
VALUE FOR MONEY

FROM DONOR COMPLIANCE TO ADAPTIVE MANAGEMENT?

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HELLO!

A bit about myself...

Why are we here?

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The Value for Money Agenda

Reasons and Contradictions

Why VfM and why now?

- Performance of the aid industry
- Emergence of aid sceptics
- Accountability to tax payers.



Donors' push for VfM

Agencies working out what VfM means



Source:
<https://blogs.elon.edu/soc3761504/2015/06/25/assignment-8-the-crisis-caravan-part-ii-2/>

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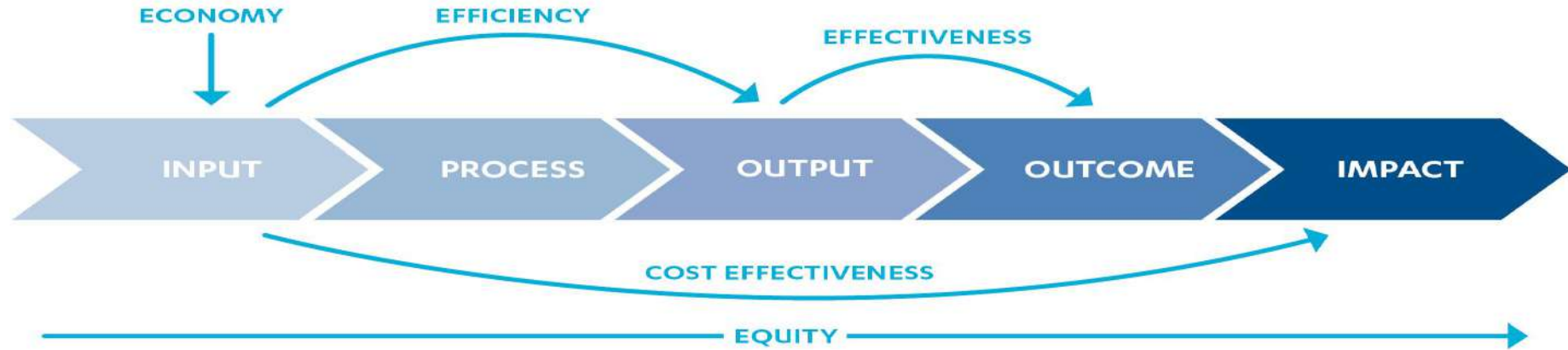
Value for Money (VfM) in our programme is about **maximising the impact** of each pound spent to improve poor people's lives.

The purpose of the VfM drive is to develop a better understanding (and better articulation) of **costs and results** so that we can make more **informed, evidence-based choices**. This is a process of continuous improvement.

”

DFID's Approach to VfM (2011)

DFID's Approach to VfM



Framework components

Input:

Staff, raw materials, capital.

(eg vaccine and vaccination consumables)

Process:

The methods by which inputs are used.

(eg delivery logistics)

Output:

Results delivered directly by DFID or our agents.

(eg children vaccinated)

Outcome:

We exercise less direct control over outcomes than outputs.

(eg children less susceptible to major childhood diseases)

Impact:

Long-term transformative change.

(eg poverty reduced)

The 4Es framework

| | |
|---------------------------|--|
| Economy | Getting the right price |
| Efficiency | Doing things in the right way |
| Effectiveness | Doing the right things |
| Equity | Not leaving anybody behind |
| Cost Effectiveness | Maximizing the impact relative to the investment |

Theory vs practice

- Agencies to work out their understanding
- VfM is not about doing the cheapest things
- Continuous improvement
- VfM to inform evidence-based decisions

- Standardized templates to communicate VfM
- Focus on Economy, Efficiency and savings
- One-off VfM assessments
- VfM is a donor requirement to comply with



Photo: <http://www.thewordsofaman.com/?p=970>

ICAI's Review of DFID's Approach

- Limited assessment of VfM across different target groups
- Short-termism
- Focus on costs and efficiency
- Limited analysis of VfM implications of adaptive management
- Limited measurement and reporting of long-term transformative change
- DFID's VfM approach does not support local capacity, accountability and leadership



