Value for money: A list

Description

Tweet

Hopefully, the start of a short but useful bibliography, listed in chronological order.

Please suggest additional documents by using the Comment facility below.Â If you have ideas on how Value for Money can be *clearly defined* and *usefully measured* please also use the Comment facility below..

For the Editor’s own suggestion, go to the bottom of this page

2015

- Improving the Practice of Value for Money Assessment.Â Barr, J., Christie, A., 2015. Â Centre for Development Impact Practice Paper 12, 1â€“9.

2014

- Whatâ€™s in a name? Defining your organizationâ€™s â€˜Value for Moneyâ€™.Â Posted on November 14, 2014, 2014 byÂ Â Elisabetta Micaro
- Better Value for Money. An organising framework for management and measurement of VFM indicators. By Julian Barr and Angela Christie, 2014. ITAD. 6 pages

2013

- Assessing Program ResourceÂ Utilization When EvaluatingÂ Federal Programs, 2013.Â Centre of Excellence for Evaluation,Â Expenditure Management Sector,Â Treasury Board of Canada Secretariat. Available as pdf

2012

- Value for money and international development:Â Deconstructing myths to promote a more constructive discussion.Â May 2012.Â By Penny Jackson.Â OECD Development Co-operation Directorate
- ValueÂ forÂ Money:Â anÂ Introduction, LesleyÂ ElaineÂ Williams, Nov 2012
- BOND on Value for money, 12 January 2011 . At the â€œValue for Money: knowing the cost of everything and the value of nothingâ€• Bond Leadersâ€™ Series event chief executives and senior staff discussed with the speakers the meaning and the implications of the value for money agenda for UK NGOs in the area of international development.Â Readers can access here:
    - A detailed account of the speakersâ€™ perspective on value for money and the ensuing plenary discussion;
    - A brochure on Social Return on Investment from the New Economics Foundation as a framework within which to understand VFM;

- An analytical framework for assessing value for money from the National Audit Office

2011

- ICAI’s Approach to Effectiveness and Value for Money, November 2011. See also Rick Davies comments on same
- Value for Money and international development: Deconstructing some myths to promote more constructive discussion. OECD Consultation Draft. October 2011
- What does â€˜value for moneyâ€™ really mean? CAFOD, October 2011
- Value for Money: Guideline, NZAID, updated July 2011
- DFIDâ€™s Approach to Value for Money (VfM), July 2011
- DFID Briefing Note: Indicators and VFM in Governance Programming July 2011.Â INTRODUCTION: This note provides advice to DFID staff on: i. governance indicator best practice, and ii. measuring the Value for Money of governance programmes. This note is for use primarily by DFID governance advisers, as well as other DFID staff designing programmes with governance elements. The note provides a framework for consideration in Business Case design that relates to governance activity.Â On Value for Money (VFM) in particular, this guidance is only intended as â€˜interimâ€™ whilst further research is undertaken. During 2011-2012, DFID will work to determine best practice and establish agreed approaches and mechanisms. This guidance will therefore be updated accordingly subject to research findings as they are made available.Â This note was drawn up by DFID staff. It builds on 2 research reports by ITAD, submitted in December 2010 and January 2011 respectively, as well as DFIDâ€™s internal Business Case guidance. There are 2 main sections: Section 1: Governance Indicators and Section 2: Value for Money in Governance Programming. The note ends with 10 Top Tips on Business Case preparation.
- DFID is developing ” **Guidance for DFID country offices on maximising VfM in cash transfer programmes**“. July 2011. Objective:To provide guidance to DFID country offices on measuring value for money in cash transfer programmes through the rigorous analysis of costs and benefits, as far as possible, at the design stage and through programme implementation and completion.Â This project is driven by DFIDâ€™s expansion of support to cash transfer programmes, its strong emphasis on ensuring programmes are delivering value for money, and strong country office demand for specific advice and guidance” (ToRs)
- Value for Money: Current Approaches and Evolving Debates. Antinoja Emmi, Eskiocak Ozlem, Kjennerud Maja, Rozenkopf Ilan,Â Schatz Florian, LSE, London, May 2011. 43 pages. “NGOs have increasingly been asked by donors to demonstrate their Value for Money (VfM).This report analyses this demand across a number of dimensions and intends to lay out the interpretation of different stakeholders. After contextualising the debate internationally and nationally, a conceptual discussion of possible ways of defining and measuring VfM is conducted, followed by a technical analysis of different approaches and measurement techniques adopted by stakeholders. Finally, opportunities and caveats of measuring VfM are discussed. The report draws heavily on information gained through a total of seventeen interviews with representatives of NGOs, consultancies, think tanks and academic institutions.”
- Independent Commission for Aid Impact â€“ Work Plan, May 2011: “We have not yet agreed our own definition of terms such as â€œvalue for moneyâ€• and â€œaid effectivenessâ€•. These are complex issues which are currently under much debate. In the case of value for money we believe that this should include long-term impact and effectiveness. We intend to commission our

contractor to help us in our consideration of these matters."

