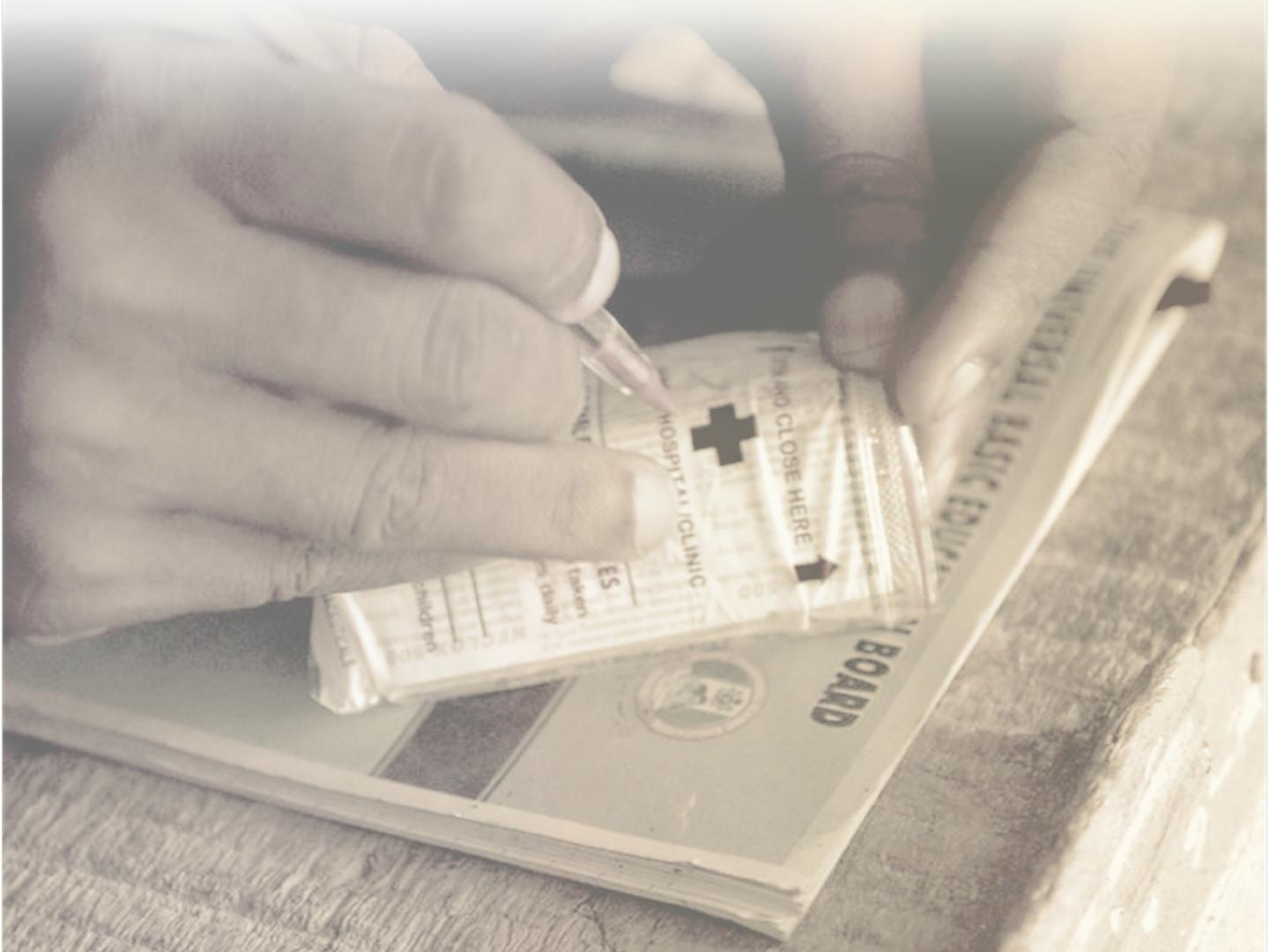


LAMP

DEVELOPMENT

LESSONS LEARNED

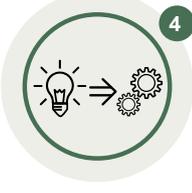
Our top tips for Value for Money (VfM) in health and governance programmes



