray) for the R&M programme review and to Tigray and Amhara regions for FPbC. These enabled IPE to take a holistic view of the programmes and assess the issues identified for inclusion in reviews.

These reviews have assessed DFIDE's identification of and management of key risks and provided recommendations to strengthen risk management across a range of areas including monitoring, capacity for delivery, value for money, monitoring and evaluation and safeguarding. The EPAP II risk review findings presented options for TA to achieve its potential VFM, made recommendations on improving transparency and reporting, considered how improving governance and management structure can help improve programme performance and identified best practices adopted by one partner which can be replicated across others.

Indicator 2.2-2.4 The choice of the last three indicators in the logframe aimed to ensure that EPAP II reviews identify issues that enhance the delivery of programmes, make recommendations DFIDE programmes deem to be useful and promote close follow-up by teams on all the recommendations to help deliver the overall desired outcome of EPAP II.

All findings were fact checked and the recommendations made were discussed with DFIDE programme teams and implementing partners. These discussions were important, since it helped to focus IPE's recommendations on DFID's programme management and risk management processes (rather than policy related recommendations which were outside the scope). A short survey was conducted, the results

of which showed that the 80% of the primary beneficiaries of the reviews (i.e. DFIDE programme teams) thought that these were helpful to enhance the delivery of their programmes. This met expectations.

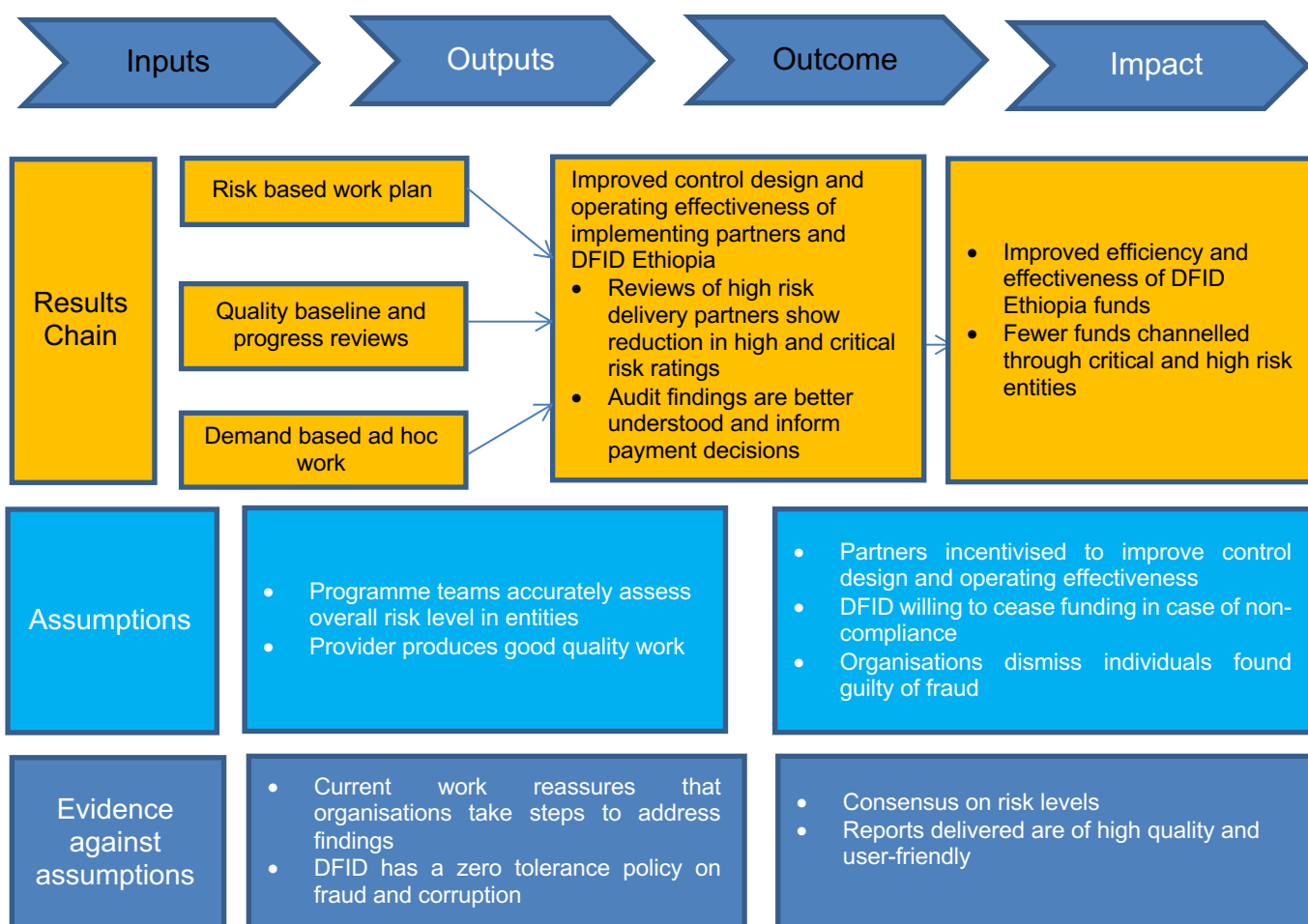
Following internal DFIDE considerations of the EPAP's teams' findings and discussions with partners, about 90% of recommendations were accepted by DFIDE. This is significantly above the 70% ambition set in the logframe. Recommendations for the FPbC and R&M teams are included in trackers to be followed up on.

