



# VALUE FOR MONEY IN ACTIONAID: CREATING AN ALTERNATIVE

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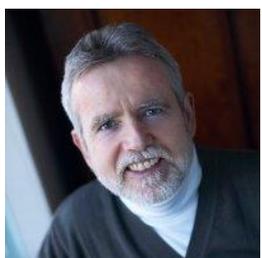
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## Acronyms

CKWF	Chikulamayembe Women Forum
COWFA	Coalition of Women's Farmers
DAC	Development Assistance Committee
DFID	Department for International Development of the United Kingdom
GBV	Gender Based Violence
HRBA	Human Rights Based Approach
HTP	Harmful Traditional Practices
ICAI	Independent Commission for Aid Impact
IGA	Income Generation Activities
INGO	International Non-Governmental Organization
LRP	Local Rights Programme
M&E	Monitoring and Evaluation
MCDA	Multiple criteria decision analysis
NAO	National Audit Office of the United Kingdom
PDA	Participatory Development Alternatives
PDVA	Prevention of Domestic Violence Act
PPA	Programme Partnership Agreement
PRRPs	Participatory Review and Reflection Processes
RA	Reflection Action
RWF	Rumphi Women Forum
SROI	Social Returns on Investment
TA	Traditional Authority
UN	United Nations
VAWG	Violence Against Women and Girls
VDC	Village Development Committee
VfM	Value for Money
VSL	Village Savings and Loans
WWF	World Wildlife Fund

## Executive Summary

Since 2010, donors increasingly require International Non-Governmental Organizations (INGOs) to demonstrate the Value for Money (VfM) of their interventions. The framework was imported from the private sector and usually assumes that the goal of VfM assessments is to save money. It also assumes that the changes that INGOs work towards – which are often influenced by complex factors – can be planned, delivered and measured in an orderly and predictable way.

While VfM practices have proven to be difficult for INGOs to use, the VfM agenda does offer an opportunity for aid agencies to look strategically and more analytically at their work, to relate the costs of their interventions to changes achieved and to understand which changes have most value for different people in the community and why. ActionAid committed to understanding how the concept of VfM might be used in a human rights based organization that works to empower the most vulnerable and excluded, in particular women, in very remote areas. Through its VfM Pilot Project, ActionAid developed an alternative approach to VfM, building on practice, learning-by-doing with ActionAid frontline staff, partner staff and the women and men it works with on the ground.

ActionAid believes that the value of a programme should be judged on how much social change it has generated and the communities themselves can best assess this value. Hence, VfM analysis aims to answer the following questions: (i) What is changing as a result of ActionAid's work and what is not changing as much? (ii) Which areas are worth the investment? (iii) What does ActionAid need to do differently in the future?

To respond to these questions, ActionAid and partners developed a set of participatory tools to enable discussions

with the communities about the VfM of its work. ActionAid sought to develop an approach that would enable an understanding of which approaches it invests in have the greatest positive impact. This in turn would help to realign the way budgets are allocated. It is also intended to ensure that those participating can have a real say in how budgets should be allocated and to start the process of reversing the top down power dynamic that currently characterises much development work.

The assessment of VfM starts with the changes that people observed in their community and relates these to investment levels (high, medium and low). Findings are then visualized in a VfM Cartesian Diagram and used to launch a discussion of corrective action, when necessary.

The community-based analysis can be a strong analytical tool to assess the way organizations are investing their resources and to see which approaches are creating more value in communities. The analysis gives priority to the feedback of the communities as the main actors providing the crucial information on which to make VfM judgements. This contrasts with conventional VfM approaches that focus attention on financial management issues which, while important, should not lie at the heart of the question about whether or not VfM is achieved. ActionAid's approach to VfM goes beyond the analysis of operational systems. Using participatory methods, it empowers community members to assess the VfM of programmes, and supports dialogue, emergent learning and critical reflections on whether investments are generating the best possible changes for people living in poverty. At the same time, it is an approach that can be adopted by frontline staff and partners as the tools developed are simple to use, but rigorous and participatory. This ensures

that they can be used on a regular basis to feed into programme planning on the ground.

ActionAid's alternative approach to VfM offers an opportunity to foster learning and enables constant improvement to achieve greater and deeper impact. In

this way, VfM becomes part of a wider accountability agenda, linked to ActionAid's dual commitment to transparency regarding its programming and decision-making, and accountability as to how it assesses its successes and learns from these in order to improve its work.

## Introduction

Value for Money (VfM) was first introduced in the international development sector in 2010 by the then Secretary for International Development, Andrew Mitchell. The concept was imported from the private sector where an investment is considered value for money for a private company if the returns outweigh the cost. From a consumer perspective it is defined as the *utility derived from every purchase or every sum of money spent. Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase*<sup>1</sup>.

In the not-for-profit sector, while assessing the costs may be relatively straightforward, the value side of the VfM concept is harder to pin down, as financial returns are not the driver of the work of the sector. It is often difficult to allocate financial value when the work focus is on social, political and human processes, which frequently cannot be accurately described by quantitative metrics because they involve multiple interrelated issues, often falling outside the market economy.

The VfM agenda was promoted as an invitation, later translated into a requirement, for NGOs to show the public (and the Treasury) what was happening with aid money. Despite a theoretical openness of the donor community to enabling the sector to work out an appropriate understanding of VfM, since 2010 INGOs have faced increasing requirements to demonstrate VfM using the criteria utilized by the private sector, known as the 3Es, Economy, Efficiency and Effectiveness. However, donors as well as INGOs have struggled to demonstrate their VfM to the stakeholders they are accountable to using the 3Es framework and the learning generated across the sector as a result of this has been limited.

At present, much VfM work reflects a simplistic and linear view about how change happens and assumes that positive changes desired in international development can be planned, controlled and measured. In particular, donors have pushed INGOs to demonstrate the VfM of an intervention by focussing on the cost drivers and calculating the savings incurred from certain operational choices, such as working through a partner or implementing the work directly. This approach to VfM omits a variety of programmatic considerations that need to be taken into account, such as if and how the change has occurred and for whom, the sustainability of the intervention, any multiplier effects, the extent of the obstacles that the programme had to overcome in the local context and more.

This is particularly problematic for the donors who, while holding among all the stakeholders the greatest decision-making power through control over resources and contract compliance, are, at the same time, the furthest removed from the areas where interventions take place. Their need to understand how the work is done, who benefits most and what value it has for households, communities and the wider society is critical for good decision-making. Yet often these data are missing from the VfM paradigms currently in play. The data generated tends to focus on demonstrating good procurement processes, good financial management or/and financial accountability, but not an assessment of the quality and value of the work to different participants, notably the intended beneficiaries of aid.

In this way, VfM replicates the power imbalances that have characterized the sector for decades, where the holders of the funding largely set the development agenda for

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<sup>1</sup> <http://www.businessdictionary.com/definition/value-for-money-VFM.html>

millions of vulnerable and excluded people and the systems adopted to reach them, rather than taking their needs and rights as the starting point and building on these. In these terms, VfM risks reinforcing the 'colonial nature' of the relationship between the 'first world' and the global south, where the latter has to fit in with the definition of value developed and then largely imposed by funders.

For some INGOs, a key question was how they could use the VfM agenda to improve their programmes taking into account the complexity of aid work. In other words, is VfM a new buzz word that relies on strict formulas to demonstrate upward accountability? Or is it a concept that can actually bring about new ways of thinking and working into the sector and be used for downwards accountability as well?

In response to these questions, ActionAid committed itself to understanding VfM better, and how it might be applied to a human rights based organization that focuses on empowering the most vulnerable, in particular women, in very remote areas to claim their rights and live a life of dignity.

To do so, ActionAid delivered a VfM Pilot Project funded by the UK Department for International Development (DFID) through the Programme Partnership Agreement (PPA) to carve its own understanding of VfM and develop appropriate methodologies for ActionAid to measure VfM.

ActionAid intended to use VfM as an opportunity to critically reflect on and question its work, to understand whether the money used was bringing the best possible change as defined by people living in poverty. According to this approach, the value of the programme is the degree of social change generated and the assessors of the value are the communities themselves. At the same time, ActionAid aimed to develop an approach that could be adopted by its frontline staff and partners. So the tools developed had to be simple while maintaining rigour and accuracy to ensure that they can be used regularly to enable corrective action when needed.

The Pilot process was considerably innovative. Rather than developing a framework and position on VfM a priori and in a top-down fashion, ActionAid chose to test the methodologies suggested by the donors, such as the Social Returns of Investment (SROI) and build its understanding from practice, learning-by-doing with frontline staff, partner staff and the women and men it works with on the ground. This allowed ActionAid to experiment and confidently base its position and methodologies on evidence and reflections from country teams. The approach developed as a result enables the VfM lens to go beyond operational systems and procedures analysis foster learning, especially on resource allocation and how spending relates to results, to enable a constant improvement of programmes.

In the process ActionAid saw how the framing of VfM impacts directly on the questions asked, and who is answering the questions. By entrusting communities to define the value of the work, sharing with them the way budgets are allocated and working together to assess where results were the strongest, the VfM approach 'changed the conversations', enabling new and different ones to emerge. It allowed staff, partners and communities to link financial allocations better to what works and what does not work, and led to discussions about the need to adjust and refocus some budget allocations.

### ***Structure of the paper***

This paper uses empirical evidence based on field work in seven countries, to develop and explore ActionAid's alternative approach to VfM, showing the learning generated. To do so, ActionAid refined and clarified the specific questions that VfM is expected to

answer and developed a set of tools to enable beneficiary feedback to be at the centre of the approach.

The paper is structured as follows. It starts with an overview of how the VfM agenda was introduced by DFID and the key approaches and techniques suggested to measure VfM. This is followed by a section on the INGOs responses, providing examples about how VfM has been put into practice across the sector. The focus then moves to ActionAid and the starting points that informed the development of ActionAid's approach, before outlining its key components and significance. Finally, two case study examples are summarized, drawn from ActionAid's VfM Pilot Project, showcasing the evidence which supported the development of the VfM approach, the learning drawn from it and observations on limitations and ways to overcome them. An Annex summarizes the community-based methodology for assessing VfM.

