



Value For Money

What is the cost of reaching each output and outcome of our project and are these costs justifiable?



m e m b e r o f

Alliance 2015

towards the eradication of poverty

Content

- 1 What has been done?
- 2 What can VFM Step by Step guide do?
- 3 What can VFM system matrix do?

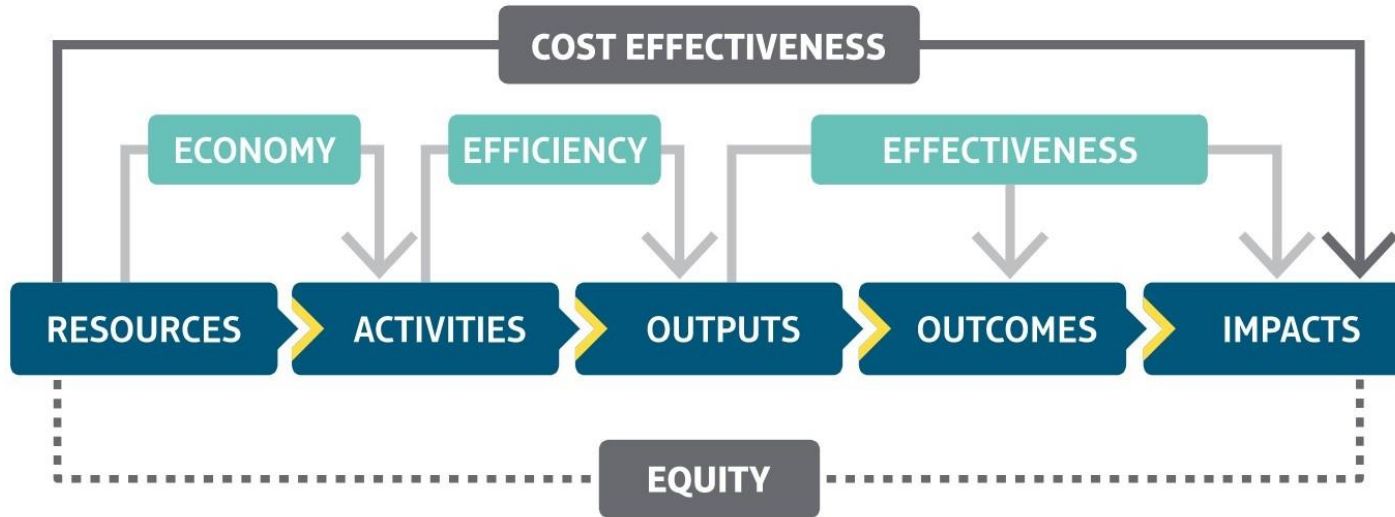


Why to think about VfM

- ▶ **VfM je součástí debaty/ snahy o zvyšování efektivity v rozvojové spolupráci** - zabývá se otázkou, jak porovnávat výsledky s náklady a přispívá ke schopnosti prokazatelně a maximálně efektivně využívat prostředky vynaložené na rozvojovou a humanitární pomoc.
- ▶ **Donors require VfM analysis** – e.g. DFID, USAID, SIDA, Global Fund
- ▶ **OECD**: the best use of resources to deliver the desired impact
- ▶ **BOND**: when designing and implementing an intervention, compare the costs and benefits of different options and make a defensible case for why the chosen approach provides the best use of resources and delivers the most value to poor and marginalised people
- ▶ **In general**: VfM is less about specific econometric methods or calculations (Cost Effectiveness A., Cost Benefit A., Social Return on Investment) and more a way of thinking about and approaching programme design, implementation and evaluation