Introduction

Value for Money has been part of reporting for international aid programmes for the last ten years and despite changes in government policy and global pandemics, it is clearly here to stay. During this time, it has developed and adapted. After an initial fear that VfM was focused mainly on driving costs down, there has been a realization that VfM emphasizes effectiveness, making an impact, while considering cost. A useful addition to any VfM analysis is to consider the lessons learned by the programme. We are taking this opportunity to share our experience, from several maternal and child health programmes as well as governance and accountability programmes, and summarize them in this article. We have examined the literature as well to see how our experience compares with others.

We identified lessons learnt across four simple stages in the lifecycle of a VfM analysis

Stages of a VfM analysis	Top tips
	<p>Designing and planning a VfM analysis</p> <ul style="list-style-type: none"> • Plan the VfM analysis at the start of the programme • Only include “useful” indicators • Embed VfM indicators into the overall M&E framework for the programme • Plan for staff time and resources
	<p>Data collection and analysis</p> <ul style="list-style-type: none"> • Develop tools and templates to ease the reporting burden • Institute monitoring system for financial management and procurement • Source benchmarks • Use baseline/endline data
	<p>Staff buy-in and accountability</p> <ul style="list-style-type: none"> • Spread responsibility across different teams and units • Provide frequent training and capacity building sessions to programme staff • Collect and share qualitative stories from staff to illustrate the use of VfM principles
	<p>Maximizing the utility of VfM analyses</p> <ul style="list-style-type: none"> • Regularly review the VfM framework, indicators as well as the programme’s theory of change • Identify opportunities to use the VfM data in programme decisions • Embed VfM principles in programme design

Designing and planning a VfM analysis

Plan the VfM analysis at the start of the programme.

This sounds simple but it is not always done. It ensures that all required data is captured from the initial stages, and that the M&E systems, financial and procurement systems are based on VfM principles.

Mangham-Jefferies et al conducted a systematic review of cost-effectiveness analyses (CEA) of maternal, newborn and child health (MNH) studies in LIC and LMICs¹. They found that when cost-effectiveness was the primary objective of the study, there was usually sufficient information on costs and effects, compared to studies that report study outcomes and cost-effectiveness only as supplementary results.

Only include “useful” indicators.

VfM works best when it is clearly linked to the programme’s theory of change. Work needs to be done to adapt those indicators to ensure they are sufficiently comparable with other programmes².

Embed VfM indicators into the overall M&E framework for the programme³.

Make sure the VfM indicators are linked to the Theory of Change and programme logframe. Consider too, the development of a result-based M&E framework and a result-based budget allocation and expenditure system. This could foster the use of a VfM approach as the programme becomes able to conduct real-time analysis of financial and result performance⁴.

Plan for staff time and resources.

VfM analyses are often resource-intensive and this should be factored into the plans.

The Value for Money Learning Group in 2016 conducted research on the development of VfM practice in the humanitarian and development sector and their lessons learned include ways to embed VfM within an organization and the importance of factoring in capacity building.

- **Leadership for VfM:** Organisational buy-in can be encouraged with the recruitment of a senior champion within the organization as well as engaging staff and stakeholders in the development of the VfM approach.
- **Integrating VfM into working practices:** To see lasting organizational change, tools should be provided to guide staff in practicing VfM. Also, the M&E and finance systems should be synchronized to ease the collation of VfM data.
- **Knowledge, skills and behaviours for VfM:** Encourage collaborative working across programme disciplines and the plan for VfM should include the cost of capacity building for staff.

Data collection and analysis

After the VfM approach is selected and indicators have been identified, data collection and analysis can begin.

- **Develop tools and templates** to reduce complexity of the data collection process for programme staff⁴. We have found indicator reference sheets help develop definitions, identify data sources and describe calculations required.