## Background

VfM approaches have long been used by the private and public sectors and were first emphasized in the UK international development sector in 2010. The then International Development Secretary Andrew Mitchell, referring to DFID's support to INGOs, stated *"This support is based on these organisations' clear ability to deliver the results we all want to see. We expect these charities to work hard to prove to UK taxpayers that they will and can make a real difference to the lives of the poorest and deliver real value for money."*

The purpose of VfM varies across the sector. In some cases, it is used to inform funding decisions, as noted by Coffey: *"the primary purpose of value for money assessments is to provide decision-makers with better data and analysis to identify projects that offer the best value for taxpayers' money and thereby justify continued or increased funding"*<sup>2</sup>. In others, it is about justifying aid spending by demonstrating the appropriate use of available resources and communicating how the resources have made a difference.

DFID has been leading the way on VfM among donors and defines it as the *maximization of the impact of each pound spent to improve poor people's lives, which means that in everything we [DFID] do we try to maximise our impact on poor people's lives, given the financial, political and human resources we have available*<sup>3</sup>. However, it is only in 2017 that the Independent Commission for Aid Impact (ICAI) launched a review scrutinizing DFID's approach to value for money in programme and portfolio management. To date, DFID has released limited public information about its VfM and the relationship between its costs and outcomes. The focus of VfM requirements is strongly on NGOs but is not yet equally applied across all agencies receiving aid funds, despite NGOs receiving only approximately 20% of UK aid<sup>4</sup>.

VfM analysis of DFID's operational choices, such as whether to work with private for profit agencies as opposed to INGOs, is lacking in the public domain. Indeed cost benefit analyses or VfM are almost entirely lacking in the public domain in relation to the costs of the increasing use in development of consultants and overseeing partners from the private sector as project managers; only recently have any questions been asked and concerns raised about the high costs of some consultants from large private sector agencies. Many evaluations specifically exclude the costs of these players, such as those

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<sup>2</sup> Griffiths, S. and Christoff, J., An alternative approach to evaluating value for money. Article for the UKES / The Evaluator, 2015

<sup>3</sup> Mehalah Beckett, DFID Smart Guide to Value for Money: DFID's Approach to Value for Money, March 2015

<sup>4</sup> <http://www.ukan.org.uk/aid-quantity/uk-aid-breakdown/>

associated to the role of KPMG in the Global Transparency Fund. The focus of DFID's VfM agenda therefore seems to be strongly on NGOs.

DFID adopted the 3Es framework, which has been widely embraced across the sector to define VFM. The UK National Audit Office (NAO)<sup>5</sup> defines the 3Es as follows:

- Economy: minimising the cost of resources used or required (inputs) – spending less;
- Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
- Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

A fourth 'E' is applied in some places:

- Equity: the extent to which services are available to and reach all people that they are intended to – spending fairly.

DFID argues that VfM will be delivered as a result of the balance of the 3 or 4 Es. To be able to demonstrate this, INGOs funded by DFID are usually asked to provide information in programme proposals and reports on each of the 4Es separately, using DFID's VfM model<sup>6</sup> and focusing particularly on the costs, including cost drivers, cost per outputs and cost per beneficiary measures, such as the cost of giving a person access to clean water, the average cost per primary school textbook, the cost per child treated through nutrition programmes, or other metrics such as the administration to programme ratio<sup>7</sup>. All of these metrics provide limited useful information about what is changing for the target group because they focus on inputs' costs and immediate outputs, omitting an assessment of the outcomes of the work, for example in terms of the sustainability of water and sanitation services, the quality of education, or the effect on malnutrition rates on child survival.

Despite these reporting requirements, donors have not been prescriptive about how to measure VfM and guidance on how INGOs should apply the criteria has been limited. The literature on the measurement of VfM has mostly focussed on monetary valuation techniques and approaches such as cost benefit analysis and social return on investment.

As summarized by Vardakoulias and Shutt, the key approaches suggested for INGOs to look into are:

- Economy analysis – focuses on examining the cost of inputs and challenging procurement procedures and systems.
- Cost-efficiency analysis - entails the analysis of the relative efficiency of outputs using metrics such as the cost per person vaccinated or trained and assumes a linear relationship between inputs and outputs.
- Cost-benefit analysis – explores the relationship between the costs and the outcomes which can be given monetary values. Non-monetizable outcomes cannot be included.

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<sup>5</sup> <https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>

<sup>6</sup> DFID's Guidance on the PPA Reporting template 2015-16

<sup>7</sup> DFID's Guidance on the PPA Reporting template 2014-15

- Cost-effectiveness analysis – relate costs to quantifiable outcomes. Qualitative outcomes cannot be included.
- Social returns on investment (SROI) – engages stakeholders to identify costs and benefits that are valued by assigning monetizable proxies.
- Basic efficiency resource analysis (BER) – assesses the relative contribution of different projects or components given the different levels of resources.
- Multiple criteria decision analysis (MCDA) – uses quantitative and qualitative data and engages stakeholders to build consensus for decision making.

Most of these approaches, except for the latter two, focus on quantitative methods and monetary valuation suggesting that VfM can be understood and measured by focussing predominantly on the financial and tangible elements of an intervention. These methods are ill-equipped to deal with complex interventions and to evidence qualitative change and the causal links between quantitative and qualitative outcomes<sup>8</sup>.

The methodologies for these VfM measurements also require specialized skills which are often absent among the front-line staff of average INGOs and partner organizations, resulting in these methodologies having to be outsourced to specialist consultants rather than becoming part of in-house processes. The use of external consultants to undertake this type of analysis forces INGOs to incur considerable additional costs, which hinders integrating VfM analysis systematically into the project cycle, and VfM remains a one-off exercise for the donor's benefit. It is unclear what value this approach brings beyond meeting donor requirements.

Overall, there is a gap between the intentions of VfM analysis stated by donors and the focus on reporting against the 3Es: while the intention of introducing VfM analysis is to maximize impact, the focus is often on costs. While organizations are invited to develop their own understanding of VfM, they are required to report against the 3/4Es. Similarly, donors emphasize the importance of integrating VfM in the ways of working but the approaches suggested require outsourcing and, therefore, are not used in a systematic way.

These often contradictory messages have meant that **INGOs have mostly engaged in the VfM agenda to respond to donor requirements rather than using this opportunity to assess and critically reflect on the difference that their resources are making, to be able to learn and consequently improve their work.**

## INGOs application of Value for Money

Since the introduction of VfM in the donors discourse, INGOs have been working to identify the most appropriate ways to demonstrate the VfM of their programmes. This effort has been led by the larger INGOs, recipients of DFID's PPA funding stream, which has enabled them to dedicate human and financial resources to develop their approaches and test tools and methodologies to measure and demonstrate the VfM of their work. For VfM analysis to be accurate and rigorous it requires financial and human investment that many small INGOs and local partners frequently lack

Some key questions which INGOs have attempted to address are: what VfM means in practice, how organizations and donors can actually ensure and demonstrate their VfM, who is responsible for making the VfM judgement and how to best use the information.

Nonetheless, INGOs continue, to a great extent, to view VfM as a donor requirement rather than an opportunity for learning. The VfM Learning Partnership publication

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<sup>8</sup> Olivier Vardakoulis, New economics for: Value for Money in International Development, January 2013, NEF Consulting [https://www.bond.org.uk/data/files/NEF\\_New\\_Economics\\_Jan\\_2013.pdf](https://www.bond.org.uk/data/files/NEF_New_Economics_Jan_2013.pdf)

confirms that 42% [of the 28 PPA agencies surveyed] perceived the VfM agenda as essentially a donor requirement which they accommodate to ensure that they can access a range of funding sources<sup>9</sup>.

In fact, the introduction of VfM in the sector is based on three key assumptions: the centrality of tax payers, aid as service delivery and the linear delivery of international development interventions. This vision of international development risks creating incentives for NGOs to engage in regressive learning of how to comply<sup>10</sup> rather than focusing on what really counts.

Firstly, taxpayers appear to be at the centre of VfM debates. INGOs and donors are expected to provide taxpayers with information about whether aid is *delivering real value for money* rather than giving *the poorest* the possibility to explain what benefits or shortcomings they are experiencing in aid delivery.

Secondly an underpinned assumption is that aid is mostly about service delivery, for example building schools or hospitals and that it can easily be deducted if the aid intervention is worth it or not, by assessing the tangible result of whether the school was built or not. This model of aid implementation is increasingly less common. The nature of the work of most organizations has changed, as they do not focus only on service delivery but devote significant efforts to campaigning, policy influence and advocacy, empowering local people to play a primary role in these. The value of this work is much more difficult to capture through quantitative measures as it is often intangible and the timeframes for changes to occur in policy or legislation tend to be significantly longer than a programme life cycle.

Finally, the VfM discourse implies that INGOs directly control and are responsible for the implementation of aid. In reality, most organizations do not implement programmes directly but support local and national partners who act as implementers. There is significant acknowledgement that southern organizations should have a more prominent role in the design and delivery of aid, as was observed in the 2016 World Humanitarian Summit and in the Sustainable Development Goals (SDG). In addition, campaigning, policy and advocacy activities occur in collaboration with other international and national actors. This partnership work makes assessments of VfM and the value of each organisation's achievements less clear-cut. A purely monetary and quantitative-based VfM concept tends to simplify the structure of international aid and its multiple layers and actors. It suggests a direct and linear operational process from the receipt of the funds to the generation of change.

The challenges that these assumptions bring have limited the extent to which the INGO sector has been able to carve its own understanding of VfM and, to date, there is no common definition of VfM across the sector. The majority of NGOs have adhered quite closely to DFID's position on VfM and have defined VfM by using the 4Es framework<sup>11</sup> or adaptations of it.