Lessons identified this year, and recommendations for the year ahead linked to this output

- At times, the risk findings and related recommendations were high in number. This presents a challenge to DFIDE and partners on how to decide which findings and recommendations should be prioritised. **Going forward, IPE and its consortium partners should attach ratings (e.g. critical, high, major risk for risk findings and high, medium, low for prioritisation of recommendations).**
- **The importance of IPE engagement with DFID programme teams to define and agree recommendations.** Looking at the feedbacks provided in the survey of DFIDE programme teams and from discussions with them there are two areas for improvement:
 - a. A more detailed follow ups with the DFIDE programme teams and partners is needed, to ensure recommendations are in line with programme purpose (assessment of programme management and risk management). This needs to be built into review timelines.
 - b. Although the findings of the two reviews were deemed useful for programme delivery according to the survey, a need for improvement of the final reports of the reviews was highlighted.

C: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

Summary of EPAP II's theory of change



EPAP II is on track to achieve the intended outcomes and impact of the programme. EPAP II may also be used to review high risk programmes that are delivered by 'low risk' delivery to provide increased assurance.

Assurance reports have identified risk findings for R&M and FPbC programmes and made recommendations on implementing partners' operations management that should be addressed to enhance the effectiveness of the programmes. In the coming year, this and the findings from new risk reviews will be used to help strengthen the capability of DFIDE to manage risk.

Changes to the logframe in the past year

Ahead of last year's AR, the EPAP II logframe only had one indicator related to concluding the procurement process underway (with a contract put in place in November 2018) and making a start on planning the inception phase. In the past year this output was excluded from the logframe and two outputs were introduced. These were:

1. Inception phase successfully completed
2. Quality reports and effective action plans established and managed in accordance with identified needs within the DFID Ethiopia portfolio

Planned changes to the logframe

There are recommendations for changes to the logframe:

1. Output 1, which relates to the completion of the inception phase needs to be removed, as this has been completed this year.
2. Subject to the outcome of DFIDE's considerations on whether financial aid programmes should be included in the next reviews, an output related to this may need to be introduced with an appropriate weighting.
3. An output related to building the capability of DFIDE staff including through tools and templates, needs to be given an appropriate weighting in the second year with millstones agreed.
4. The changes proposed in 2 and 3 above, may mean the weighting of the output that relates to the delivery of reviews (currently output 2) needs to be changed.