Methodological framework



▶ 4E, DfID



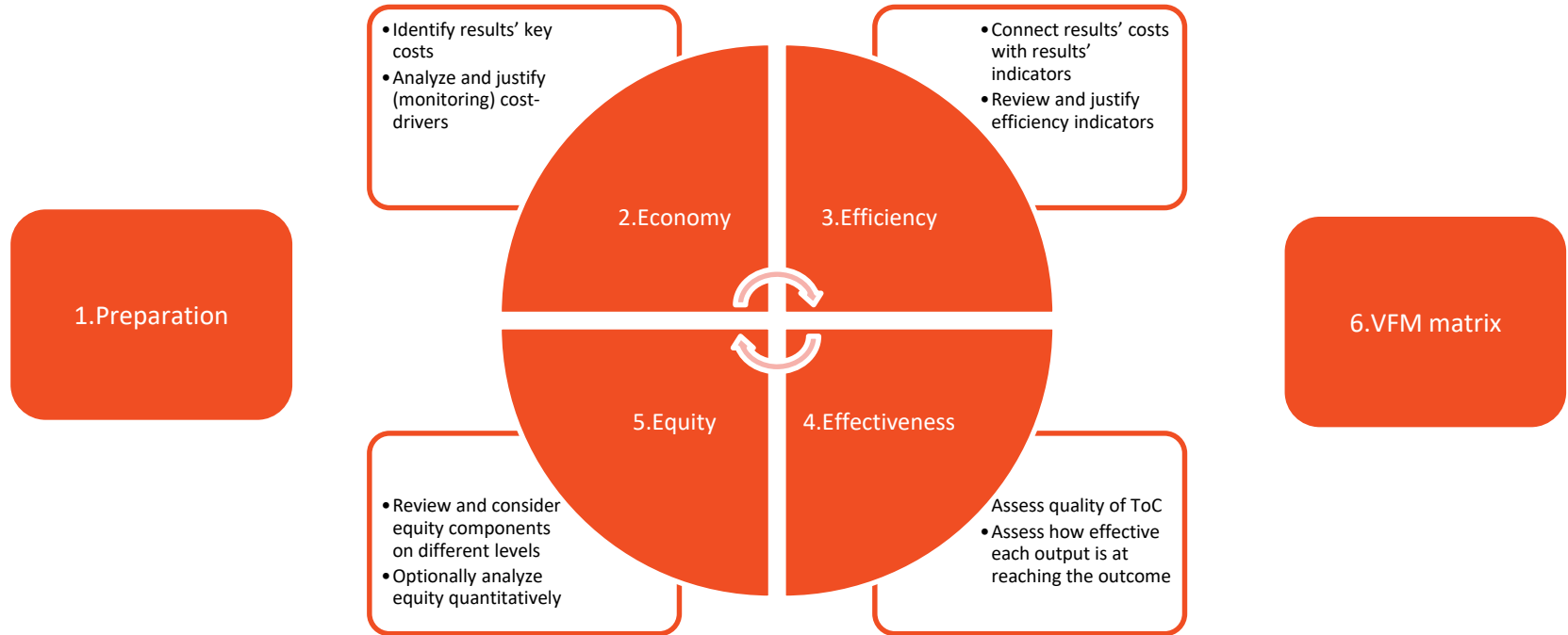
What has been done?



Step-by-Step Guide:
What is the cost of reaching each output and outcome of our project and are these costs justifiable?

- ▶ www.valueformoney.guide
- ▶ 1 vfm step by step guide
- ▶ 6 vfm tools
- ▶ BOND, IRC, CZDA

What can VFM Step by Step guide do?



