

# Testing Value for Money

## Two case studies from a Pacific gender equality program

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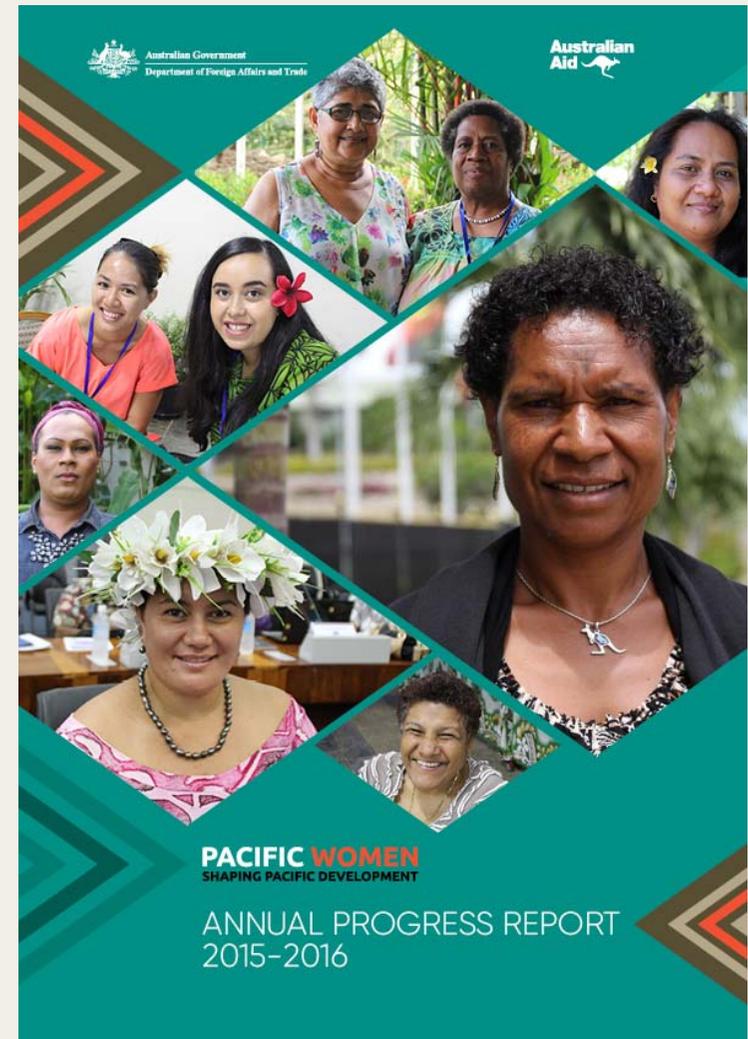
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# Presentation overview

Insights about testing a Value for Money (VfM) assessment approach for a complex multi country gender equality program



# DFAT Value for Money Principles

Economy	Efficiency	Effectiveness	Ethics
Cost Consciousness	Evidence Based Decision Making	Performance and Risk Management	Accountability and Transparency
Encouraging Competition	Proportionality	Results Focus	+ Equity
		Experimentation and Innovation	

+ Equity has been added to ethics to capture *Pacific Women's* aim to reach marginalised and vulnerable women.



# Value for Money Approaches

Economic Approaches	Characteristics
Cost Benefit Analysis	Monetise outcomes
Social Return on Investment	
Cost Effectiveness Analysis	Compare alternative programs
Cost Utility Analysis	
Basic Efficiency Resource Analysis	Compare a number of programs
Rank Correlation of Cost vs Impact	



# Value for Money Approaches

Non Economic Approach	Characteristics
Development of a VfM Rubric that aligns with the Program theory of change	Evaluation specific approach using criteria and standards
	Focus on more qualitative measures
	Provides a way to synthesize mixed methods evidence which may include economic, quantitative and qualitative data