D: VALUE FOR MONEY

Key cost drivers and performance

The key cost drivers are consultancy fee rates, economy class travel and accommodation expenses for the International/local specialists, as highlighted in the business case. Costed workplans were put in place for the inception phase and for each review. The DFID EPAP II team also shared templates to ensure that the specific costs against respective deliverables were outlined and agreed before payments were made, this was considered best practice in DFIDE.

Assessment of VFM compared to the proposition in the Business Case

Economy

In the business case, economy measures are linked to the professional oversight and quality assurance that is gained from the international firm of consultants.

The inception phase (which included desk review of four programmes) and the subsequent full risk review of the two programmes has cost £0.23m to date, providing assurance against around £170 million programming. In other words, every £1 investment in EPAP II has provided assurance of £762 worth of programming. The inception phase was also completed at one-fourth of the cost proposed in the contract. Furthermore, the average daily rate of an EPAP II consultant is GBP 289, which is significantly lower than the average DFID daily rate for international experts under the GEFA framework under which IPE has been contracted.

One of the programme reviews has also identified potential opportunities to improve costs of programme delivery by providing analysis on the administrative costs of the programme. The DFIDE EPAP II programme team can use this as a basis to have a constructive discussion with partners to test if goods and service can be delivered at cheaper prices to deliver the same results.

Efficiency

Efficiency is measured by having a standalone programme with centralised management. EPAP II has allowed a single point of management for a single supplier, which enables more focused quality assurance and reduced transaction costs for DFIDE. It also enables the facilitation of a centralised approach to portfolio assurance, lesson learning across the office and capability building.

Effectiveness

At a programmatic level, EPAP II will continue to provide added value, testing the rigorousness of programme management systems currently in place and will expose weaknesses. These enhance the assurance to DFID and to the UK taxpayers.

EPAP II has already been effective at identifying where programme and risk management can be improved and therefore the delivery of the expected outcomes. The lessons learnt, on the risks identified and the solutions, can also be used more widely in DFIDE to promote increased assurances across the portfolio. This feeds into the core objective of the programme to help build a more capable workforce in DFIDE and partners to eventually improve their ability to identify and address key risks.

Findings from EPAP II are being used as an input in decision making too, which is a key outcome of the programme. For example, in the FPbC review, EPAP II made recommendations to feed into consideration in programme extension decisions. After the completion of more reviews, we expect the EPAP II findings can be used to inform decision making including on new programme designs.

Equity

The EPAP II reviews are playing a key role in supporting the ongoing DFIDE work on strengthening safeguarding. EPAP II reviews have put in place robust checks on whether implementing partners are complying with DFID's safeguarding requirements. Strengthening consideration of safeguarding in risk assessment, will improve compliance and will help ensure that vulnerable groups including boys, girls and women are protected. This promotes increased equity in DFID's programmes, which in turn contributes to an increased VFM.

Assessment of whether or not EPAP II continues to represent VFM, based on its own merits and in the context of the wider portfolio

As set out above, EPAP II continues to represent VFM both on its own merits and in the context of the wider portfolio. VFM in EPAP II is inherently linked to minimising the risk against highest value and higher risk investments across the whole of DFIDE's portfolio. EPAP II is identifying risks and suggesting mitigations to help manage programmes more effectively. It is opening up opportunities to address common portfolio risks. Furthermore, it can help in shaping risk management practices across the DFIDE programme portfolio. Alongside increasing assurances, EPAP II will improve awareness and capability building of DFIDE staff and partners. This will be achieved through sharing of the key findings of the EPAP II risk reviews, solutions that helped to address issues and targeted support to teams. The project also has wider, unquantifiable benefits of demonstrating DFIDE's commitment to optimise VFM in its portfolio, increase internal and external accountability by ensuring compliance with key DFID requirements.

E: RISK

Overall risk rating: Minor

EPAP II programme is assessed overall as minor risk, remaining unchanged over the last year. The programme risk register reflects risks across five categories as defined by DFID (reputational, operational, context, delivery and fiduciary). The DFIDE EPAP II programme team worked closely with DFID programmes and IPE to ensure that the mitigation actions put in place worked effectively. The team also was able to proactively identify new risks to be captured in the risk register and monitored these closely.