Preparation for VfM analysis

- ▶ Indicators revision
- ▶ Budget preparation

BUDGET template										
Budget		Expenses			All expenses in EUR	share of costs per output in %				
select from: D, direct, O, operational, H-HQ		Number of units	Unit price in EUR	output1		output2	output3	output4		
Type of expenses	Unit									
1. Overhead, consultation services, operations										
1.1 Management										
D	1.1.1	month	4.75	5,000.00	24,000.00	20%	30%	30%	20%	40%
O	1.1.2	month	4.75	5,000.00	24,000.00	20%	30%	30%	10%	40%
D	1.1.3	month	4.75	5,000.00	24,000.00	20%	30%	30%	10%	40%
D	1.1.4	month	4.75	5,000.00	24,000.00	20%	30%	30%	10%	40%
D	1.1.5	month	4.75	5,000.00	24,000.00	20%	30%	30%	10%	40%
O	1.1.6	month	4.75	5,000.00	24,000.00	20%	30%	30%	10%	40%
O	1.1.7	month	4.75	5,000.00	24,000.00	20%	30%	30%	10%	40%
1.2 Experts/ consultants (namely)										
H	1.2.1	month	5.00	4,000.00	20,000.00	20%	30%	30%	10%	40%
H	1.2.2	month	5.00	4,000.00	20,000.00	20%	30%	30%	10%	40%
D	1.2.3	month	5.00	4,000.00	20,000.00	20%	30%	30%	10%	40%
O	1.2.4	month	5.00	4,000.00	20,000.00	20%	30%	30%	10%	40%
1.3 Administrative staff										
D	1.3.1	month	6.00	3,000.00	18,000.00	20%	30%	30%	10%	40%
D	1.3.2	month	6.00	3,000.00	18,000.00	20%	30%	30%	10%	40%
O	1.3.3	month	6.00	3,000.00	18,000.00	20%	30%	30%	10%	40%
D	1.3.4	month	6.00	3,000.00	18,000.00	20%	30%	30%	10%	40%
O	1.3.5	month	6.00	3,000.00	18,000.00	20%	30%	30%	10%	40%