The practical application of this approach, however, varies considerably across the sector. As described in the recent publication of the VfM Learning Partnership, *organisations have adopted a range of broad approaches to VfM. The most common approach, adopted by 36% of those surveyed, was to focus on achieving the intended*

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<sup>9</sup> Siham Bortcosh and Philip Gibby (Mango) Assessing and managing Value for Money: Lessons for NGOs, Oct 2016

<sup>10</sup> Shutt C., The policy and practice of value for money, in 'The politics of evidence and results in international development, Edited By Rosalind Eyben, Irene Guijt, Chris Roche, Cathy Shutt, 2015

<sup>11</sup> Siham Bortcosh and Philip Gibby (Mango) Assessing and managing Value for Money: Lessons for NGOs, Oct 2016

outcomes in their theory of change while minimising the costs of delivery. Some 21% focused on providing staff with the skills and information needed to consider VfM issues throughout their work. A much smaller number (7% each) focused on either incorporating VfM into design and planning stages of work; comparing performance and costs against similar activities or organisations; or comparing performance and costs against hypothetical models<sup>12</sup>.

This has resulted in a wide spectrum of tools and methods being developed, which range from ensuring good programme management to checklists and scorecards focused on programme design. These tools provide managers with broad criteria to take VfM considerations into account during programme implementation, but risk being an attempt to standardise VfM across countries and programmes, without considering the peculiarities of specific contexts or programmes. Often there are significant differences even between one village and another, let alone between countries, thematic areas and programme types, for example in terms of institutional infrastructure, government presence, education levels, resilience to climate and economic shocks.

Examples of tools which rely on standardised indicators of VfM include:

- WWF UK's 'Traffic Lights' approach, whereby programme managers self-assess progress against set goals and objectives, the likely sustainability of results and the actual as opposed to planned expenditure.
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- HelpAge International uses an analytical framework which documents the VfM dimensions underpinning strategic decisions. The framework, which draws on the assessment approach developed by Coffey, outlines decision making dimensions such as value, feasibility, risk, costs, adaptability, transparency and communication.
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- The British Red Cross uses a set of nine standard indicators that range from conventional output and outcome delivery percentage, number of people reached (targets vs. actual) to more bespoke ones, such as 'costs not directly attributable to results'. In addition to these standard indicators, they also look at a range of other indicators specific to the programme being reviewed, for example number of health visits per beneficiary, indirect cost of volunteer input, etc.<sup>13</sup>.

On the other hand, other organizations such as Christian Aid moved away from identifying standard indicators and VfM metrics, stating: *we don't want to ascribe meaningless values we can't accurately define, such as unit cost, to benefits, or to evade the fundamental issues of context and 'whose value'. Above all, VfM is a management habit, and while specific methodologies may help deepen our understanding and analysis, the key challenge is to incorporate this habit across all our work, and into all our decisions and management conversations.*<sup>14</sup>

Overall, the use of monetary and quantitative-based VfM metrics assume that international development can be treated in a transactional way, as an exchange of goods and services, and its value can be measured using standard techniques and

<sup>12</sup> Siham Bortcosh and Philip Gibby (Mango) Assessing and managing Value for Money: Lessons for NGOs, Oct 2016

<sup>13</sup> Siham Bortcosh and Philip Gibby (Mango) Assessing and managing Value for Money: Lessons for NGOs, Oct 2016

<sup>14</sup> How Christian Aid assesses value for money in its programmes, July 2012

<http://www.christianaid.org.uk/images/value-for-money.pdf>

approaches. Nevertheless, most INGOs have not rejected the concept of VfM and have attempted to adhere to the requirements, predominantly aligning to the focus on costs promoted by the donors' community. The general tendency has been to make of VfM a bureaucratic box-ticking exercise, particularly focused on securing funding and complying with the requirement, rather than using it to critically reflect on programmatic and organizational strategies. This has also meant that the learning generated across donors and organizations has been quite limited; it generates distortion because it pushes towards work and results that are easier to measure.

## **Developing ActionAid's approach: preliminary considerations**

ActionAid is a Federation of 45 national members. Founded in 1972, it adopted a human rights-based approach to development in the late 1990s, later moving governance power to the South, based on a federal structure. It usually operates through partners in Local Rights Programmes (LRPs), which are development areas, ActionAid's smallest and lowest area of operation. It is geographically defined and chosen in each country based on its own system and is where ActionAid works directly with people living in poverty and exclusion.

In 2012, ActionAid launched its VfM Pilot Project aimed at developing its understanding of VfM, how it can be applicable to ActionAid's ethos and principles and, what kind of methodologies can measure VfM given the characteristics of the ActionAid Federation. To do so, ActionAid decided to engage directly with the people living in poverty with whom it works, predominantly women, and with frontline staff and partners. Learning by doing, ActionAid tested different methodologies to measure VfM and adapted them with frontline staff, further refining, as it went along, the questions that VfM analysis should answer to enable programmatic and organizational learning.

This section highlights some of the preliminary considerations and starting points that underpinned and shaped ActionAid's work on VfM as a result of its engagement in the numerous debates around the VfM agenda across the sector. In particular:

- ActionAid should be questioning whether it is delivering VfM by focusing on what is really changing;
- People living in poverty should be assessing the VfM of ActionAid's work;
- VfM can shift from being a donor requirement to a useful tool for organizational learning;
- VfM can be an exercise of downward accountability with beneficiary feedback at the centre;
- For VfM to be useful it needs to become part of the organizational ways of working by tapping into existing systems and processes;

### *The importance of VfM*

ActionAid has always been strongly committed to making the best use of the money it receives from its donors and supporters. Analysing whether ActionAid is doing the best it can to make a difference in the lives of people living in poverty has been at the heart of its accountability practice. Therefore, the concept behind the VfM agenda, of maximizing the impact of the resources received, was not alien to ActionAid.

When it started engaging in the VfM debate, ActionAid's key concern was whether the way of talking about VfM in terms of quantitative and monetary-based figures could be

applicable to an organization working on human rights and in extremely complex environments without oversimplifying reality.

ActionAid is convinced that engaging in VfM analysis can add a further dimension to the accountability work it is committed to, if and when it can move beyond simplistic metrics to take into account what and how change is taking place.

#### *Beneficiary feedback at the centre*

ActionAid was concerned that addressing VFM exclusively from the donors' angle could reinforce the power imbalance that exists in the aid industry as manifested in the results agenda. For ActionAid the only way to analyse change is by placing beneficiary feedback at the centre and **empowering people living in poverty to be part of the decisions that affect them.** The importance of beneficiary feedback has been widely discussed across the sector, however when opportunities such as the VfM agenda arise, it is rarely taken into account in practice: *It is time to move beyond the normative positioning around beneficiary feedback as "a good thing" towards explicit and systematic application of different types of beneficiary feedback throughout the evaluation process*<sup>15</sup>.

VfM presented an opportunity for ActionAid to put feedback from people at the centre of the analysis of change, linking it to the resources it uses to achieve this and identifying areas of improvement to enable continuous learning and, ultimately, deepen the impact.

#### *Upward vs downward accountability of VfM*

ActionAid also believes that placing beneficiary feedback at the centre is not only important to analyse change but is also an ethical and accountability commitment. **People living in poverty have the right to understand if an organization is doing the best** it can and contribute to the decision making process that comes out of such analysis. In other words, this contrasts with the view across the sector of VfM as primarily an exercise of upward accountability towards tax payers which fails to take into account the opinion of the key actors of development initiatives.

In addition, an upwards accountability focus moulds the debate on VfM to focus on the financial side rather than on the impact. Given that tax payers are far removed from the realities on the ground, it is often difficult for them to understand the contextual issues and value attributed by local people to changes. In the same way that VfM in the 'for profit' sector is linked to the buyers' perception of goods or services, in the aid industry assessment of our VfM should be linked to the perception of benefits by the people we work with.

#### *VfM for programmatic and organizational learning*

For VfM to be a tool for programmatic and organizational learning, it, firstly, needs to engage different stakeholders on an **evidence-based discussion about what is working and what is not**, understanding the contextual issues and engaging in a critical self-reflection about the strategic approaches and tactics adopted. The conclusions of this analytical process which should take place at different levels should give way to corrective action where needed, in order to improve the impact of its work. The extensive push to identify VfM metrics such as cost per beneficiary or to identify VfM indicators does not enable this type of learning as *they reveal little about the lasting*

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<sup>15</sup> Groves, L., Beneficiary Feedback in Evaluation, DFID, Feb 2015

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/428382/Beneficiary-Feedback-Feb15a.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/428382/Beneficiary-Feedback-Feb15a.pdf)

*effects of a particular investment on people's lives, or about how programs are doing when set against key criteria like empowerment*<sup>16</sup>.

*VfM and the organizational ways of working*

As it stands, VfM analysis can become a one-off exercise at the start or at the end of a programme, which needs to be outsourced due to the highly technical nature of the conventional methodologies. On the other hand, ActionAid intended to integrate VfM into its own ways of working, skillset and systems. As a networked federation, committed to Southern power and leadership, VfM cannot be integrated as a top-down requirement. Rather, it can only be incorporated by building ownership through a bottom up approach where the different stakeholders can see the purpose of the concept, the advantages of its use and the value of integrating it in their ways of working. The approach to measure and analyse VfM therefore needed to be **practical, hands-on and relatively simple and clear**.

Based on these initial considerations, ActionAid wanted to challenge itself to identify and develop a tool that could a) be useful for learning; b) put people living in poverty at the centre; c) be accurate and rigorous; d) be applicable by frontline staff and partners.

## ActionAid's Methodology

Between 2012 and 2016, ActionAid delivered a VfM pilot project to identify, develop and test appropriate methodologies for measuring VfM working directly with 6 members<sup>17</sup> of the ActionAid Federation to be able to build on practice and learn from its application on the ground.

ActionAid examined carefully the potential of using the 4Es framework and conventional monetary valuation techniques to measure VfM. After reviewing the mainstream methodologies, in 2013, it was decided that ActionAid would start testing VfM measurement in its LRPs starting with a conventional methodology in Ethiopia (Mar 2014) where it tested a Social Returns of Investment (SROI) with the support of the consultancy company 'Context, international cooperation'<sup>18</sup>. Building on the findings and learning, a mixed methods approach was tested in Myanmar (Nov 2014), followed by a Participatory Action Research approach in Pakistan (Jun 2015) later refined in Nigeria (Feb 2016), Rwanda (August 2016), Malawi (Sept 2016) and Ethiopia (Oct 2016).