# *Pacific Women VfM assessment approach*



# Key elements of the Pacific Women VfM Rubric

DFAT Four 'E's	Value for Money Principles	OECD-DAC Domains	Evaluation Focus in the assessment of VfM principles
Economy	<ul style="list-style-type: none"> <li>• Cost consciousness</li> <li>• Encouraging competition</li> </ul>	Efficiency	1. How efficiently were inputs (resources and funds) applied in the delivery of the program? 2. Was due diligence exercised?
Efficiency	<ul style="list-style-type: none"> <li>• Evidence-based decision making</li> <li>• Proportionality</li> </ul>	Relevance Efficiency	3. Were strategies, activities and outputs sufficiently founded in evidence to support achievement of intended outcomes? 4. How well were inputs used to support the right type and range of activities and outputs?
Effectiveness	<ul style="list-style-type: none"> <li>• Performance and risk management</li> <li>• Results focus</li> <li>• Experimentation and innovation</li> </ul>	Effectiveness Impact Sustainability	5. How well did outputs lead to the intended outcomes and thereby meet objectives? 6. Did outcomes contribute to the intended program goal? 7. Were innovative practices supported?
Ethics	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Accountability</li> <li>• Equity</li> </ul>	Relevance Effectiveness Efficiency	8. Was there accountability and transparency in the delivery of outputs? 8. Was there country ownership, cultural relevance and relevance to beneficiaries? 10. Were the most marginalised and vulnerable women reached?



# Pacific Women Draft VfM Rubric

4 E's	Principles and Standards		High Level (A)	Adequate (B)	Poor (C)
			Very strong performance without gaps or weaknesses	Acceptable performance with no significant gaps or weaknesses	Performance is unacceptably weak with significant gaps
Efficiency	Appropriate selection of strategies, activities and outputs to be delivered	Evidence- based decision making	The extent to which interventions are based on evidence; that is, contextual analysis drives/feeds into interventions and strategies		
			More than 75% of the countries demonstrate that contextual analysis feeds into interventions and strategies	Between 50 – 75% of the countries demonstrate that contextual analysis feeds into interventions and strategies	Less than 50% of the countries demonstrate that contextual analysis feeds into interventions and strategies
		Proportionality	The extent of adherence to the country plans for delivering interventions		
			More than 75% of the countries adhere to the country plan for delivering interventions	Between 50 – 75% of the countries adhere	Less than 50%
Effectiveness, Impact and Sustainability	Effectiveness in how good outputs are converted to outcomes and impacts	Results focused	The extent to which there is a result focus, and outputs are delivering the intended outcomes		
			More than 75% of the countries are delivering interventions in accordance with the country plan, and achieving the intended outcomes	More than 75% of the countries are delivering interventions in accordance with the country plan, but not achieving the intended outcomes	More than 75% of the countries are not delivering interventions in accordance with the country plan
		Performance and risk management	The extent to which there are performance and risk management processes in place		
			More than 75% of the countries have comprehensive performance and risk management processes in place, with evidence of their use.	Between 50 – 75% of the countries have comprehensive performance and risk management processes in place, with evidence of their use.	Less than 50% of the countries have comprehensive performance and risk management processes in place, with evidence of their use.
		Experimentation and Innovation	The extent to which there is experimentation and innovation		
			More than 75% of the countries can demonstrate at least one innovation	Between 50 – 75% of the countries can demonstrate at least one innovation	Less than 50% of the countries can demonstrate at least one innovation
Economy	Efficiency in managing costs	Cost consciousness	The extent to which cost consciousness principles are embedded in all aspects of programme management		
			More than 75% of the countries have cost consciousness principles embedded in all aspects of program management	Between 50 – 75% of the countries have cost consciousness principles embedded in all aspects of program management	Less than 50% of the countries have cost consciousness principles embedded in all aspects of program management
		Encouraging competition	The extent to which competition is practiced in procurement		
			More than 75% of the countries show evidence that competition is practiced in procurement	Between 50 – 75% of the countries show evidence that competition is practiced in procurement	Less than 50% of the countries show evidence that competition is practiced in procurement
Ethics	Ethical and Equitable practices	Transparency Accountability	The extent to which accountability mechanisms (e.g., adherence to country plans, reporting to Pacific Women) are in place		
			More than 75% of the countries meet these criteria	Between 50 – 75% of the countries meet these criteria	Less than 50% of the countries meet these criteria
		Country Ownership	The extent to which there is country ownership and relevance		
			More than 75% of the countries demonstrate cultural and beneficiary relevance	Between 50 – 75% of the countries demonstrate cultural and beneficiary relevance	Less than 50% of the countries demonstrate cultural and beneficiary relevance
		Equity	The extent to which marginalized groups (poor, socially excluded, persons with disabilities) are reached by program interventions		
			Majority of the countries (75%) can show evidence that they reach at least 2 of the groups	Majority of the countries (75%) can show evidence that they reach at least 1 of the groups	Majority of the countries (75%) cannot show evidence that they reach any of the groups