DFID's Response

- Review of country-level portfolio management to articulate better results and VfM
- Define and explain more clearly VfM management in programmes that are designed to be adaptive
- Ensure that principles of development effectiveness –partner country leadership, building national capacity and empowering beneficiaries – are more explicit in its VfM approach.
- Reassessment of VfM and TOC in the light of original propositions in the Business Cases
- Assess whether programmes achieve their intended outcomes in a cost-effective way



Photo:
<https://www.africaresearchinstitute.org/new-site/event/dfids-work-with-multilaterals/>

Further Reflections

- No adaptation of a private sector concept
- Reinforcement of power imbalances
- Assumption that social change can be predicted and controlled
- VfM associated to costs and financial management
- Assumption that programmes can be compared
- Value by when? Value for whom?
- Where is the learning?



Photo: <https://www.echo-news.co.uk/news/national/15017185/>

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Participatory VfM Analysis

Shifting the debate

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Building ActionAid's VfM Approach

Value for Money (VfM) in our programme is about maximising the impact of each pound spent to improve poor people's lives.



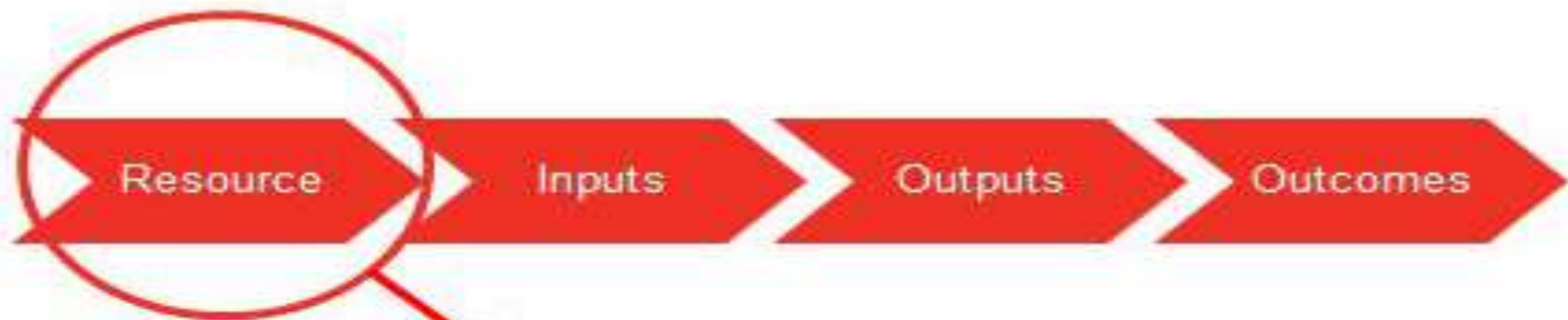
What investments are working and which ones are not?

What have we learnt about what should be done differently in the future and/or in other similar programmes?

People living in poverty at the centre of the VfM judgement

Action-focus:
VfM enabling
adaptive
management

VfM
as part of
organizational
ways of working



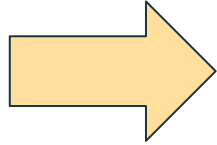
Mainstream: we question the resources

Radical: we question the outcomes



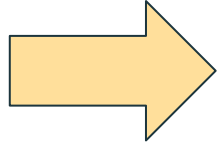
Highlights of the Approach

WHO



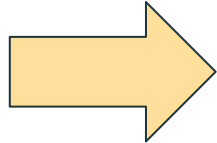
Communities, with a focus on the most marginalized of the targeted groups

WHA



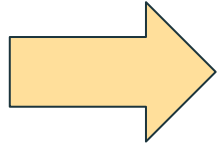
The change generated and whether the resources are allocated in the right places

**T
WHEN**



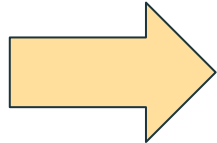
Yearly or in line with participatory review and planning exercises