The countries where the VfM pilot took place and the methodologies tested were mainly the countries with whom the International Secretariat had been working more closely on the PPA (Ethiopia, Pakistan and Nigeria). The opportunity to test the VfM approach was then opened up to other countries where there was an interest, where the senior management team was ready to commit to joining the exercise and where the Monitoring and Evaluation (M&E) and financial systems enabled the exercise to take place (Myanmar, Rwanda and Malawi).

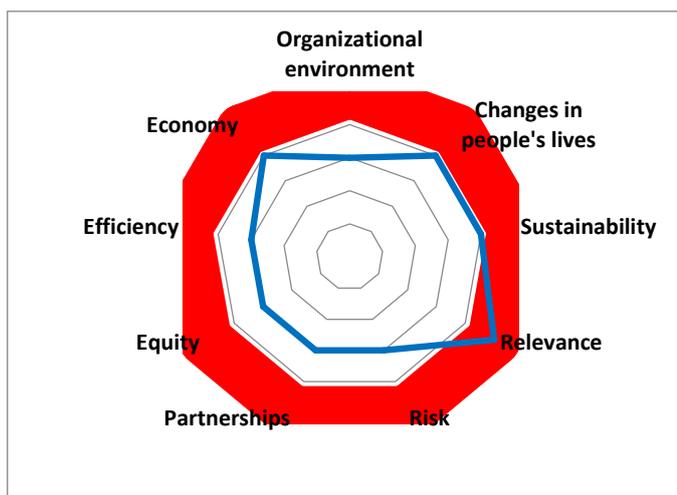
The approach evolved and changed throughout the course of the pilot. It started off with a set of 10 criteria to explore during the assessment, based on the Development Assistance Committee (DAC) evaluation criteria and the 4Es framework:

<sup>16</sup> Shutt, C., <https://www.opendemocracy.net/transformation/cathy-shutt/does-value-for-money-help-or-hinder-search-for-social-transformation>

<sup>17</sup> ActionAid Ethiopia, Myanmar, Pakistan, Nigeria, Rwanda, Malawi

<sup>18</sup> <http://www.contextinternationalcooperation.org/>

1. Monetary value creation (SROI)
2. Organizational environment
3. Changes in people's lives
4. Sustainability
5. Relevance
6. Risk
7. Partnerships
8. Equity
9. Efficiency
10. Economy



The purpose was to use the data collected in the sessions with the community as well as the M&E data and other desk based reviews to draw conclusions against the 10 criteria. At the end of the assessment the criteria were scored based on the evidence collected and summarized in a spider diagram that would enable the team to identify the areas that require further improvement and that would need to be explicitly tackled in the subsequent planning cycles.

ActionAid felt that the SROI exercise limited learning to the areas of work that could be given monetary values. The core elements of the human rights based approach which characterizes most of ActionAid's work were only partially included, which restricted the extent of learning. In addition, techniques such as SROI require very specific skill sets that ActionAid cannot always supply.

The experience in Ethiopia and Myanmar also suggested that this framework was too burdensome. Rather than a VfM assessment being a 'check-in' moment to assess whether ActionAid was investing in the areas most valued by the people it works with, the assessment was almost a fully-fledged evaluation, unlikely to be integrated into existing processes. In addition, the 10 criteria are a mix of goals (relevance, sustainability), impacts (changes in people's lives), process conditions (organizational environment, risk, partnerships) and evaluation questions (economy, efficiency, equity). As such they provide no clear focus for assessing the overall value/benefit of an intervention in relation to the level of investment in the intervention.

It was at this stage that ActionAid realized, on the basis of assessments in Ethiopia and Myanmar, that the 4Es diverted the attention from assessing the real value of the programme, ie whether change has happened, whether the change is sustainable, whether people are valuing the change, etc. As explained by Griffiths, *by compartmentalising VfM principles in this way, each are unintentionally treated as separate silos of assessment rather than an inter-dependent and integrated whole. In addition, starting with inputs offers evaluators a comforting and somewhat easier first step in measuring what can be counted rather than what really counts. Framing VfM in this way does not encourage an approach that assesses whether the value generated justified the inputs used and the costs incurred as a result*<sup>19</sup>.

### **Assessment Fit-for-Purpose**

<sup>19</sup> Simon Griffiths, Joseph Christoff, Article for the UKES / The Evaluator. An alternative approach to evaluating value for money, 2015

ActionAid began to rethink its approach to VfM with the support of Daniel Buckles, a researcher grounded in the tradition of Participatory Action Research.<sup>20</sup> An action orientation (what is the assessment for?) and full engagement in analysis and decision-making (who is the assessment for?) guided the development of a methodology fit-for-purpose. It focused on three key questions:

- What is changing for participants as a result of ActionAid's work and what is not changing as much?
- Which areas are worth the investment?
- What does ActionAid need to do differently in the future?

The methodology that emerged involved the selection, sequencing and scaling of tools to support discussions with the communities about the VfM of the collective work (Annex I). In contrast with the method as applied in Ethiopia and Myanmar, the participatory action research tools made it possible for communities to actively participate in the analysis, not only in the collection of data.

The assessment works by eliciting with communities the changes they are aiming for in the partnership with ActionAid and the changes they have observed thus far in the community. It then relates these to the level of investment by communities and by ActionAid. After completing the assessment or diagnostic part of the analysis, participants reflect on what ActionAid could do differently, prompted by questions such as:

- If you were to go back would you suggest that the programme does these actions again?
- How could we have spent less?
- 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?
- How do you think we should structure our work to achieve more results?

The findings from different small group assessments (usually groups of about 10 women on average) are then compared, consolidated and visualized in a diagram showing the relationship between value and investment (Figure 1). ActionAid staff and field partners use these summaries, and the detailed notes from community-level assessments, to formulate recommendations for subsequent planning cycles. As each program component is discussed, the conversations focus on steps ActionAid could take to increase value without dramatically increasing the investment. While the upper left quadrant is recognized as ideal, the only quadrant to be avoided is the lower right quadrant representing limited value with high investments. Reflections and recommendations are drawn about whether and how the program components in the bottom two quadrants can be improved to make them worth the investment.

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<sup>20</sup> See [www.sas2.net](http://www.sas2.net), and Jacques Chevalier and Daniel Buckles, *Participatory Action Research: Theory and Methods for Engaged Inquiry*. Routledge, UK, 2013.

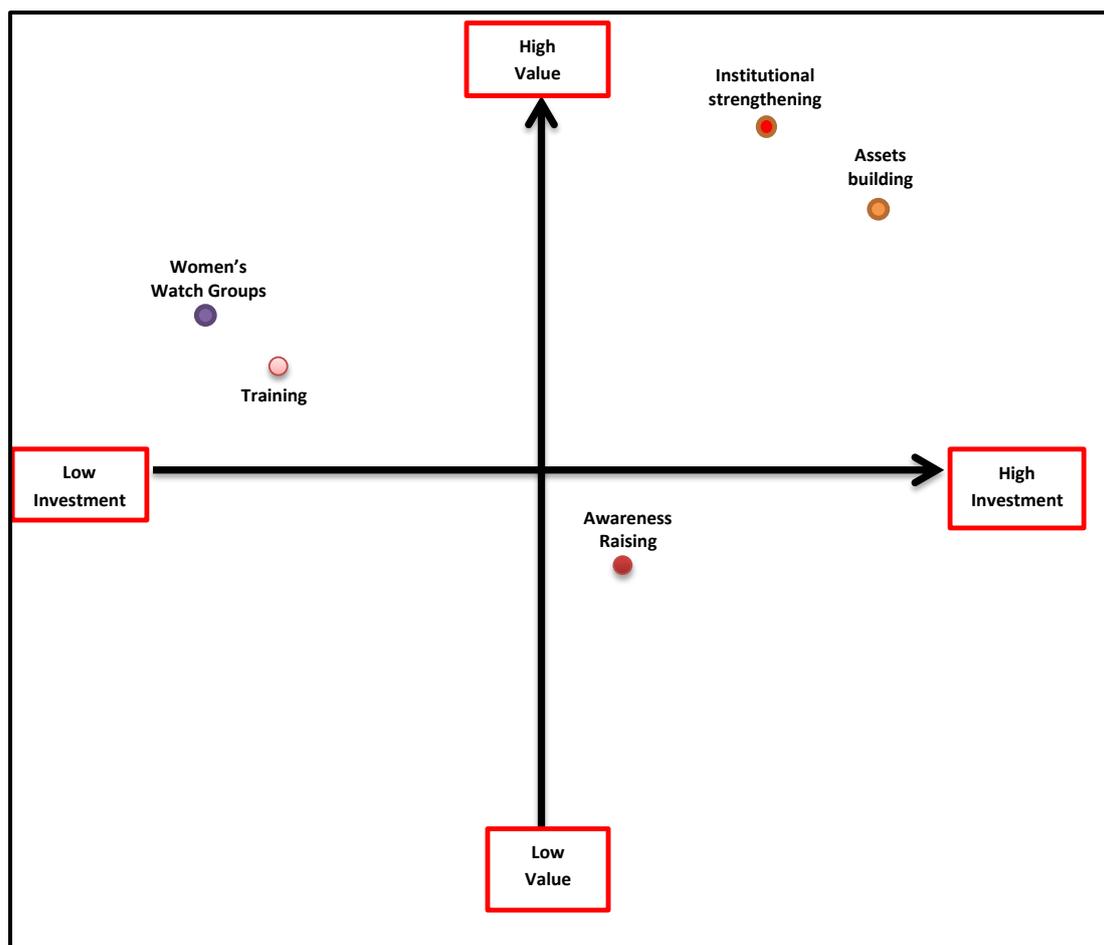


Figure 1: Example of the VfM Diagram developed as a result of the VfM Assessment held with ActionAid Ethiopia, in Ofra LRP, Ethiopia, Nov 2016.

ActionAid's approach is innovative for four reasons: its strategic focus, the questioning of impact in relation to investment, the action-orientation and the centrality of people's voices.