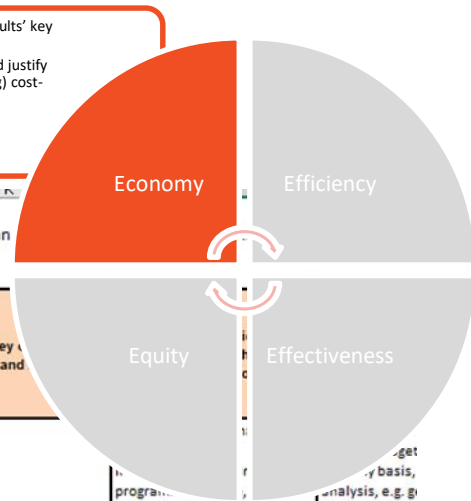
VFM CASE: LNGB ETHIOPIA

Outputs		Output indicators	Total output cost	Input (direct) cost	direct (delivery) cost	ratio (effici	Efficiency unit	Efficiency unit cost	Economy: Key cost-drivers	Economy: key cost drivers justification and monitoring	Efficiency Indicator Justification with Equity Considerations	Questions for
Outcome:		Marginalised girls have significantly improved learning outcomes and have transitioned to education, training, or employment.										
Outcome Indicator:		25000 marginalised girls and girls with disabilities supported by GEC with improved learning outcomes.(Boys with improved learning outcomes can be tracked as secondary beneficiaries)										
Outcome unit cost:		Effectiveness indicator: 1 marginalised girl or girl with disabilities supported by GEC with improved learning outcomes will cost GBP 339.82 with 86% effectiveness										
Output 1: Provision of flexible ABE and IFAL programmes for out-of-school marginalised girls (aged 10-19)	90 of girls-friendly ABE/IFAL centres established / supported (soft and hard interventions)	£ 2,379,544.54	£ 2,139,330.54	£ 240,214.00	89.91%	1 established/ supported ABE/IFAL center	£ 26,439.38	156 000, Construction of 3 blocks each with 4 class rooms (unit cost=52000), category2: land, building, construction 145 520, 10 school building blocs construction (unit cost=14522), category2: land, building, construction 104 784, 24 roof catchments for water availability (unit cost=4366), category2: land, building, construction		working with marginalized part of communities IF alternative learning programmes in safe, quality and inclusive learning environments are provided, THEN more girls will attend, return to, and stay in school, and transition at key points in their pathway.	<u>monitoring</u> : do general budget monthly basis, analysis, e.g. gy similar constru it with propose <u>Equity</u> : how did equity? <u>General</u> : there evidence that t	
		Efficiency indicator: 1 established/ supported ABE/IFAL center will cost 26439.38 GBP with 90% efficiency										
		Effectiveness: Building schools and infrastructure: Girls expanded enrollment in education: NEGATIVE OR NULL EVIDENCE (Girls Education and Gender Equality, Unterhalter et. Al., 2014) Effectiveness: Providing schools with more and better resources: Girls expanded enrollment in education: POSITIVE EVIDENCE (Girls Education and Gender Equality, Unterhalter et. Al., 2014) Effectiveness: Provision of water and sanitation facilities: Attendance specifically for girls: PROMISING EVIDENCE (Water and Sanitation in Schools: a Systematic Review of the Health and Educational Outcomes										
Output 2 Teachers and facilitators trained in child-centered, gender sensitive, CP & adolescent development in improved learning environment	3550 of teachers and facilitators trained in gender-sensitive and child-centred and inclusive education methodologies	£ 1,742,739.39	£ 1,502,525.39	£ 240,214.00	86.22%	1 trainer or facilitator trained	£ 490.91	100 200, 1 Protection manager (unit cost=1670), category2: Support costs 96 000, 1 Development of software for data collection and report (unit cost=96000), category2: IT and Office equipment 90 000, 30 Construction of gender disaggregated and differently abled students inclusive bathrooms, Fencing (unit cost=3000), category2: Expenses		IF the quality of teaching improves, THEN learning outcomes, attendance and transition rates for girls will improve. <u>Innovation</u> : Mobile-based attendance tracking? But how is it related to output 3?	monitoring & e <u>general</u> : note-I not related wit indicator(s)	
		Efficiency indicator: 1 trainer or facilitator trained will cost 490.91 GBP with 86% efficiency										
		Effectiveness: Changes to school organization, governance or gender mainstreaming: Girls expanded enrollment in education; POSITIVE EVIDENCE (Girls Education and Gender Equality, Unterhalter et. Al., 2014) Teacher training: Girls expanded enrollment in education: POSITIVE EVIDENCE ((Girls Education and Gender Equality, Unterhalter et. Al., 2014) Provision of water and sanitation facilities: Attendance specifically for girls: PROMISING EVIDENCE (Water and Sanitation in Schools: a Systematic Review of the Health and Educational Outcomes										
...	vfm	PD Output 1	PD Output 2	PD Output 3	PD Output 4	PD Output 5	M&E	CA	3. Summaries >>>	Budget Summary	LNGB Template	4. Match ...



VFM identifies and analyses key costs

- Identify results' key costs
- Analyze and justify (monitoring) cost-drivers

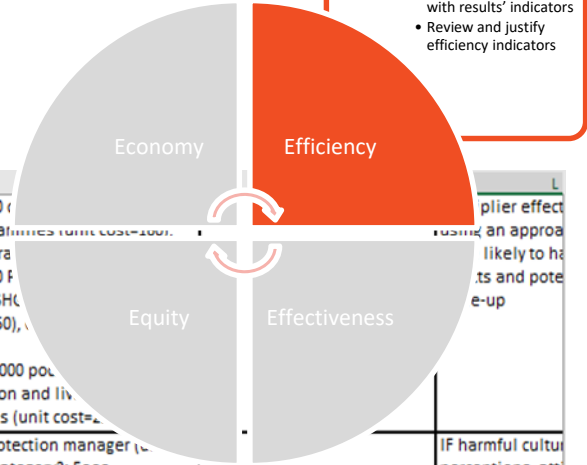


Outcome:		Marginalised girls have significantly improved learning outcomes and have transitioned to education, training, or employment.								
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		Efficiency indicator: 1 trainer or facilitator trained will cost 490.91 GBP with 86% efficiency								
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VFM connects costs with results