Overall, the programme lies within DFIDE's risk appetite. Currently, the program has six moderate residual risks and five minor risks. Looking specifically at the risks rated as moderate risk, some posed challenges for the year:

- Delay in programme selection for the risk review caused some challenges at the inception phase, as discussed in the Output 1 section. A better process needs to be put in place to avoid delays going forward.
- Non-transparency by implementing partners with respect to sharing of key information or documents: DFIDE program teams facilitated and advised partners to share all relevant program and financial documents. While most partners cooperated, there were some challenges in accessing information of multilateral partners.
- DFIDE's ability to manage the project was constrained due to competing priorities. This should be addressed and considered in the context of any time extension.
- The identified risk of poor-quality work done by the supplier (e.g. due to capability issues) or duplication of work with other DFID processes, 'both adding limited value' were mitigated through several measures. These included:
 - the introduction of a comprehensive step to agree the scope of work,
 - detailed discussion with DFIDE programme teams and partners before commencement of reviews and
 - the introduction of debrief meetings for IPE to highlight key findings from the desk reviews and field visits. This provided all parties opportunities to fact-check findings, promote a common understanding and to feed in their suggestions ahead of conclusion of reports.

The DFIDE EPAP II team will also consider whether the programme needs to include safeguarding risk on the risk register.

Update on partnership principles

The Partnership Principles Assessment for Ethiopia does not have direct implications for the delivery of the EPAP II programme. PPA assessment of principles three and four, which provide an indicator of Government commitment to strengthened financial management and accountability and domestic accountability, are useful information for the programme.

F: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE

Performance

IPE has been a good commercial partner and has performed the work to a good standard. At the start of the programme implementation, IPE has participated in designing the criteria for programme selection. Their input in this process was invaluable for DFIDE to make a final decision. Since the start of the inception phase, the partners have been actively engaged in the delivery of the programme that ranges from reviewing key documents as well as designing assessment methodologies. They demonstrated interactive and smooth working relationships with SROs whose programmes were reviewed, implementing partners as well as EPAP II's programme SRO and programme officer. As highlighted above, the key challenge has been with DFIDE teams putting forward programmes for risk reviews, which caused delays on embarking the reviews and caused time pressures to conclude these in the planned period. Taking this into account, the logframe has been updated in September 2019 to ensure realism, including on the number of programmes to be reviewed in the first year.

Financial issues

As the programme has started later than anticipated due to procurement delays, the budget profiled on DFID's internal financial system was adjusted to reflect the latest expectations. EPAP II has delivered two outputs since the start of the contract. Accurate and timely forecasts were provided for the work that has been undertaken this year – IPE submitted their costed workplan and their expenditures have been monitored against this and within the limits set out in the contract. The EPAP II team will continue to monitor the input costs on a timely basis.

An audit of the programme has not been completed - this will be planned in the future as necessary.

Commercial issues

The partnership between DFIDE and IPE since the start of this programme is rated as strong based upon close working relationship. DFIDE's EPAP II programme team undertake regular catch up meeting with IPE which is supported by meeting minute to serve as progress log. IPE has submitted its inception report on a timely basis. However, during the risk review challenges with processing visas for the international consultants on time, delayed the start of field work on R&M Programme. This brought a slight delay in timely report submission but there was no significant impact on the overall delivery of the programme.

IPE has requested for no-cost contract amendment to accommodate increased emphasis in some areas DFID is requesting (e.g. safeguarding) and the departure of key personnel (due to resignations since the programme start date). This is being reviewed by the DFIDE EPAP II programme team and will be finalised after the approval of this AR.

IPE is currently managing a component of DFIDE's tax programme. To this end, they are aware of disclosing any potential conflict of interest. They have also been made aware of the partner code of conduct and the importance of safeguarding in carrying out work for DFIDE. No concerns have been raised locally, and we are not aware of any issues, but they are alert to these matters.