WHER



On the ground where programmes are happening

**F
WHY**



To learn and change strategies and budgets based on the evidence

Preparing for the VfM Analysis

1



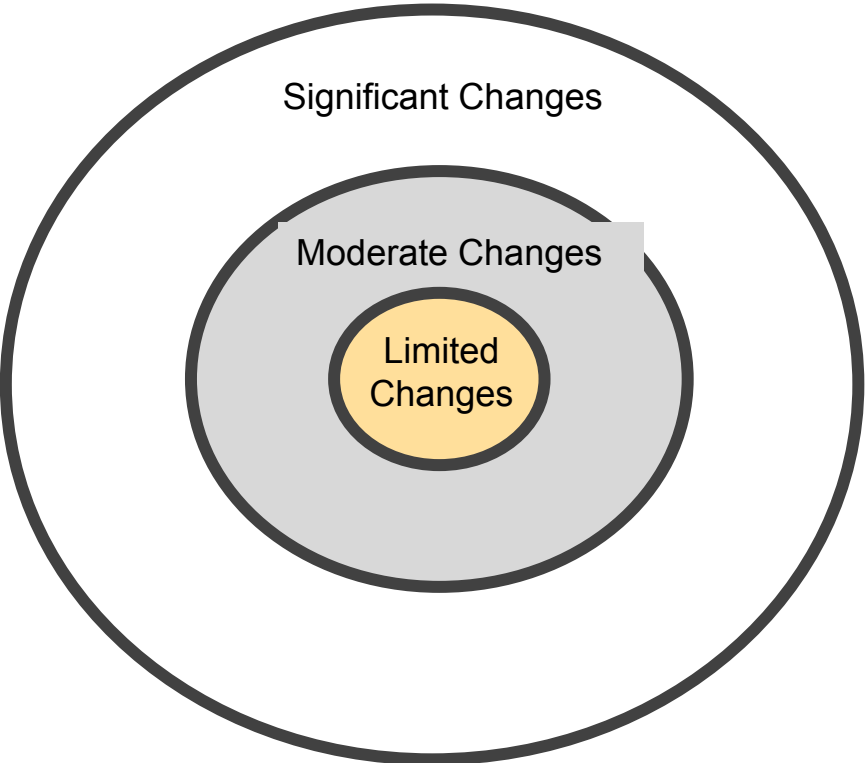
Break down the programme into its different components (4 or 5)