### *Strategic Focus*

The focus of VfM analysis is strategic. VfM is an opportunity not only to reflect if ActionAid is doing things right (ie whether we have the right systems and processes) but particularly if it is doing the right things: is it investing in the areas that generate the change that is the most valued by the people? Hence, VfM becomes a way of discussing tactics and strategies, rather than only focussing on procurement procedures and the financial management. For example, during the VfM assessment in Pakistan, discussions did explore saving on costs of the capacity building of women in kitchen gardening by using community venues rather than renting external ones. It did so, however, in the context of the more important discussion about whether the capacity building was contributing to observable change in women's lives and what could be done better in the future, in terms of investment and in terms of programmatic approaches.

### *A value first approach- starting from impact rather than costs*

For ActionAid, the key point of engaging in VfM analysis is to ensure that impact is maximized. This means that rather than focusing on cost drivers, as suggested by most donors, the analysis of VfM concentrates on the **value drivers** defined as the key areas of our work that are identified by participants as generating the most valuable changes

for them. For example, in Pakistan the team reflected on the model used for women's economic empowerment acknowledging the fact that kitchen gardening enables women to exercise their right to generate their income. However, given the increasingly high level of resources allocated to this component, value chain analysis may be required to ensure that the increase in income can be substantial enough to improve women's livelihoods. The VfM analysis allowed ActionAid to see that in that specific context, the work on women's economic empowerment is building the confidence of women to engage in income generation, but the improvement of their food security and livelihoods could be further enhanced.

Overall, ActionAid's approach aligns to Coffey's proposal: *assessments of VfM should be framed through a value-first approach – one that enables evaluators to understand how and to what extent key design and operational decisions made over the course of a project were consistently focused on outcomes, and ensure that resources were used in the most effective and impactful way possible.*<sup>21</sup> However, ActionAid's approach is to ensure the vulnerable and excluded people it works with, particularly women, are the evaluators.

### *Action Orientation*

The purpose of the assessment and the focus for discussion both at the community-level and among ActionAid staff and partners was action oriented. This meant that the analysis and interpretation of the findings on what is of value to people and the level of investment applied to achieve that value was used to ask, what could be done differently to increase value. In some cases, the course of action was to consult further on some aspect of the program, or plan a new study on an issue that had remained unresolved. But at every stage in the process, people were asked to state the course of action to be taken immediately, based on their own analysis and interpretation.

### *People living in poverty at the centre*

ActionAid has deliberately tried to ensure that the changes and investments of the programme were defined by the key actors it works with, that is, people living in poverty and local partners. This changes the nature of the conversations about impact and investment. From this perspective, a better understanding of the issues can emerge. ActionAid also involved some people indirectly affected by the project, but who were not directly targeted. In this way, VfM assessments can be based on the voices of the communities that establish whether the resources have been allocated in the areas that contribute the most to the change they value the most. For example in Myanmar, the VfM analysis of ActionAid's Socio-Economic Development Network engaged at different times and in different spaces women's groups leaders (approximately 35 people), the women producers (approximately 25), community members not directly involved in the programme, particularly men, and fellows (20), the local Township Government and approximately 30 members of the Crafts Producers Network. With this approach, A triangulation of findings and interpretations from different stakeholders could be brought to bear while retaining a focus and assigning greater weight to the value of the programme identified by the women producers who represent ActionAid's key target group.

## **Case studies**

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<sup>21</sup> Simon Griffiths, Joseph Christoff (Coffey International), Article for the UKES / The Evaluator. An alternative approach to evaluating value for money, 2015

This section presents the core evidence on which ActionAid's alternative approach to VfM is based, showing how it enabled learning and critical reflection on both value and on money, through the examples of the VfM assessments in Nigeria and Malawi.. The two LRPs were selected by the respective country offices of Nigeria and Malawi given their interest to test the use of VfM analysis for mid-term reviews.

### **VfM Assessment in Nigeria**

In February 2016, ActionAid's methodology developed with AA Pakistan in June 2015 was further refined and tested during the assessment of the LRP in Ebonyi State in Nigeria.

#### *Context*

The LRP is managed by ActionAid's local partner Participatory Development Alternatives (PDA) and operates in 4 Local Government Areas namely: Abakaliki, Afikpo North, Izzi and Onicha, covering 11 extremely poor communities, which include: Amikpo, Amuro, Obegu Odada, Oshiri, Agba Ameta, Edda, Offia Orji, Ovuoba, Agbaja, Ephuenyim and Okpuitumo. The environmental and social situations of the communities are characterised by the absence or lack of Government presence, lack of access roads, lack of agricultural inputs, floods and droughts, poor quality water, sanitation and hygiene practices, lack of educational facilities and poor infrastructure where schools are present, low knowledge of Ebola and HIV and AIDS and low literacy levels. In addition, many communities experience the imposition of electoral candidates, poor participation of women in decision making at both community and family levels..

#### *Background to the VfM assessment*

The assessment focused on ActionAid's work with its I partner PDA on women's rights over 2013-2015. The approximate activity budget was £20,000 per year. For the purpose of the assessment, the programme was broken down into 5 components:

1. Introduction and review of existing bills and policies to support women's rights;

The work in this area aimed to ensure that institutions, traditional rulers and other community members support and adhere to a bill against Violence against women. ActionAid and PDA aimed to create an enabling environment for abolishing Harmful Traditional Practices (HTPs) and to ensure that women understand the bill and report cases of HTPs and Violence Against Women and Girls (VAWG).

2. Building and strengthening of the Women's network and capacity building of leaders;

ActionAid and PDA aimed to build the capacity of leaders to advocate and raise the visibility of women's issues. ActionAid/PDA expected to strengthen the links between the women's groups and the government, raising the visibility of women's issues, strengthening their support of women's rights while increasing the role of women in the community. The focus was on 3 key issues: wife battering, Female Genital Mutilation and women's access to land.

3. Women's Peer Education Programme;

The Peer Education Programme was developed to build awareness and critical consciousness among women, supporting them to increase their knowledge on positive practices and behaviours, including hygiene, health, nutrition as well as the rights of themselves and their children. The programme was expected to build the skills and

confidence of key persons to report violation of rights where necessary, for example through sensitization programs and training/refresher courses.

4. Income Generation Activities (IGA); and,

The Income Generation component of ActionAid/PDA's work supported women's empowerment by providing them with seed capital and training to set up small businesses that would generate additional income, enabling them to cover the schools fees and send their children to school, particularly girls. This area of work was expected to support women's self-reliance while strengthening their self-confidence.

5. Advocacy and Campaigning initiatives.

The advocacy and campaigning initiatives, such as the celebrations of World Women's Day, World Food Day, 16 Days of activism advocated for appropriate spaces for women and focused particularly on policies and measures to reduce the incidence of HTPs and VAWG, increase women's access to land, and enable women to play a more active role in the leadership of the communities.

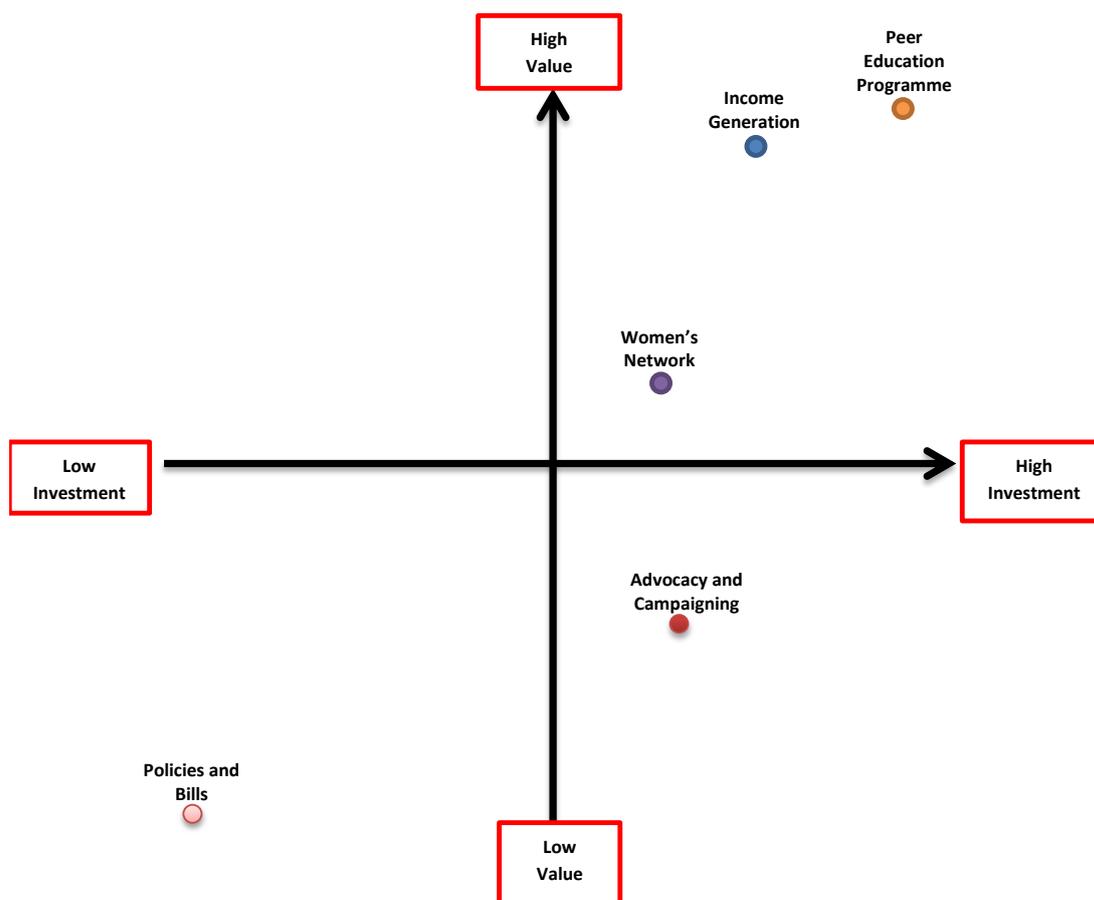
Approximately 10 groups were engaged in the VfM assessments, from 3 different communities, mainly women leaders, women members, the husbands or relatives of the women engaged in the programme, community leaders and a group of children. In addition, interviews were held with government representatives and other actors that ActionAid/PDA engaged with. The groups were asked to identify the changes generated by each of the above programme components, rating the changes as significant, moderate or limited. Once the changes were identified, they were presented with the budget levels (high: above 30% of the programme budget, medium: between 15 and 30% and low: below 15%) and were asked to reflect on how the value of the programme could have been increased and whether resources should be allocated differently in order to achieve more change. The session then drew out at least 5 recommendations for the future of the programme.