- The Guardian, Madeleine Bunting, 11th April 2011 "Value for money is not compatible with increasing aid to 'fragile states'. The two big ideas from the UK's Department for International Development are destined for collision"
- NAO report on DFID Financial Management, April 2011. See the concluding section of the Executive Summary, titled *Conclusion on value for money*:
    - "We recognise that the Department has been improving its core financial management and has also been strengthening its focus on value for money at all levels of the organisation, including through a step change in its approach to the strategic allocation of resources based on expected results. Important building blocks have been put in place, but key gaps in financial management maturity remain. The changes the Department has introduced to-date are positive, and provide a platform to address the challenges that will come with its increased spending."
    - At present, however, the Departmentâ€™s financial management is not mature. The Departmentâ€™s forecasting remains inaccurate and its risk management is not yet fully embedded. Weaknesses in the measurement of value for money at project level, variability in the quality and coverage of data, and lack of integration in core systems, mean that the Department cannot assess important aspects of value for money of the aid it has delivered, at an aggregated level. The Department now needs to develop a coherent single strategy to address the weaknesses identified and the key risks to meeting its objectives."

- DFID's March 2011, Multilateral Aid Review, "was commissioned to assess the value for money for UK aid of funding through multilateral organisations". "All were assessed against the same set of criteria, interpreted flexibly to fit with their different circumstances, but always grounded in the best available evidence. Together the criteria capture the value for money for UK aid of the whole of each organisation. The methodology was independently validated and quality assured by two of the UKâ€™s leading development experts. The assessment framework included criteria which relate directly to the focus and impact of an organisation on the UKâ€™s development and humanitarian objectivesâ€“ such as whether or not they are playing a critical role in line with their mandate, what this means in terms of results achieved on the ground, their focus on girls and women, their ability to work in fragile states, their attention to climate change and environmental sustainability, and their focus on poor countries. These criteria were grouped together into an index called â€œContribution to UK development objectives.Â The framework also included criteria which relate to the organisationsâ€™ behaviours and values that will drive the very best performance â€“ such as transparency, whether or not cost and value consciousness and ambition for results are driving forces in the organisation, whether there are sound management and accountability systems, whether the organisations work well in partnership with others and whether or not financial resource management systems and instruments help to maximise impact. These were grouped together into an index called â€œOrganisational strengthsâ€•. Value for money for UK aid was assessed on the basis of performance against both indices. So, for example, organisations with a strong overall performance against both indices were judged to offer very good value for money for UK aid, while those with a weak or unsatisfactory performance against both indices were deemed to offer poor value for money."
    - [**RD comment**] In the methodology chapter the authors explain / claim that this approach is based on a 3E view that seeks to give attention to the whole "value for money chain" (nee causal chain), from inputs to impacts (which is discussed below). Reading the rest of that chapter, I am not convinced, I think the connection is tenuous, and what exists here is a

new interpretation of Value for Money that will not be widely used. That said, I dont envy the task the authors of this report were faced with.

  - [**RD comment**]The Bilateral Aid Review makes copious references to Value for Money, but there is no substantive discussion of what it means anywhere in the review. Annex D includes a proposal format which includes a section for providingÂ Value for Money information in 200 words. This includes the following fields, which are presumably explained elsewhere: Qualitative judgement of vfm, vfm metrics (including cost-benefit measures), Unit costs, Scalability, Comparators, Overall VfM RAG rating: red/amber/green.