2

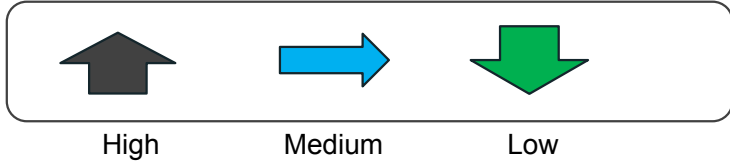


Associate an investment level to each component: high, medium, low

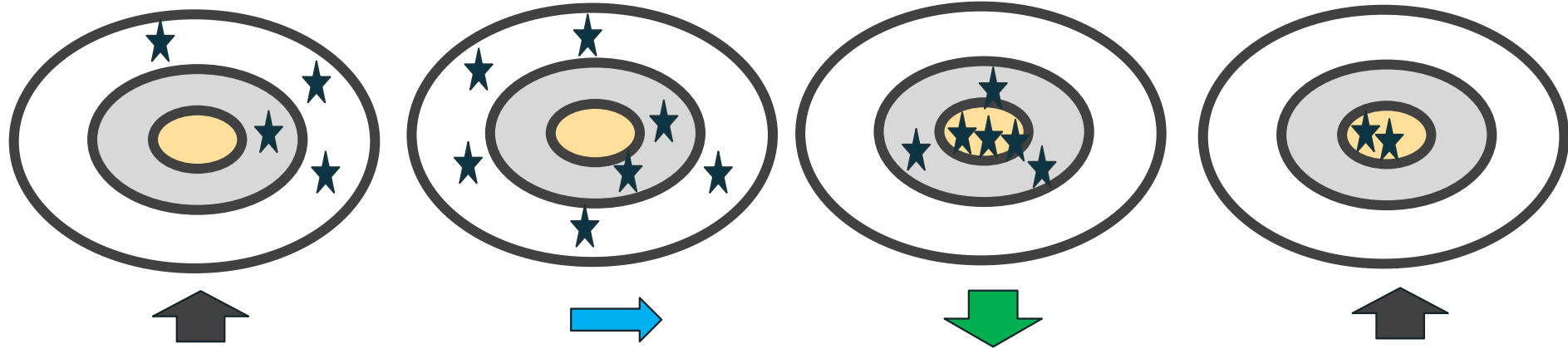
In the communities



Investment



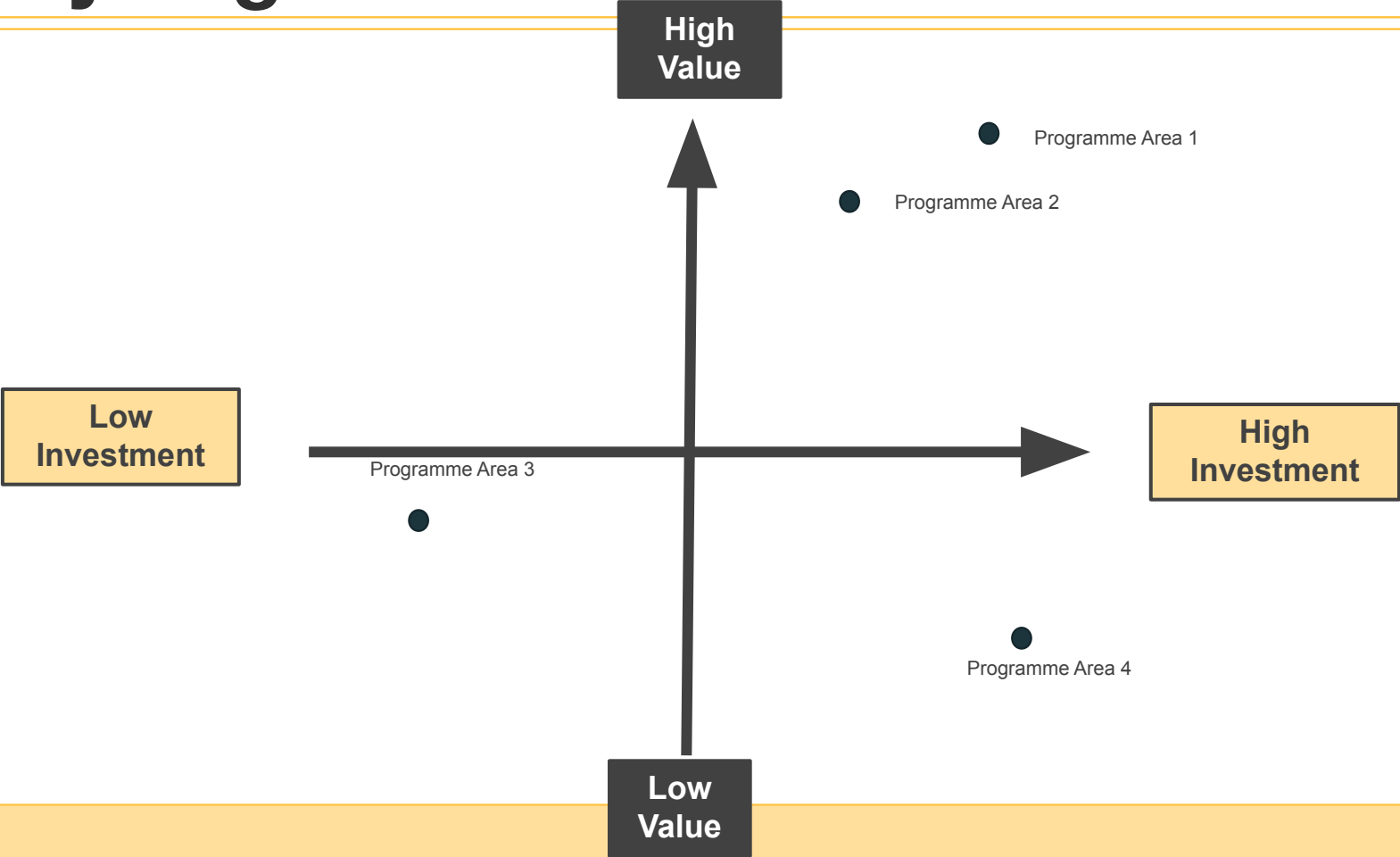
Participatory VfM Analysis



- If you were to go back would you suggest that these actions were done again?
- How could we have achieved more results?

- Are the changes we have achieved good enough?
- What could we do more in the future?
- How would you plan the money?

Analysing the VfM



{ 3 VfM and Adaptive Management Reflections }

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The concept of adaptiveness refers to the capacity of an intervention to **adapt to changes** happening in the context where it operates, or when planned actions do not lead to the expected effect.