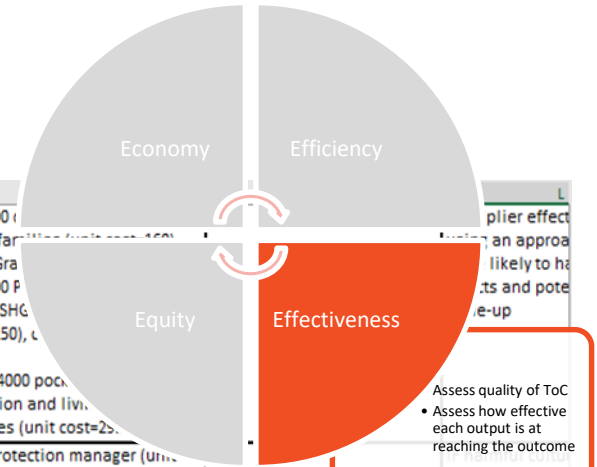
- Connect results' costs with results' indicators
- Review and justify efficiency indicators



B	C	D	E	F	G	H	I	L	
Output 3: Introduction of alternative programmes for transition to formal education and (self-)employment for girls	4800 girls who have enrolled in vocational skills training (disaggregated for girls with disabilities and without)	€ 2,301,570.87	€ 2,061,356.87	€ 240,214.00	89.56%	1 girl enrolled in vocational skills training	€ 479.49	160 000, 1000 transfers to families (unit cost=100), category2: Grant (unit cost=150), costs 150 000, 1000 F capital for SHG (unit cost=150), costs 116 414.44, 4000 po transportation and liv beneficiaries (unit cost=2	
		Efficiency indicator: 1 girl enrolled in vocational skills training will cost GBP 479.49 with 90% efficiency							plier effect
		Effectiveness: Conditional cash transfer: enrollment: PROMISING EVIDENCE (A systematic review of the evidence of the impact of eliminating school user fees in low-income developing countries, Morgan et al., 2012) Conditional cash transfer, attendance: POSITIVE EVIDENCE (relative effectiveness of conditional and unconditional cash transfers for schooling outcomes in developing countries: a systematic review, Baird et al. 2013)							an appro likely to ha ts and pote e-up
Output 4: Communities (incl. parents, men and boys) are sensitised to actively ensure promotion of learning opportunities for girls	140000 of parents, boys, community members (200 000) demonstrate knowledge on importance of girls education and alternative learning opportunities.	€ 1,355,509.72	€ 1,115,295.72	€ 240,214.00	82.28%	1 parent, boy or, community members demonstrates knowledge on importance of girls	€ 9.68	102 000, 1 Protection manager (unit cost=1700), category2: Fees - international 54 000, 1 Psychologist (unit cost=900), category2: Fees - local 50 000, 5000 Provision of school materials (unit cost=10), category2: Education supplies	
		Efficiency indicator: 1 parent, boy or, community members demonstrates knowledge on importance of girls education will cost GBP 9.68 with 82% efficiency							IF harmful cultu perceptions, atti practices toward education and r diminish, THEN i will have improv attendance, lea transition rates quality of life
		Effectiveness: Promising Evidence. Community accountability and empowerment interventions: Student enrolment specifically for girls (Enhancing community accountability, empowerment and education outcomes in low and middle income countries, Westhorp et al 2014)							
Output 5: Government structures are involved and pursue policy improvements targeting girls'	100 of relevant government officials who are aware of the state of girl's education	€ 716,213.69	€ 475,999.69	€ 240,214.00	66.46%	1 relevant government official is aware of the state of girl's education	€ 7,162.14	33 600, Steering committee meetings travel allowance and hotel costs (unit cost=14), category2: Hotel accommodation and subsistence costs 23 400, national level conference refreshment (unit cost=26), category2: Hotel accommodation and	
		Efficiency indicator: 1 relevant government official is aware of the state of girl's education will cost GBP 7162.14 with 66% efficiency							Transport monitoring: Mechanisms are in place to monitor and control fuel expenditure, for example vehicle logbooks that record distances driven and fuel used (including receipts) are checked on a monthly basis
									IF multiple stake partnerships are strengthened, Th made towards ir girls' education sustainable. We will strengt partnerships wit



