Ms Lorraine Healey

Civil Society Department

DFID

East Kilbride

15th October 2012

Dear Lorraine

**HelpAge response to the Independent Progress Review of its PPA**

**Overview**

We welcome the consultants’ report and broadly accept its findings. We believe that the report:

* Validates our statement of results against both outputs and outcomes in the Annual Progress Report (APR)
* Shows that HelpAge makes considered and strategic use of the PPA as part of its unrestricted income
* Demonstrates innovative work which is being wholly or partly funded by the PPA in its early stages
* Assists us in focusing on an improvement agenda for the next year

We particularly appreciate the consultants’ attempt to draw out our own views on most significant change which complements the more structured logical framework approach.

DFID raised a number of issues in its letter of 23rd July in response to our APR. As indicated in our management response to that letter, we have asked the consultants to follow up specifically on these. These include the points above but also: provision of evidence; the contribution of HelpAge to the social protection debate; value for money and relevance. In responding more specifically below, we have focused on these points; on the IPR’s recommendations; and on producing the improvement agenda that DFID have asked be assessed in the 2013 APR and IPR.

We remain concerned about the complexity of the APR/IPR process. However, despite this, we believe the framing of the current round of PPAs and the results focus of the APR have contributed to improving our own internal processes. We would point particularly to the new strategic grant we have secured from Sida, who were happy to work with the documentation developed during the PPA application process (see below).

**Specific Comments**

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| **Results** | The consultants have validated our self-assessment against both outputs and outcomes. With few exceptions, we are on track to meet the targets indicated in our logical framework. We note that we have submitted a revised logical framework in response to our refinement of the baseline data and DFID’s request of 23rd July.  The consultants have inserted – with our full agreement – a section on organisational results. We find this helpful in that our investment of unrestricted funds is often against organisational priorities that underpin the achievement of specific objectives. |
| **Evidence** | We would wish to point out that the consultants have substantiated claims in the APR where DFID noted a lack of evidence in the following areas:   * Impact of the ADA campaign (review of the ADA Evaluation) * HelpAge as a key actor in the social pensions debate (direct quotes from DFID’s own Policy Division and Tanzania team, the World Bank and others) * The leverage effect of the PPA in securing a similar arrangement with Sida |
| **Innovation** | At various points we believe the report points to innovative work in: developing new thematic areas; secondments to key agencies; developing new funding sources; and its use of the internet (e.g. with Pension Watch). We would wish to reinforce the point made by the consultants that unrestricted funds facilitate these innovations. |
| **Learning** | Whilst not specifically requested to focus on this area, we believe that the IPR consultants have provided a great deal of the material that DFID requested in its July letter |
| **Additionality** | DFID accepted that our original submission in this area was strong but requested further clarity on how our allocation criteria relate to our global strategy. The second point above under ‘results’ partially addresses this but we accept that we need to make this connection more strongly in documenting our allocation process for 2013/14. |
| **Value for Money** | Overall we believe the report is positive about the basic systems within HelpAge which speak to the *economy* agenda. We welcome the consultants’ validation of the set of *efficiency* indicators we have developed at organisational level, whilst recognising that there is more to do in relation to *effectiveness* at the programme level. We accept the consultants comments regarding the pressures put on regional offices by the decentralisation approach and have included this issue in our improvement agenda. |
| **Relevance and Targeting** | The consultants have expanded on the logic of our approaches specifically to fragile and middle income contexts. HelpAge recognises that there are possible tensions between its inclusive, rights-based approach and one that is rigidly poverty targeted but remains committed to the former. |

**Areas for improvement**

Taking DFID’s comments on the APR and the recommendations of the IPR together, we believe the following represents a reasonable improvement agenda for review in 2013. We would ask DFID to confirm this

1. Carry out further work on VFM at the project level through evaluations of a number of key projects with respect to effectiveness and additional data collection with respect to the cost efficiency of output delivery
2. Roll out a programme of training on impact assessment, VFM and Theories of Change at country level to improve understanding across all staff
3. Investigate and implement ways in which we can improve our information management
4. Look to provide further support to regional management in the process of decentralisation
5. Increase linkages with research and academic institutions in order to strengthen the evidence base
6. Continue to develop new sources of unrestricted funding in order to increase and diversify this income stream

I hope that the attached report and this response meet DFID’s requirements in respect of reporting on the first year of our PPA. If you would like any further information please do not hesitate to contact us again

Yours Sincerely



Alex Bush

Pp Richard Blewitt

Chief Executive