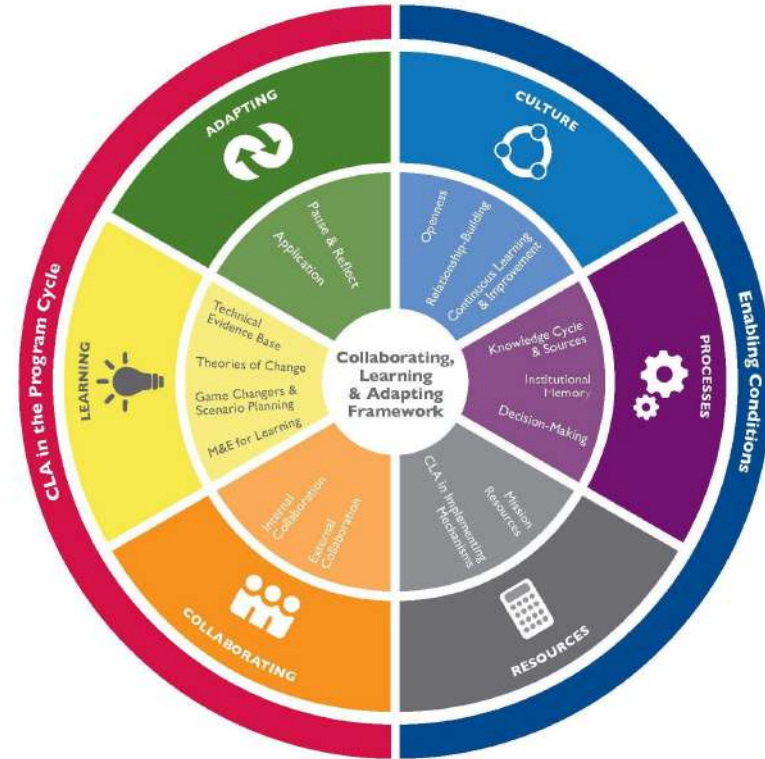
Adaptiveness requires **flexibility**, **reflectiveness** and the capacity to **learn** and, even more importantly, ‘**unlearn**’ what no longer works”

”

Prieto-Martin, P.; Faith, B.; Hernandez, K. and Ramalingam, B. (2017) Doing Digital Development Differently: lessons in adaptive management from technology for governance initiatives in Kenya, Making All Voices Count Research Report, Brighton: IDS.

Adaptive management: implications

- Cultural shift
- Flexibility
- Un/learning from what really happens
- Agility
- Reviewing and reflecting (and allocating resources for it)
- Closing the loop



Source: Oxfam

<https://oxfamblogs.org/fp2p/adaptive-management-looks-like-its-head-stay-heres-why-that-matters/>

When VfM does NOT lead to adaptive management

- Siloed 'boxes'
- Donor compliance
- Focus on the 'money' side
- Distraction from what really matters
- One-off exercise
- Predictive results-based M&E
- Quantitative and/or monetary indicators and metrics
- Comparing programmes

No!

VfM for adaptive management

- Understand what investments are working and which are not
- People at the centre – Value for them
- Understanding how change happens
- Usable methodologies
- Learning and Action focussed
- Strategic and analytical
- Aligned to organizational values
- Bridging costs and results
- Fostering better understanding of contextual factors



Source:
<https://smallbiztrends.com/2016/01/analyzing-data-cartoon-business.html>

Conclusions

The reality:

- Private sector un-adapted concept
- Omission of those who really can value
- Focus on costs and savings
- Attempting quantitative comparisons
- Based on linear methodologies
- Fostering the same power imbalances

The opportunity:

- Give voice to people
- Simple tools that can be used internally
- Foster learning about what is changing
- Integrate in planning cycles
- Use to make strategic decisions
- Question ideological models

“The power and patronage of funding have required these [mechanistic] methodologies and procedures [ie logframes, RBM, PbR]. Though seen as ‘best practices’ they limit and distort learning and have hidden transaction costs in finance, staff time, motivation, and morale. To know better in development needs alternatives”

Chambers, R., Can we know better? Reflections for Development, 2018, Practical Action Publishing

THANK YOU

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