- Aid effectiveness and value for money aid: complementary or divergent agendas as we head towards HLF-4. (March 2011)Â ThisÂ ODI, ActionAid and UK Aid Network public event was called "to reflect on approaches dominating the debate in advance of the OECD's 4th High Level Forum on Aid Effectiveness (HLF-4); explore the degree to which they represent complimentary or divergent agendas; and discuss how they might combine to help ensure that HLF-4 is a turning point in the future impact of aid." The presentations of three of the four speakers are available on this site. Unfortunately DFID's presentation, by **Liz Ditchburn**– Director, Value for Money,Â DFID, is not available.
- BOND Value for Money event (3 February 2011). "Bond hosted a half day workshop to explore this issue in more depth. This was an opportunity to take stock of the debates on Value for Money in the sector, to hear from organisations that have trialled approaches to Value for Money and to learn more about DFIDâ€™s interpretation of Value for Money from both technical and policy perspectives." Presentations were made by (and are available): Oxfam, VSO, WaterAid, HIV/AIDS Aliliance, and DFID (Jo Abbot, Deputy Head Civil Society Department). There was also a prior BOND event in January 2011 on Value for Money, and presentations are also available, including an undated National Audit Office Analytical framework for assessing Value for Money
  - [**RD Comment**]The DFID presentation on "Value for Money and Civil Society"Â is notable in the ways that it seeks to *discourage* NGOs from over investing efforts to measure Value for Money, and its emphasises on the continuity of DFIDs approach to assessing CSO proposals. The explanation of Value for Money is brief, captured in two statements: "optimal use of resources to get desired outcomes" and "maximum benefit for the resources requested". To me this reads as efficiency and cost-effectiveness.
- The Independent Commission for Aid Impact (ICAI)'s January 2011online consultation contrasts Value for Money reviews with Evaluations, Reviews and Investigations, as follows.
  - **Value for money reviews:** judgements on whether value for money has been secured in the area under examination. Value for money reviews will focus on the use of resources for development interventions.
  - **Evaluations:** the systematic and objective assessment of an on-going or complete development intervention, its design, implementation and results. Evaluations will focus on the outcome of development interventions.
  - **Reviews:** assessments of the performance of an intervention, periodically or on an ad hoc basis. Reviews tend to look at operational aspects and focus on the effectiveness of the processes used for development interventions.
  - **Investigations:**a formal inquiry focusing on issues around fraud and corruption.
    - [RD comment] The ICAI seems to take a narrower view than the National Audit Office, focusing on economy and efficiency and leaving out effectiveness – which within its perspective would be covered by evaluations.

2010

- Measuring the Impact and Value for Money of Governance & Conflict Programmes Final Report December 2010 by Chris Barnett, Julian Barr, Angela Christie,Â Belinda Duff, and Shaun Hext. “The specific objective stated for our work on value for money (VFM) in the Terms of Reference was: â€œTo set out how value for money can best be measured in governance and conflict programming, and whether the suggested indicators have a role in this or notâ€•. This objective was taken to involve three core tasks: first, developing a value for money approach that applies to both the full spectrum of governance programmes, and those programmes undertaken in conflict-affected and failed or failing states; second, that the role of a set of suggested indicators should be explored and examined for their utility in this approach, and, further, that existing value for money frameworks (such as the National Audit Officeâ€™s use of the 3Es of â€˜economy, efficiency and effectivenessâ€™) should be incorporated, as outlined in the Terms of Reference.”
- Value for Money: How are other donors approaching â€˜value for moneyâ€™ in their aid programming? Question and answer on the Governance and Social Development Resource Centre Help Desk, 17 September 2010.
- Value for Money (VfM) in International Development NEF Consulting Discussion Paper, September 2010. Some selective quotes: “While the HM Treasury Guidance provides principles for VfM assessments, there is currently limited guidance on how to operationalise these in the international development sector or public sector more generally. This has led to confusion about how VfM assessments should be carried out and seen the proliferation of a number of different approaches.” …”The HM Treasury guidance should inform the VfM framework of any publicly-funded NGO in the development sector. The dark blue arrow in Figure 1 shows the key relationship that needs to be assessed to determine VfM. In short, this defines VfM as: VfM = value of positive + negative outcomes / investment (or cost)”
    - **[RD Comment:]** Well now, having that formula makes it so much easier (not), all we have to do is find the top values, add them up, then divide by the bottom value :-(
- What is Value for Money? (July 2010) by the Improvement Network (Audit Commission, Chartered Institute of Public Finance and Accountancy (CIPFA), Improvement and Development Agency (IDeA), Leadership Centre for Local Government, NHS Institute for Innovation and Improvement).Â “VfM is about achieving the right local balance between economy, efficiency and effectiveness, the **3Es** – spending less, spending well and spending wisely” These three attributes are each related to different stages of aid delivery, from inputs to outcomes, via this diagram.
    - [**RD comment**]: Reading this useful page raises two interesting questions. Firstly, how does this framework relate to the OECD/DAC evaluation criteria? Is it displacing them, as far as DFID is concerned? It appears so, given its appearance in the Terms of Reference for the contractors who will do the evaluation work for the new Independent Commission for Aid Impact. Ironically, the Improvement Network makes the following comments about the third E, (effectiveness) which suggests that the DAC criteria may be re-emerging within this new framework: “Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity, as well as quality. Sustainability is also an increasingly important aspect of effectiveness.” The