### *Findings*

Overall, the findings suggest that the programme has generated significant value in the empowerment driven interventions in the communities, particularly the Peer Education Programme and the Income Generation. These were also the areas with the highest investment which shows that the programme successfully allocated resources in the areas that are generating the most change.

The analysis provided insights about the types of changes observed. In the case of the Peer Education Programme these are mostly related to awareness raising that leads to behavioural change. These changes are likely to be sustained over time and contribute significantly to changing women's roles in the households and in the community. On the other hand, the income generation intervention contributed to increasing the income among women in the areas of intervention. While the changes were strongly valued by the communities, the change in terms of improving the livelihoods of the households was not evident in the assessment. The income generated helped to deal with some household expenses, such as paying for medical or school expenses, but the improvement of the household livelihoods appeared to be limited.

## Nigeria's VfM Diagram



Moderate value was generated by the women's network component, the capacity building of leaders and on advocacy and campaigns. The investment in these areas was also medium.

Most changes in these areas were associated with the local level, despite the intention to raise women's issues more broadly at State level. The women's network played a crucial role in obtaining some specific government support to implement community interventions, such as water boreholes. However, the network could benefit from further strengthening so that it can gain more ownership to advance women's rights, such as ensuring leaders are fully supported to lead this process at community level, and to influence government at local and state levels.

Similarly, the advocacy and campaigns component concentrated on the community level. The reach to the government at both the local and state levels was limited, except for some specific ad-hoc support requests fulfilled by the government, as a result of it.

Limited change was observed around the creation of appropriate spaces for women, policies and measures to reduce the incidence of HTPs, VAWG, or increase women's access to land, particularly of the most vulnerable women, which were intended to enable them to play a more active role in the leadership of the communities.

Low value was generated by the work on policy and bills and a very minor proportion of the LRP budget was devoted to this area. In the bills and policies component, ActionAid/PDA expected to hold a stakeholder meeting and engage with the Ministry of Women's Affairs to support the State approval of a bill against VAWG. However, the bill

was hardly mentioned by the stakeholders engaged in this assessment but it was felt that, as above, this area would strongly add value to the programme.

### *Interpreting the findings*

Most of the benefits of undertaking VfM analysis using this approach lie in the conversation and critical thinking that is generated as a result of it. Overall, the discussions with the community members as well as with the ActionAid and PDA staff focused on building on the learning to identify corrective action: has the work achieved the best possible change and, if not, what needs to be done differently for this to happen, both in terms of programmatic approaches and investment decisions.

This section illustrates some of the debates that took place on the findings with the community as well as with ActionAid Nigeria and PDA.

### Investing where change happens?

The Peer Education Programme has gone very far. Most stakeholders strongly valued this area of work and PDA/ActionAid has achieved significant changes. The Programme is now articulated around mostly self-sustaining Peer Education groups and there is a potential to manage these more efficiently, creating a model of training of trainers that would enable more communities to benefit from the programme.

Analysing the VfM of this component leads naturally to the following questions. Given that the Peer Education Programme is the area that has generated the most value, should this continue to be PDA/ActionAid's key area of focus, maybe scaling up in other communities? Or should PDA/ActionAid consider this work as completed, with self-sustaining groups actively advocating for women's rights, and redirect the proportionally high investment in this area to other components where the changes have not been as strong? Was the VfM of this component high because PDA/ActionAid have more expertise in this area of work than in others? Or is there a direct link to the high investment level, ie the more you invest, the more change you will observe?

### What factors enabled the high value in some areas?

The analysis attempted to draw out the specific elements that enabled change to happen particularly in the high value components of Income Generation and the Peer Education Programme. Some of the elements highlighted were the importance of creating women-only spaces, as well as PDA's presence in the communities and regular follow-up. PDA's way of working with the groups of women, where all have roles and responsibilities, to ensure that change happens was seen as contributing to success. At the same time, the model of peer groups enhance cohesion among members, as their success depended on the contribution of each one and also motivated other women to join.

### Should ActionAid invest if the change is moderate?

The allocation of resources for the advocacy, policy and campaigning work at the State level has proportionately been lower than that for the Peer Education Programme and decreased throughout the period being assessed. Most of the campaigning and advocacy work took place at the community level to build awareness among men, traditional leaders and women, with limited change at the State level.

Despite this, community members considered that these two components could contribute significantly to increasing the value of the programme, given that both would enable women's rights to be escalated in a sustainable way and the changes that they would generate would have a considerable multiplier effect.

The discussion around this focussed on whether ActionAid/PDA should increase their effort, both in terms of financial resources and of investment of staff time, to engage more proactively with the State and the Local Government Authority to promote bills and policies that advance women's rights, ensuring that the existing ones appropriately address the main priorities and that they are implemented accordingly. This would also enable other women, not directly targeted by ActionAid/PDA, to benefit from the potential changes, deepening its impact. In addition, it raised the question on the partner's expertise and whether ActionAid should provide more proactive support in the development of a policy influencing strategy.

#### Dropping areas where the change does not happen or where the investment is insufficient

. Changes relating to the bills and policies component were hardly mentioned and the value of this component was considered low by all stakeholders. The conversation on this area focussed on whether ActionAid/PDA should be engaging in areas of work that are highly ambitious when the resources are so limited. At the same time, this is an area of work with strong dependencies on the capacity of the government to respond which, in this case, was very limited.

#### What factors hindered the success of lower value areas?

The discussion on lower value areas focussed on the reach of the work. For example the Women's Network and the Advocacy and Campaigning tended to be restricted to the community level and the engagement of the state level was limited. This was associated to a few issues, such as the limited support of ActionAid to facilitate dialogue with the State level, the expertise of PDA which lies particularly in the area of community-based work and empowerment, the low interest, capacity and resources of the State level to engage on women's rights issues and to understand the needs of women in the communities and the complexity of working on these themes without significant partnerships at State level.

#### How can all of the components move to the top two quadrants?

Ultimately, ActionAid aims to see all the components of its work in the top two quadrants. Some areas of work, which require, for example, the purchase of inputs and assets or high logistic costs to work in severely deprived and isolated locations may cause the investment to be proportionally higher. However, ActionAid's intention is to acknowledge this and ensure that, despite the higher costs, the investment is still worthwhile as it contributes to high social change, i.e. to high value.

The two components of moderate value, such as the Women's Network and the Advocacy and Campaigning, were considered relatively important by the different stakeholders engaged. Hence, the discussion focussed on how to move these upwards in the VfM Diagram, identifying a series of actions and strategies that may enable this, such as supporting the partner more systematically on advocacy and campaigning, engaging key champions in the Government that may be able to raise women's rights issues at the State level, and ensuring that women from the Women's network are able to occupy leadership positions in the traditional structures,.

### **VfM Assessment in Malawi**

#### *Context*

The assessment in Malawi took place in October 2016 in Rumphu LRP. Rumphu LRP began in the Traditional Authority of Chikulamayembe (CKWF) in 2007 to create a favourable atmosphere where women and girls demand, claim, realise and enjoy their rights.

Although the LRP tried to curb violence through the formation of anti-violence against Women (VAW) committees and village level women forums, violence against women and girls continues to occur in homes, schools and other places. There is a lack of awareness of rights and policies such as the Prevention of Domestic Violence Act (PDVA). There is also a prevalence of patriarchal cultural practices, such as the payment of Lobola (bride price) which makes women less human beings than men. Once a bride price has been paid, a wife is regarded as property and can be abused without questioning.

The work in Rumphi LRP is managed directly by ActionAid Malawi. However, during the previous strategy period (2007-2012), women mobilised and organised themselves into two groups of women, the Chikulamayembe Women Forum (CKWF) at the Traditional Authority (TA) level and the Rumphi Women Forum (RWF) at the district level. The former is ActionAid Malawi's partner organisation in TA Chikulamayembe while the latter is its partner in three TAs, namely: Njikula, Chisovya & Mwahenga. Both CKWF and RWF have since gained considerable recognition, as defenders of women and girls' rights and have been invited in strategic making bodies such as the District Executive Committee<sup>22</sup>. However, at present ActionAid is the direct implementer and is strengthening these partners as part of its LRP strategy. The approximate activity budget for the three years assessed was GBP 21,000.

### *Background on the VfM assessment*

The VfM assessment in Rumphi focussed on women's economic security and the prevention of and response to VAWG. For the purposes of the assessment, the programme was broken down into 4 components:

#### 1. Women's economic empowerment

ActionAid and the Women's Forum are tackling women's economic empowerment mainly as a tool for women's rights and for reducing VAWG with the intention of increasing their capital base to be more independent. They expect to achieve this by increasing the women's skills on business management and access to savings and loans so that they can invest in their businesses. Women set up Village Savings and Loans (VSL) groups as well as the wider network Coalition of Women's Farmers (COWFA) to support the commercialization of their products.

The key actions in this area included the formation and training of cooperatives, linking COWFA to national groups and other business groups and business management and VSL training.

#### 2. Land Rights

ActionAid has broken down this area in four main strategic strands: access to land, ownership over land, control over the land proceeds and access to inputs to increase the productivity of the land. To achieve this ActionAid was expecting to provide the required skills that would enable women to negotiate their access to land, ensuring the capacity of paralegals to support this and sensitizing men and in particular traditional chiefs to address women's right to land, either by allocating land to women or by mediating disputes over land that may arise.

The activities in this area included the training of COWFA members, supporting women Lobbying for land, Reflection-action circles, sensitization and training on Land Rights and assisting the advocacy on land right claims.

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<sup>22</sup> Extract from the Rumphi Local Rights Programme Strategic Plan 2012 - 2017

### 3. Prevention and response to VAWG

ActionAid aims to ensure women have access to comprehensive and quality response services, including health, psycho-social and legal services by setting up centres that provide integral support to victims of Gender-based Violence (GBV). In addition, it entails raising awareness among women to ensure they report cases of GBV to the local authorities and track the government's budget allocation and implementation of activities related to responding to cases of GBV. ActionAid also works with traditional leaders, elderly and other key community authorities to changing traditional practices that are harmful for women and girls.

