Better Value for Money. An organising framework for management and measurement of VFM indicators

Description

Tweet

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â??Value for money suffers from being a phrase that is more used than understood. We all instinctively believe we understand the terms since we all regularly seek value for money in the things we buy. Yet, once Value for Money attains capital letters and an acronym â?? VFM â?? putting the concept into practice becomes more elusive.

The drivers for VFM, stem from the prevailing austerity in economies of major aid donor countries. VFM has become a watchword in the management of UK public expenditure, and particularly so in DFID, where a strong political commitment to a rising aid budget has been matched by an equal determination to secure greatest value from the investment.

The â??3Es definitionâ?? of Value for Money is now in common currency, providing a framework for analysis shaped by Economy, Efficiency and Effectiveness. More recently a fourth E has been added to the VFM mix in the shape of
equity, conveying the message that development is only of value if it is also fair. Overall guidance on the application of the principles of the 4Es has been fairly general. VFM itself has been a principle enforced rigorously, but lacking practical methodological guidance. There continues to be patchy success in translating the 3 and 4 Es into operations.

This paper provides an organising framework that attempts to provide a means to better understand, express and enable judgements to be reached on Value for Money in development programmes.

Our framework is based on, but evolves, the 4Es approach. It aims to do two things:
i) Bring the dimensions of value and money together consistently in the way VFM is considered
ii) Introduce two ways to categorise VFM indicators to help assess their utility in managing and measuring Value for Moneyâ?•

Rick Davies Comment: See this accumulating bibliography on papers on Value for Money also available on this MandE NEWS website

Category

1. Uncategorized

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