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			Very strong performance without gaps or weaknesses	Acceptable performance with no significant gaps or weaknesses	Performance is unacceptably weak with significant gaps
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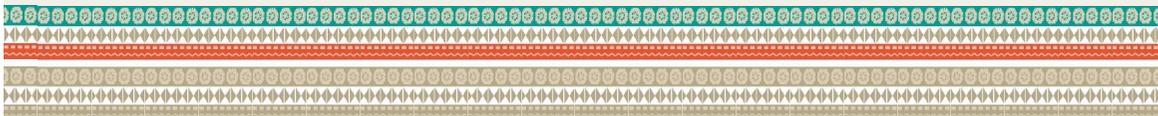


**PACIFIC WOMEN**  
SHAPING PACIFIC DEVELOPMENT



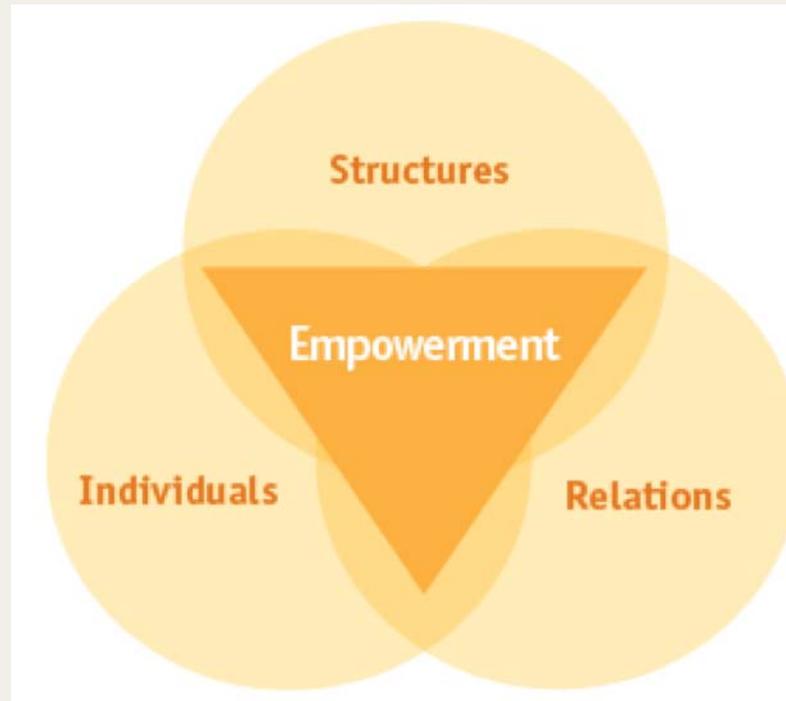
# Testing the approach in PNG

CARE's Coffee Industry  
Support Project (CISP)  
evaluation - 2017



# Developing the CISP VfM assessment framework

- ✓ Collaborative - CARE, DFAT, Evaluators
- ✓ Drew on CISP monitoring, evaluation, and learning framework and the *Pacific Women* draft VfM rubric