International HIV/AIDS Alliance in their 2011 pilot of an internal VfM approach using SROI reported that better outputs will be received from end-users if all tools are simplified for ease of use⁶. The VfM Learning Group also recommended that tools should be provided to guide staff in practicing VfM and this could be used to help the organization integrate VfM into their routine systems. An ODI workshop recognized the resource and staffing implications and suggested that the processes need to be simple enough for programme staff to incorporate VfM into their work⁷.

- **Ease the reporting burden** by reducing the frequency of reporting for some indicators based on the expected level of change within a time period. In addition, the responsibility for data collection should be spread across the appropriate programme units³.
- **A robust monitoring system for financial management and procurement is key.** Include up-to-date information on cost categories, location for expenditures (especially if the programme is being run across different locations)³. Also, the M&E and finance systems should be synchronized as far as possible to ease the collation of VfM data.

Turcotte-Tremblay et al (2016) found that when only aggregate costs are reported rather than detailed costs and inputs, the comparability of studies was limited⁸. The DFID-funded analysis of VfM for the WASH sector reported difficulties with data availability and linking expenditure data to programme outcomes because the M&E systems and financial reporting systems were not linked. Overall, it was concluded that WASH programmes will benefit from more rigorous M&E systems and detailed activity-based financial reporting⁹.

- **Source benchmarks.** To conduct the analysis and properly interpret the data, benchmark indicators can be sourced from reports from previous projects. If the organization is large enough, and similar projects have been conducted in other locations, this can be useful for benchmarking.
- **Use baseline/endline data.** To objectively demonstrate project impact, the use of baseline/endline data collection or a comparative group is recommended¹⁰.

Mangham-Jefferies et al found in their systematic review of cost-effectiveness analyses of MNH studies in LIC and LMICs¹, that interventions compared across similar studies and programmes by using outcomes such as lives saved, life years saved and DALYs, are better for comparison than strategy-specific cost-effectiveness measures such as cost per facility birth. Also, the range of cost data reported should be comprehensive for comparability. In addition, when cost-effectiveness is reported in relation to the per capita GDP of the country, it is beneficial for understanding VfM from a national perspective but less useful for international audiences.

Programme staff participation and accountability

At every stage of the process, it is vital to build buy-in and participation from programme staff. Lessons that can help this stage include the following:

- **Ensure participation and accountability** using techniques such as: set up a working group in the first year of the project; provide clear guidelines and clear tools with responsibilities for different aspects of the analysis to different staff roles or units⁵.

An ODI workshop on VfM found that encouraging participation from project teams can be accomplished by incentivizing staff to help define the metrics for assessing VfM. Also important is a closer working relationship between finance and programme teams⁷.

- **Spread responsibility across different teams and units** such as operations, finance and M&E teams^{3,7}.
- **Provide frequent training and capacity building sessions to programme staff.** Capacity building should focus on improving staff's ability to collect the data, conduct the analysis as well as to use VfM principles in project decisions².
- **Collect qualitative stories from staff** that illustrate the use of VfM principles².

Maximizing the utility of VfM analyses

This is often achieved by adapting already existing processes and using all resources available.

- **Regularly review the VfM framework, indicators as well as the programme’s theory of change.** This ensures that the analysis evolves with the programme. It promotes some flexibility in assessing other unexpected ways that the programme is adding value, particularly as the indicators identified at the start of the project may not capture all the project outcomes².

A systematic review of SROI studies conducted by Banke-Thomas in 2015 highlighted some important lessons for conducting a SROI study¹⁰. It recommended that periodic audits and reviews are conducted during the process of conducting a SROI study, to ‘interrogate the analyses’ and thus ensure transparency throughout the study.

- **Again, a robust M&E system is key!** An M&E framework that has indicators disaggregated sufficiently is important from the onset of the programme. This was reported to be specifically important for assessing equity¹¹.

Measuring Equity: one way of ensuring equity in VfM analyses is to use distributional weights that weight outputs and impacts among vulnerable populations¹¹. To further level the field for such programmes, it is recommended that costs and benefits are compared with similar programmes for vulnerable populations as they may seem less efficient, less effective and more costly, when compared to development programmes that seek to work with easier-to-reach populations where benefits are easier to demonstrate and costs are lower in terms of targeting and resource requirements^{1,11,12}. In addition, VfM analyses should be carried out with the full participation of these recipients^{5,11}.