second interesting question is how Value for Money is measured in aggregate, taking into account all three Es. Part of the challenge is with effectiveness, where it is noted that effectiveness **"**is a measure of the impact that has been achieved, which can be either quantitative or qualitative." Then there is the notion that Value for Money is about a "balance" of the three Es. "VfM is high when there is an optimum balance between all three elements – when costs are relatively low, productivity is high and successful outcomes have been achieved." On the route to that heaven there are multiple possible combinations of states of economy (+,-), efficiency (+,-) and effectiveness (+,-). There is no one desired route or ranking. Because of these difficulties Sod's Law will probably apply and attention will focus on what is easiest to measure i.e. economy or at the most, efficiency. This approach seems to be evident in earlier government statements about DFID: "International Development Minister Gareth Thomas yesterday called for a push on value for money in the UN system with a target of 25% efficiency savings."…."The UK is holding to its aid commitments of 0.7 % of GNI.Â But for the past five years we have been expected to cut 5% from our administration or staffing costs across Government. 5% â€" year on year"

- Value for money: What does it mean for evaluators and commissioners? Presentation for the anzea Wellington branch. E. Jane Davidson, Ph.D. May 21, 2009

2007

- DFID's 2007 ValueForMoney Delivery Agreement

2003

- DFID's 2003 Evaluation Report EV645 on Measuring Value for Money ?An independent review of DFIDâ€™s Value for Money (VFM) Indicator, Public Service Agreement 2003-2006 By Derek Poate and Christopher Barnett.

The Editor's suggestion

1. Dont seek to create an *absolute* measure of the Value for Money for a *single* activity/project/program/intervention

2. Instead, create a *relative* measure ofÂ the VfM found within a *portfolio* of activities, by using a rank correlation. [This measure then be used to compare VfM across different types of portfolios]

- 1. Rank the entities (activities/projects…) by cost of the inputs, and
  - Be transparent about which costs were included/excluded e.g partner's own costs, other donor contributions etc,)

- 2. Rank the the same set of entities by their perceived effectiveness or impact (depending on the time span of interest)
  - Ideally this ranking would be done through a *participatory ranking process* (see Refs below), and information would be available on the stakeholders who were involved
  - Where multiple stakeholder groups were consulted, any aggregation of their rankings would be done using transparent weighting values and information would also be available on the Standard Deviation of the rankings given to the different entities. There is likely to be more agreement across stakeholders on some rankings than others.
  - Supplementary information would be available detailing how stakeholders explained their ranking. This is best elicited through pair comparisons ofÂ adjacent sets of ranked entities.
    - That explanation is likely to include a mix of:
      - some kinds of impacts being *more valued* by the stakeholders than others, and
      - for a given type of impact there being *evidence of more* rather than less of that kind of impact, and
      - where a given impact is on the same scale, there being *better evidenc*e of that impact

- 3. Calculate the rank correlation between the two sets of rankings. The results will range between these two extremities:
  - A high positive correlation (e.g. +0.90): here the highest impact is associated with the highest cost ranking, and the lowest impact is associated with the lowest cost ranking. Results are proportionate to investments. This would be the more preferred finding, compared to
  - A high negative correlation (e.g -0.90): here the highest impact is associated with lowest cost ranking, but the lowest impact is associated with the highest cost ranking. Here the more you increase your investment the less you gain, This is the worst possible outcome.
  - In between will be correlations closer to zero, where there is no evident relationship between cost and impact ranking.
- 4. Opportunities for improvement would be found by doing case studies of “outliers”, found when the two rankings are plotted against each other in a graph. Specifically:
  - Positive cases, whose rank position on cost is conspicuosly lower than their rank position on impact.
  - Negative cases, whose rank position on impact is conspicuosly lower than their rank position on cost.

PS: It would be important toÂ disclose the number of entities that have been ranked. The more entities there are being ranked the more precise the rank correlation will be. However, the more entities there are to rank the harder it will be for participants and the more likely they will use tied ranks. A minimum of seven rankable entities would seem desirable.

For more on participatory ranking methods see:

- Guidance on Success Ranking , Rick Davies, January 2007
- Participatory Rural Appraisal (PRA) Techniques: Ranking Exercises, World Bank website, undated
- Rapid Appraisal in Humanitarian Emergencies Using Participatory Ranking Methodology (PRM), 2011

- Others you may know of, let me know

PS: There is a UNISTAT plugin for Excel that will produce rank correlations, plus much more.

Category

1. Lists of sources re ...
2. Value for Money

Tags

1. DFID
2. economy
3. effectiveness
4. efficiency
5. value for money

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