Agency: improving women coffee farmer's ability to learn and earn

Structures: building capacity of coffee industry to mainstream gender equity in policies & practice

Relations: helping smallholder coffee farming families work together equitably

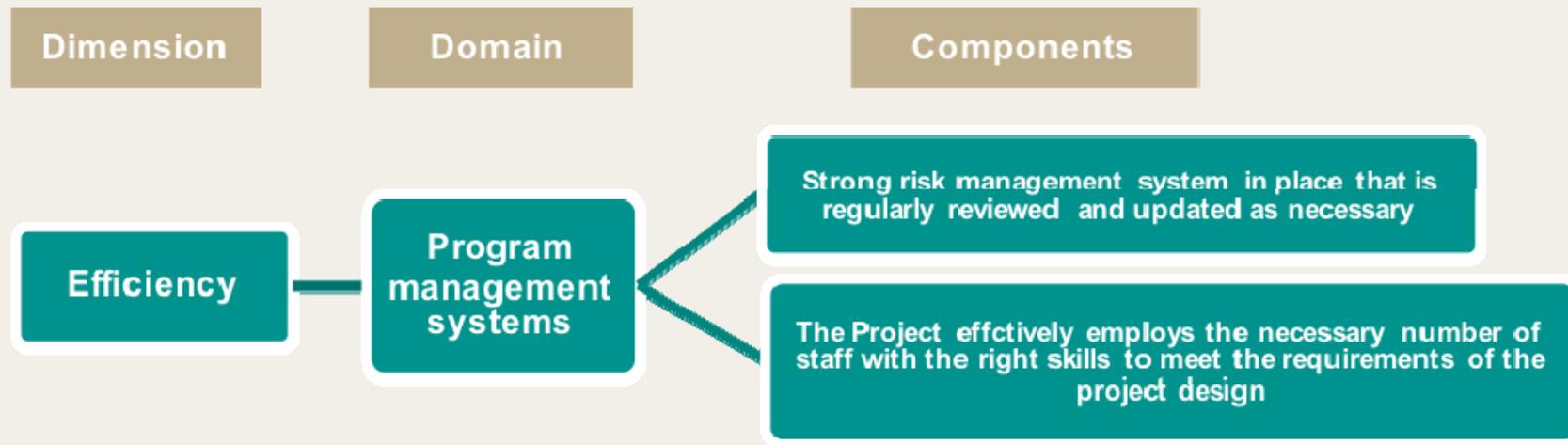


# Rating the evidence

Value for Money Dimension	Domain	Components			Score		
		High Level (3)	Satisfactory (2)	Poor (1)	Component	Domain	Dimension
Dimensions are rated 1-6	Components and domains are rated 1,2 or 3	Very strong performance without gaps or weaknesses	Acceptable performance with no significant gaps or weaknesses	Performance is unacceptably weak with significant gaps			
		6- satisfies criteria in all domains	4-on balance satisfies criteria; does not fail in any major domain	2-does not satisfy criteria in several major domains			
Ethics	Transparency	Transparent decisions are made about budget allocation	Most budget reallocations are transparently made	Reasons for changes to budget allocation are not documented			
		Accountability	Processes are in place and used to ensure accountability	Processes in place to ensure accountability			
Ethics	Ownership and relevance	Evidence of good ownership and relevance of project	Evidence of adequate ownership and relevance	little ownership and relevance			
		Equity	Evidence of good project reach to marginalised and vulnerable women	Adequate project reach to marginalised and vulnerable women			