VFM assesses effectiveness of results

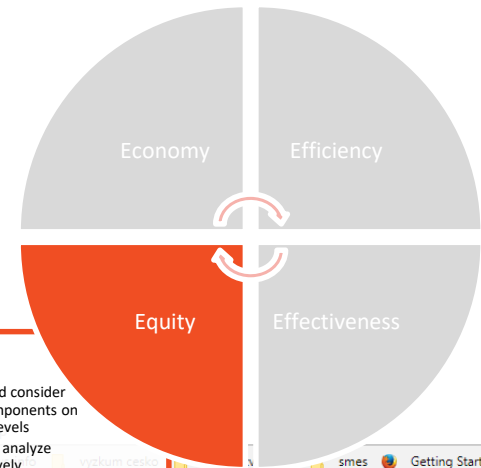


B	C	D	E	F	G	H	I	L				
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		<p>Efficiency indicator: 1 girl enrolled in vocational skills training will cost GBP 479.49 with 90% efficiency</p> <p>Effectiveness: Conditional cash transfer: enrollment: PROMISING EVIDENCE (A systematic review of the evidence of the impact of eliminating school user fees in low-income developing countries, Morgan et al., 2012)</p> <p>Conditional cash transfer: attendance: POSITIVE EVIDENCE (Relative effectiveness of conditional and unconditional cash transfers for schooling outcomes in developing countries: a systematic review, Baird et al. 2013)</p>										
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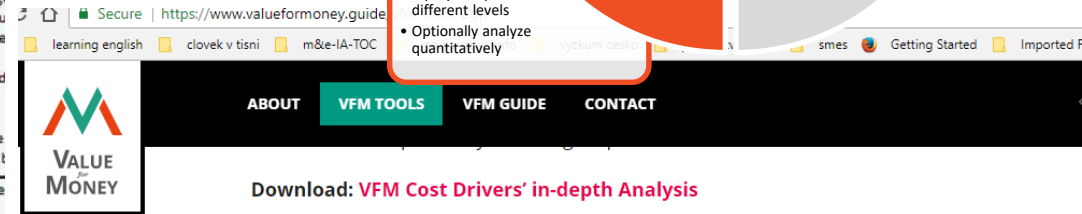


VFM helps justify and analyse equity

Economy: Key cost-drivers	Economy: key cost drivers justification and monitoring	Efficiency Indicator Justification with Equity Considerations	Questions for
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- Review and consider equity components on different levels
- Optionally analyze quantitatively



Download: [VFM Cost Drivers' in-depth Analysis](#)

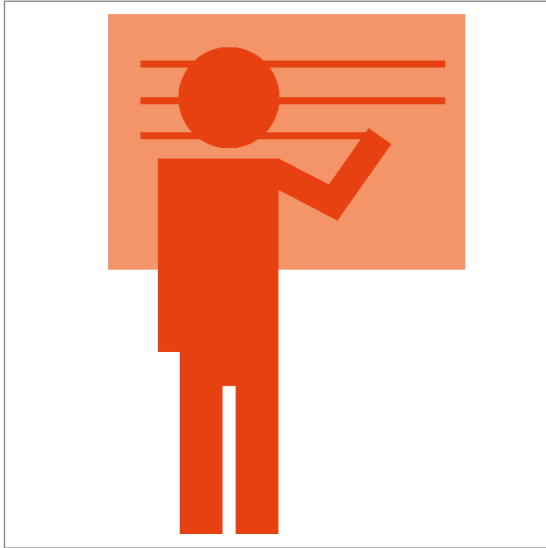
VFM EQUITY QUANTITATIVE ANALYSIS

- ◆ **When:** The Guide's Step 9 provides guidance how to provide a qualitative description of how Equity has been considered in your project. However, an optional further step could be to a quantitative Equity analysis.
- ◆ **How:** Follow the steps starting with chapter I. Preparation for the VFM Analysis. You can use the Quantitative Analysis when reviewing chapter V. Equity.

Download: [VFM Equity Quantitative Analysis](#)



What can VFM system matrix do?



- ▶ Qualitative tool – checklist of items during different stages of project cycle
- ▶ Tool for self assessment or for evaluators
- ▶ Requires – docs revision, procedures revision, discussion with staff/ stakeholders



Thanks For Your
Attention!

vfm@peopleinneed.cz
valueformoney.guide