Activities included supporting Women Forum activities, VAWG reflect action circle, training on Women's rights, monitoring of VAWG and awareness raising activities such as Women's Day and 16 Days Activism.

### 4. Legal support on VAWG

The area on legal support involves the work done to ensure that legal frameworks in support of women's rights are being implemented and that they are clearly understood by the community members so that they can lobby for its implementation with the government and with other local authorities. Key activities included legal literacy training, follow-up of VAWG cases, supporting anti – VAWG paralegals, linking VAWG cases to courts, influencing institutions, local leaders and the government on VAWG.

During the VfM assessment, sessions were held with a variety of stakeholders, including the Leaders and members of the Women Forum, Women members COWFA, RA, VSLs, Paralegals, Men, Youth, Traditional Chiefs, Representatives of Government, Representatives of NGOs, and Representatives of the Village Development Committee (VDC).

#### *Findings*

Overall, the programme was strongly valued by the communities. Most of the value for money of the programme lies with the work on preventing and responding to VAWG and to economically empower women.

As can be seen in the VFM Cartesian Diagram below, ActionAid invested considerably high resources in the prevention and response to VAWG, and the work brought about some significant changes according to the stakeholders engaged, such as the abolishment of some HTPs and the increased confidence of women. ActionAid was able to put women's rights on the agenda at community level as well as at district level, raising awareness among both men and women and influencing chiefs and other community leaders to engage with and support women to be part of traditional structures for decision making.

The work on women's economic empowerment is represented in the top left quadrant as the investment was moderate but the changes were considerable. The most remarkable changes in this area relate to the increase of self-confidence among the women engaged in the productive groups. The generation of income and their contribution to the household economy positively impacted on their relationships within their families and empowered women to claim their rights. However, similar to the case of Nigeria, the work in this area did not enable women to substantially increase their income and improve their livelihoods.

The work on land rights was placed on the bottom right quadrant of the diagram as ActionAid invested moderate resources over the 3 years, even though these significantly increased in the last year. However, the changes were limited to the allocation of land to

some women. Only some women were able to access land, but hardly any of the ones engaged in the assessment had been able to register it.

Finally the area of legal support was the one where ActionAid invested the least and was also one of the least valued by the stakeholders. The effectiveness of this component was affected to a large extent by the inefficiency and corruption of the justice system.

### Malawi's VfM Diagram



### Interpreting the findings

As in the case of Nigeria, the findings of the assessment in Malawi enabled ActionAid to discuss with the communities a variety of strategic issues related to the programme in Rumphi LRP.

### Investing where change happens?

The VfM analysis suggested that significant change has been achieved in the area of prevention and response to VAWG, which was also the area with the highest investment. The women engaged in the assessment emphasized how women's rights were now discussed regularly at community level and women gained significant confidence to engage proactively in these debates.

Given ActionAid's expertise in this area and the high value assigned to it by the stakeholders, the focus of the conversation on the findings was whether ActionAid should continue investing the highest proportion of its resources in this area. Women's awareness of their rights sets the foundations for all the work of this strategic objective,

hence it may be argued that this should be prioritized, especially given the success of its implementation.

#### Investing in the structural causes of women's rights abuses?

The discussion on the findings concentrated on the limited value associated with the work on land rights. It was acknowledged that this area of work is very complex and the shift in traditional dynamics around women's right to own and control land is likely to occur over the long term, as it not only requires a change in policies and legislation but also a transformation of the behaviour of men and traditional authorities, as well as of women themselves. Nevertheless, most stakeholders, particularly the women, felt that this is a priority as it has a knock-on effect on other dimensions of women's rights, including the right to generate an income and the right to live a life free of violence.

The change observed in this area was low, with some women being given permission to work on communal land or their husbands' land but no women managed to gain ownership over it. The findings therefore suggest that at present the value of this work does not justify the moderate investment of resources allocated to this area. However, given the importance placed by women on working on land rights and given that it can be seen as a structural cause of women's rights abuses, ActionAid should perhaps prioritize it.

Women's control over land can be seen as the structural cause of the inequality faced by women in many countries and change in this area can be challenging to achieve, given that it requires breaking the status quo and traditional set ups which often face significant resistance.

The discussion then focussed on the most relevant actions that would enable this work to increase its value and move to the top quadrants of the VfM Diagram. Some of the questions that the assessment raised were: is more investment required to achieve more value in this area? If so, where would these resources come from? Should they be reallocated from some of the other components, for example dropping the work on the legal support for VAWG victims? Does ActionAid need to review its approach, working more directly with community chiefs, government or other actors?

#### What factors hindered the success of the lower value components?

In Malawi, most of the discussion focussed on the land rights component as a priority area for the community, and an area where more change is required for it to justify the investment. A variety of factors were identified that may have limited the extent of change achieved. This includes the programme design, which set high ambitions and goals insufficiently aligned to the capacity and investment of ActionAid as well as to the local circumstances. Another factor identified was the fact that ActionAid did not have strategic partnerships that could enhance its efforts at the local and TA level or, at least, that could complement ActionAid's work, given that land rights need to be tackled at different levels simultaneously.

#### Dropping areas where the change does not happen or where the investment is insufficient

Overall, the stakeholders felt that women now can count on anti-VAWG structures, which provide real support to VAWG victims; chiefs and other community leaders have supported cases on VAWG as well as on land disputes and the referral of cases has undoubtedly improved when compared to before ActionAid started working in the area. However, the effectiveness of the legal support to VAWG component is limited by the inefficiency of the justice system.

Most groups manifested their frustration with the corruption and inefficiency of the justice systems ,where cases are not dealt with in a timely fashion and often the court sentences are not respected; the follow-up of cases is often neglected.

The conversation focussed on whether ActionAid is well placed to work on this component without working on the justice system as a whole. At present this area of work does not represent value for money.

#### How can all of the components move to the top two quadrants?

As mentioned previously, the purpose of doing VfM assessment is to identify ways to increase the value of all the components in which ActionAid invests. The community and ActionAid were able to discuss some measures that may improve the performance and value of the programme. For example, ActionAid's intention to work on women's economic empowerment to increase their capital base can be addressed further through potential market analysis and providing technical support to women, either directly or by partnering with other organizations.

ActionAid's work on land rights may need to be tackled on different fronts, identifying clear and realistic goals, rethinking the strategy in terms of the key stakeholders to engage and the focus that ActionAid may decide to concentrate on, given its human and financial capacity.

## **ActionAid's overall learning**

In addition to fostering a discussion on the specific programmes assessed, the VfM analysis of the 7 LRPs examined throughout the VfM Pilot Project generated useful learning for ActionAid as a whole. This section illustrates some of the key trends that emerged that can feed into a reflection of ActionAid's strategy and approach.

### *ActionAid's strength: empowerment*

Generally, the areas where ActionAid invests most are the most empowerment-related components, which focus on building women's awareness of their rights, their self-confidence to advocate for women's priorities and rights, generally at community level. Regardless of the specific context of the LRP, this seems to be ActionAid's blue print for delivering sustainable change for women.

This area of work also tends to be the one where ActionAid is the most successful. Partly, this is due to the fact that ActionAid has extensively trained its staff and partners on its Human Rights Based Approach (HRBA) tools such as Reflection Action. The local partners and the LRP staff usually hold significant expertise in this area and are able to achieve considerable results, which should be particularly valued in contexts where the local cultural undermines women and their position in society.

### *Limited resources and high ambitions*

Most of the LRPs analysed have very limited resources. The activity budgets to undertake work on the strategic objective assessed ranged between £20,000 and £30,000. At the same time, the themes on which ActionAid works are very complex, hard to reach and often require sustained and long-term strategies, such as land rights, attitudes and social norms around women's rights, addressing violence and traditional practices, and policy change. In addition, it tends to attempt to tackle many of these issues at the same time running the risk of spreading itself thin.

### *High value as a result of high investment*

The VfM assessments also show that the link between the value and the money is very strong. When more resources are invested, more changes are achieved. This has been a finding of all the VfM assessments undertaken to date. Even though it is not possible to generalize given the variety of the themes analysed, the areas with the least investment tend also to be the areas where the value is considered the most limited. This means that ActionAid may need to consider whether these areas of work are worth the investment at all.

#### *Changes at the local level*

The analysis of the 7 LRPs has shown that ActionAid has been very successful at generating change at the local level. It has been able to empower women to recognize their rights and to advocate for them in their communities with men, community leaders and other key stakeholder, including local governments. It has done this in very remote areas, often excluded from a variety of government services. However, the reach tends to be limited to the local level, establishing often limited links with the regional structures within a country.

#### *Strengthening partners' capacity*

ActionAid tends to work with partners, building their capacity to respond to local needs. The types of partners range from established national NGOs to small grassroots organizations that develop as a result of ActionAid's empowerment work. In the latter case, ActionAid is usually the direct implementer and focusses on building the local partner as part of its exit strategy. However, its partnership approach is often implicit rather than explicitly treated as a project in itself, without clear goals and assumptions about how the change in the partner may occur.

#### *Working with others*

The local partner is the main actor with which ActionAid engages in its work in the LRPs. This is also often due to the fact that the geographic areas where ActionAid decides to work in are isolated and remote and not many other international actors are present. ActionAid also acknowledges it cannot tackle complex challenges alone, particularly when it comes to addressing issues which are dependent on the adequate functioning of government structures, such as the justice system in cases of VAWG. While ActionAid works in collaboration with others at the national levels, at LRP level this is often not the case. The reflections generated in the VfM assessments led to questioning whether the VfM of some of ActionAid's intervention would benefit from a closer collaboration with other actors (INGOs, national NGOs, UN) also at the LRP level.

#### *Working in a LRP*

The work in the LRPs is at the core of what ActionAid does. LRPs are where the HRBA takes shape and where ActionAid's work is rooted. However, the demand on LRPs is very high, local partners and local ActionAid staff are expected to have multiple expertise, from empowering women, supporting them to advocate their rights, linking to policy makers, tackling different issues at the same time. This also occurs without significant, regular support in these areas.