# VfM Dimension, Domain and Component example



# CISP VfM Rubric

Dimension	Domain	Components			Score		
	Components and domains are rated 1, 2 or 3	High Level (3)	Satisfactory (2)	Poor (1)	Component	Domain	Dimension
		Very strong performance without gaps or weaknesses	Acceptable performance with no significant gaps or weaknesses	Performance is unacceptably weak with significant gaps			
Dimensions are rated 1-6		6 - satisfies criteria in all domains	4 - on balance satisfies criteria; does not fail in any major domain	2 - does not satisfy criteria in several major domains	Component	Domain	Dimension
		5 - satisfies criteria in almost all domains	3 - on balance satisfies criteria but marginal in at least one major domain	1 - does not satisfy criteria in any domain			
Economy	Financial Management	Cost conscious principles are embedded in all aspects of program management and delivery **	Adequate principles of cost consciousness evident	Inadequate cost consciousness principles practiced			
		High levels of competition practiced in procurement**	Competition principles appropriately applied in procurement	Inadequate competition practiced in procurement			
		The Project uses international expertise in the most cost effective way with evidence of appropriate skills transfer	The Project uses international expertise in a cost effective way	The Project is over reliant on international expertise without evidence of skills transfer			
		High degree of proportionality in the balance of investments**	Adequate degree of proportionality	Low degree of proportionality			
		Financial management system ensures accurate budget, management and reporting	Financial system used to monitor costs and aggregate budget in timely manner	Financial system does not allow for timely monitoring of costs and forecasting			

# Conducting the VfM assessment

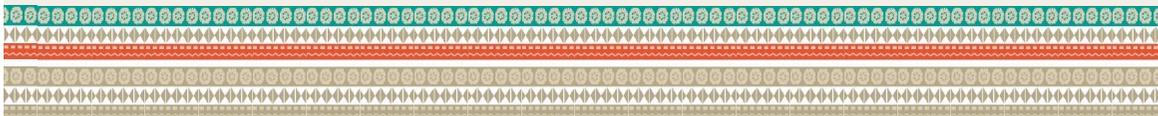
- ✓ Audit of project management and financial systems
- ✓ Document review
- ✓ Key informant interviews
- ✓ Field visits and observation
- ✓ Drew on existing evaluation processes – Ripple Effect Mapping



# Learnings about the VfM approach used

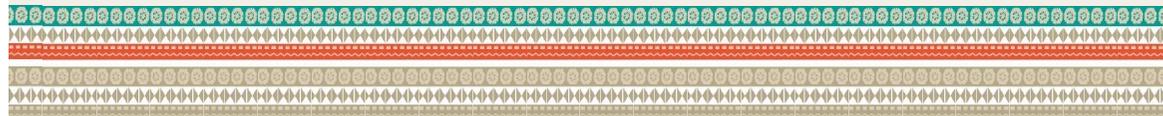


# Challenges with the approach



# Significance for evaluation of complex social programs

- ✓ Consider VfM assessment at the start of a program
- ✓ Provide guidance on when and how to conduct VfM assessments



# Significance for evaluation of complex social programs

The VfM approach selected needs to be:

- ✓ appropriate for the context
- ✓ useful for the donor and the evaluatee

Preferred processes include:

- ✓ participatory planning
- ✓ A broad range of data collection methods
- ✓ beneficiary assessment of value

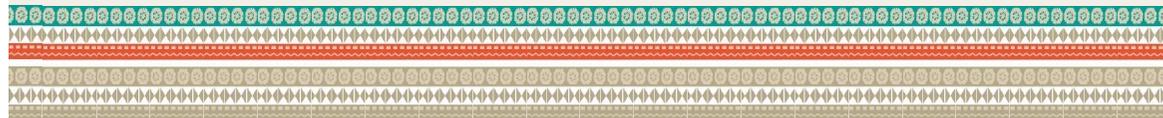


# Significance for evaluation of complex social programs

- ✓ A program theory informed approach provides for a detailed inquiry into a wider range of concerns than using an economic VfM model alone
- ✓ A theory based, evaluation approach can be strengthened by the inclusion of economic VfM approaches



# Comments and questions



# To conclude

✓ Confirmed the usefulness of a Value for Money approach that utilises the program's Theory of Change, and Program Logic



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# Thank you

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