

**ANNEX 2: DFID Due Diligence Assessment - ECW Secretariat Review of Recommendations**

	<b>Due Diligence Recommendation</b>	<b>ECW Secretariat comment</b>	<b>Next steps</b>
1	Immediate risk identification of both corporate and portfolio risks (by June 2017)	Agree – Suggest risk identification by July 2017	Secretariat will develop: i) risk framework building on models from relevant funds by July 2017; ii) risk plans for Initial Investments/First Response investments based on grantee assessments (by October 2017). Focus is on establishing the Risk Task Team (by July 2017) and defining and assessing risk across the ECW portfolio at regular (tbc) intervals; iii) Secretariat to link data from grantee reports to determine risk levels and better target ECW Secretariat resources (on-going).
2	Identify risk lead/s to develop risk management approach (by September 2017)	Agree – P3 consultant identified to lead until recruitment of permanent position	
3	Expedite operationalisation of Risk Task Team (Team identified and first meeting complete by end of July).	Agree – Contact with Risk Task Team underway by July, timetable of meetings to be determined	
4	Secretariat to consider division of operational tasks to each staff member, perhaps as corporate objectives AND/OR bid for junior programme support.	Agree	
5	VfM approach (and metrics to be defined by September)	Agree	
			Secretariat is proposing a new P3 position focused on finance and risk management. A Senior Advisor (seconded) will be repositioned to oversee this.
			Senior Economist/Statistician will start in August 2017. Some initial work conducted on VfM for DFID Annual Review. However, more data required as a result of inception reports from initial investment countries and review/analysis of First Response Window

			investments.
6	ECW to map its delivery chain by July 2017 (from Grantees right down to end beneficiaries) & continue to update this as and when the delivery chain expands – DFID to request bi-annual updates.	For further discussion	This requirement will need to be discussed further, as it would represent a change to the existing grant confirmation letters and we are unsure of the implications for our current and future grantees. Grantees currently procure sub-grantees if relevant, but those further down the delivery chain may require a formal amendment of the grantee reporting template.
7	ECW to develop interim (by July 2017) and long term approach (by September 2017) to portfolio-specific risk management. This should balance de-jure devolved accountability for risk with de-facto reputational risk to ECW and its donors.	Agree – Propose long-term approach complete by Oct/Nov 2017, due to summer holidays, staff on-boarding and UNGA prep	Country risk plans (interim) to be developed.
8	Expedite the recruitment of M&E expert (by August 2017) and/or outsource M&E to ensure initial investment impact.	Agree	The Secretariat is expediting the recruitment of the M&E expert (French secondee) to the extent possible. Recruitment likely to be complete in August 2017.