Date of last narrative financial report(s)	September 2019
Date of last audited annual statement (s)	No audits undertaken

G: MONITORING, EVIDENCE & LEARNING

Monitoring

The DFIDE EPAP II programme team has a close working relationship with the implementing partners and frequently engages the partner to monitor progress of the programme. This is aimed at ensuring all the work underway enables the delivery of outputs, based on the agreed logframe indicators.

After the completion of the inception phase, a detailed report outlining the work undertaken and plans for completing the reviews underway was submitted by the partner. This report was reviewed by DFIDE's EPAP II programme team and formed the basis for discussion on a proposed action plan to address identified risks, which was agreed between DFID and the IPE. The inception report was also used as the basis for payments to the partner.

The programme team also sought frequent feedbacks from DFIDE programme teams on the findings of the reviews, recommendations made and draft reports to ensure that the products enhance programme delivery and are of good quality. A survey was also undertaken to have an evidence base for these, giving DFIDE teams an opportunity to provide a feedback on these issues – this will be used to seek improvements on the programme going forward.

Going forward, the DFIDE EPAP II team will consider the merit of fortnightly catch-up meetings to ensure the increased ambition of completing more reviews and focus on capability building for the second year are met. The team will also consider quarterly progress reports towards agreed milestones to strengthen the monitoring of the programme.

Evidence

This review was a desk-based review completed by a DFIDE programme officer, and quality assured by the SRO, informed by individual programme reports, discussions with the partner and a feedback survey from teams. Due to the nature of the programme, no evaluation is required or planned.

Learning

Learnings from EPAP I were used to shape how EPAP II is implemented and formed a key basis for determining the success criteria outlined in the logframe. The key learnings from the inception phase and the two reviews undertaken were:

- EPAP II needs to continue to be adaptive and flexible to ensure that it remains relevant to address DFIDE's needs:
As this was the first year of the implementation of the programme, the team needed to be open to what the scopes of each reviews should be. While the programme will in most cases look at governance and management structures and processes, it needs to be flexible to consider other focus such as special purpose audits or cash-flow tracking.
- Resources committed to EPAP II:
 - i. The DFIDE resources needed to manage the EPAP II programme may have been underestimated. The SRO was at times stretched due to several other competing high priorities that the finance team needs to deliver for DFIDE. With potentially reduced capacity for the coming year, a more sustainable resourcing is needed to support the implementation of the programme if extended.
 - ii. Feedback from those who facilitated IPE's engagement in-country showed that, IPE also at times did not fully consider the challenges of organising visits to partners and to the field. The departure of key personnel, who was the focal person in IPE Ethiopia, at a critical time also meant that there were also resource constraints. IPE should fill any existing resourcing gaps

and should also consider appointing a support staff to help organise its activities better (e.g. in-country visits).

Gender Equality and Safeguarding considerations

Although this programme does not directly contribute to addressing gender inequality, it will indirectly have a positive impact by providing assurance that DFID funds are being properly spent and accounted for, including on programmes with components that directly or indirectly promote gender equality.

DFIDE decided to explicitly include the assessment of safeguarding risks in the scope of the programme. This will assist DFIDE to enhance its efforts to comply with DFID's guidance on safeguarding: the identification of safeguarding risks in its programmes and the effective mitigating actions and systems to minimise these risks.

Progress on recommendations from previous reviews

Recommendation from last AR	Status
Complete inception phase	Completed (reflected in output 1) – Inception phase which included agreeing criteria for selection of programmes, methodology development for reviews and initial engagement with partners concluded in July 2019.
Conclude the development of criteria for selection of programmes to be reviewed by EPAP II	Completed (reflected in output 1 and part of inception). Five key selection criteria were agreed by a cross-office working group and presented to FACC.
Decide on the scope of work to be delivered on safeguarding issues	Completed – DFIDE Safeguarding lead discussed with the Partners and agreed scope. A safeguarding expert was appointed by IPE to deliver work in this area.
Consider a no-cost extension of the EPAP II programme beyond March 2020	To be completed in quarter 4 of UK financial year 2019/20 ahead of end date of 31 March 2020 of EPAP II.