- **Use the VfM data.** Find opportunities to begin to use the data being collected from the analysis for project decisions such as costs and adaptive programme learning³.
- **Consider VfM principles from the start of the programme.** Ensure from the start of the programme that the project design is based on VfM principles³.

Measuring VfM in adaptive programmes: adaptive programmes have features that may make VfM measurement different/more difficult, for example where inputs, outputs and outcomes are somewhat experimental and that may affect measurement of the 4Es. Donors need tools that enable programme teams to (re)assess their VfM in ‘real-time’ as the programme tests and responds, and where the value of some activities consists in the learning they generate⁷.

Our final thoughts

Despite progress made in the last 10 years, we've found there is still some way for VfM measurement and assessment to be improved. Detailed guidance in determining VfM indicators, particularly to improve comparisons across projects is not readily available. Though as we have seen here, there are an emerging set of lessons being learned, which can help to provide guidance. Our main finding is the importance of focusing on VfM from the very beginning of a programme and integrating it within programme systems. The more work done in planning and building up ownership within the programme for VfM, the more likely the success of the VfM as a programme tool, and the more likely resources are utilised to achieve the most impact. This preparation and planning should be followed through during implementation with a robust M&E framework that measures VfM and promotes improvement. Finally, it requires a programme team who feel they can use VfM data and principles to guide day-to-day management of resources and achieve impact.

References

- 1) Mangham-Jefferies L, Pitt C, Cousens S, Mills A, Schellenberg J. *Cost-effectiveness of strategies to improve the utilization and provision of maternal and neonatal health care in low- and middle-income countries*. *BMC Pregnancy and Childbirth* 2014, 14:243. <http://www.biomedcentral.com/1471-2393/14/243>
- 2) *Voices for Change (V4C) Outcome Legacy Paper*. 2017. <https://itad.com/wp-content/uploads/2018/11/V4C-Outcome-Legacy-Paper-v5-FINAL-ID-180430.pdf>
- 3) *ITAD, Final Evaluation Report, Mobilizing for Development, Independent Evaluation Manager (IEM)*. 2018 http://iati.dfid.gov.uk/iati_documents/46452898.pdf
- 4) Adhikari S, Gautam AP, Dhakal SB, Ahmad T. *Case study on value for money assessment of a UNICEF-assisted WASH programme in Nepal*. 40th WEDC International Conference, Loughborough, UK, 2017
- 5) *Value for Money Technical Brief*. The Global Fund. November 2019.
- 6) Bortcosh S, Gibb P. *Assessing and Managing Value for Money: Lessons for NGOs*. October 2016. <https://www.bond.org.uk/sites/default/files/resource-documents/assessing-and-managing-VfM-main-report-oct16.pdf>
- 7) Overseas Development Institute (ODI). *#AdaptDev workshop 3: Value for Money and Adaptive Management*. <https://www.odi.org/events/4603-adaptdev-workshop-3-value-money-and-adaptive-management>
- 8) Turcotte-Tremblay A, Spagnolo J, De Allegri M, Ridde V. 2016. *Does performance-based financing improve value-for-money in low- and middle-income countries? A systematic review*. *Health Economics Review* (2016) 6:30 DOI 10.1186/s13561-016-0103-9
- 9) Adhikari S, Gautam AP, Dhakal SB, Ahmad T. *Case study on value for money assessment of a UNICEF-assisted WASH programme in Nepal*. 40th WEDC International Conference, Loughborough, UK, 2017
- 10) Banke-Thomas AO, Madaj B, Charles A, et al. *Social return on investment (SROI) methodology to account for value for money of public health interventions: a systematic review*. *BMC Public Health* 2015;15:582
- 11) Lars Engen, Anna Hentinnen and Elizabeth Stuart. *How donors can deliver on the 'leave no one behind' commitment*. Overseas Development Institute, ODI. June 2019
- 12) Loryman H, Meeks P. *Leaving no one behind: The value for money of disability-inclusive development*. Bond Disability and Development Group. 2016.