#### *Income generation or empowerment?*

Most of the VfM assessments included an analysis of the component of women's income generation. Often this work aimed at building the capacity of women to engage in productive activities to increase their capital base and, ultimately, improve their incomes. It was found that this work was crucial to improve women's empowerment and self-confidence. As a result, women, often for the first time, acknowledged their ability to

generate their own income. However, the potential for this work to actually contribute more significantly to the livelihoods of women and their families has not yet been met. The VfM assessments raised the question about whether ActionAid could strengthen this strand of work, either directly or in partnership with organizations that focus on micro-enterprise development, to support the women to generate an increasingly higher income to improve their livelihoods and that of their family.

## Limitations of ActionAid's methodology

The methodology presents a series of limitations that are worth bearing in mind.

Firstly, it is grounded in the specifics of each context and actions. As such, it does not lend itself to comparisons across countries or regions.

Second, it does not examine in detail the way the resources are used, even though some recommendations for adjustments may emerge. The focus is on whether the investments are strategic to changes in people's lives.

Third, a multidisciplinary team is needed over a period of 5 days. This can be challenging where the work load does not enable this level of effort. It has proved particularly useful to ensure that members of the Senior Management Team participate in the assessment as they have the decision making power to make the appropriate changes to programmes called for by the analysis.

Fourth, the methodology does not provide definitive and detailed change recommendations. It aims to flag areas that require further attention and investigation either because the investment is inappropriate or because the strategy adopted is not generating the expected change. The assessment often requires follow-up actions to revisit strategies, Theories of Change and/or investment allocations.

Fifth, the methodology is rigorous if and when it is well facilitated and systematic. A partial use of the methodology will significantly limit the quality of the findings and may inaccurately reflect the VfM of the intervention, for example if a smaller sample is selected or if it focusses on the changes and not investments.

Finally, the methodology may be easier to use by organizations and staff that are already familiar with participatory techniques and good facilitation. In ActionAid it was received well, given that participatory approaches are embedded in the organizations and staff are used to holding participatory reviews on a yearly basis and tend to be familiar with participatory tools.

## Conclusions

Since 2010, INGOs have been grappling with how they can demonstrate and deliver VfM. The push across the sector has been to focus VfM analysis on the costs, on whether organizations are saving money and the efficiency of financial management. ActionAid viewed the introduction of the concept of VfM as an opportunity to ask itself whether it is making a difference and if its investments are worthwhile. To do so, it developed its own understanding of VfM going beyond the operational sphere to enquire into the change that is happening as a result of its work, relating the changes to the investments made by communities and ActionAid, and using the result to identify areas of change needing further work or different resource allocation.

The methodology described in this paper and in Annex I supports AA's ambition of becoming a learning organization defined as *an organization skilled at creating,*

*acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights*<sup>23</sup>.

*First, it enabled ActionAid to develop a clearer idea of what VfM means in practice.* By refining and clarifying the questions it ought to address, VfM has become a concept manageable by the stakeholders involved, including partners and people living in poverty, where value is understood as the extent of social change achieved. The question became: is ActionAid investing in the right things to achieve the social changes observed by the people it is working with? By asking the question differently, the conversations shifted towards the understanding and reflection on the value generated and on the areas of work where the value is not sufficient to ensure that the *impact of each pound spent has been maximized*.

*Second, it facilitated discussions on strategic approaches building on the evidence generated.* In this methodology, the assessment tools are not a standalone study. Rather, they are the means to gather evidence that informs the conversations about where the programmes strengths and weaknesses lie, and what corrective action is needed to deepen impact. While the analysis of operational and financial management captured in the two Es of Economy and Efficiency is undoubtedly important, the approach described in this paper focuses the VfM question on a more strategic questions: is ActionAid investing in the areas most valued by people living in poverty?

*Answers to this question complement other planning, monitoring, evaluation and learning methods.* By relating the investments to the change achieved, it adds a different angle to both financial analysis and monitoring and evaluation data assessed through routine evaluations and reports. While these can feed into the evidence-base of the VfM analysis, the methodology allows ActionAid to focus on the relationship between investments and programmatic strategies. Standard indicators cannot do this. The findings of VfM assessments illustrated in the VfM diagrams provide new insights to the different stakeholders engaged in the analysis.

*Third, the approach places the experience of the local people at the centre of VfM.* This enables people living in poverty to suggest changes to the programme based on the analysis of results and of the resource allocations of the past. It is their judgement that shapes the analysis about whether the programme was able to deliver VfM rather than metrics such as cost per beneficiary which are often hard to interpret for learning purposes. Given that they are the main actors in our programmes, who is better placed to assess whether the programme was able to deliver change and use its resources wisely?

*Fourth, the methodological process and related tools are simple and easy to use by a variety of stakeholders.* The participatory action research tools developed are easy to grasp and rely mainly on good facilitation skills which are usually common across partners and frontline staff. In addition, the overall assessment can be embedded quite easily within ActionAid's existing processes, in particular mid-term reviews and its Participatory Review and Reflection Processes (PRRPs), without requiring additional financial resources or external support.

*Fifth, the approach allows AA, partners and communities to take into account the complexity of the themes they are working with.* This approach to VfM allowed ActionAid to take into account the contextual factors that play a significant part in assessing the

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<sup>23</sup> Garvin David A., Building a Learning Organization, Harvard Business Review, July-August 1993 <https://hbr.org/1993/07/building-a-learning-organization>

VfM and that can contribute to or undermine the changes among people living in poverty. For example, the experience in Malawi showed that the limited changes observed in the area of legal support on VAWG were related to the inefficiency of the justice system that limited the resolution of VAWG cases.

*Finally, the methodology is both people-based and rigorous.* It allows ActionAid to observe VfM systematically in circumstances where measuring change is often hard, such as in the area of women's rights which lies at the heart of ActionAid's work. The tools support a "structured conversation" for generating evidence and building on this to draw conclusions and recommendations for action.<sup>24</sup>

In other words, by using VfM in this way, ActionAid has created a way to live up to its accountability commitments by using participatory action research to adapt programmes and constantly improve its impact. Moving beyond accountability to taxpayers, this approach demonstrated that VfM can be a tool for accountability towards the vulnerable and excluded people INGOs work with, who have the right as well as the capacity to draw VfM conclusions.

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<sup>24</sup> See [www.sas2.net](http://www.sas2.net) . Jacques Chevalier and Daniel Buckles. Participatory Action Research: Theory and Methods for Engaged Inquiry. Routledge, UK, 2013..

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## Annex 1: Methodological approach of the VFM Analysis

The VFM Assessment process is usually undertaken in a period of 5 days by a multidisciplinary team that should include, at least, a Head of Programmes, a Head of Finance, a M&E Manager; a Manager of the programme to be assessed; an administrative manager of the programme to be assessed and a partner representative.

### Day 1: Preparing for the assessment

The focus of the first day is on the preparation for the sessions in the communities.

Purpose: To prepare for the community sessions, identifying the sample, ensuring the facilitation team agrees on the change that was expected to be achieved and breaking down the investment levels.

**Step 1.** The teams starts off by developing a stakeholders analysis and reviewing the Theory of Change of the programme, to be able to identify and unpack the changes that were expected to happen. The stakeholder analysis enables the team to define the sample: usually 5 groups directly targeted by the programme from 5 different communities that can be representative of the diversity of the programme area, 2 groups indirectly affected by the programme and 3 to 5 other actors familiar with the programme (government, other local actors). The budget and the theory of change are then used to identify 4 or 5 key components of the programme with its corresponding expenditure.

**Step 2.** The team is then asked to identify investment levels for each component, calculated as the average of the financial investment, the investment of the programme implementers (in terms of time and effort) and the investment of the community (based on the level of effort and opportunity cost of engaging in the programme). The investment levels are identified as high, medium or low for each programme component.

**Step 3.** The team organizes the facilitation of the community sessions, role playing a session, identifying facilitators, co-facilitators and note takers and arranging the necessary logistics.

### Day 2-4: Community sessions

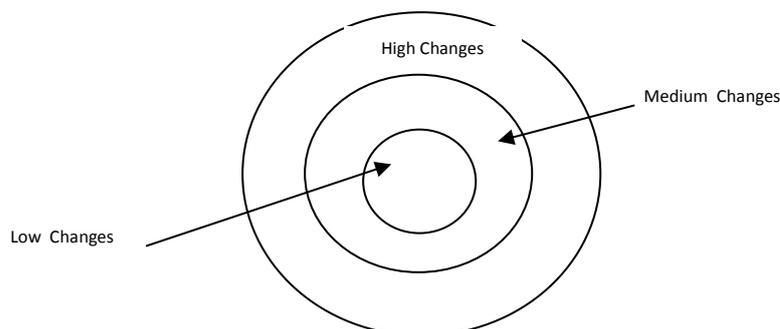
In days 2-4 the facilitation team divides and community sessions are held simultaneously to ensure as wide a sample as possible, informed by the stakeholders analysis.

Purpose: To assess the value of an intervention, based on the level of observed benefits and the level of investment made to achieve those benefits.

**Step 1.** Introduce the session. Ask participants to identify and describe the different activities undertaken as part of the programme to be assessed. Cluster these activities into the 4 or 5 components of the programme identified in Day 1.

**Step 2.** Ask participants to divide into groups, each focussing on one component. Each group identifies the key changes or benefits to people and communities generated by the activities within each component. Use storytelling and laddering techniques to generate a description of each change or benefit. Participants then discuss and rate how significant these changes have been overall, using a scale of low, medium and high. Rating is done by placing a card representing the changes in the corresponding section of a figure with

concentric circles for each level of change (Figure 2).



**Step 3.** Ask each group to share their result and validate their assessment with other groups. Facilitate a discussion about the key changes in each component and where more work needs to be done to increase these benefits.

**Step 4.** Describe the kinds of investments made so far, including investments of time and effort made by communities and by the organizations involved. Share the level of investment in each component estimated on day one and validate the result with participants using a scale of low, moderate and high. Place a card with key words (High, medium or low) on top of the concentric circles to represent the overall level of investment of each component.

**Step 5.** Explain to the participants that this is the moment where they can decide together if the intervention was worthwhile. They can now see the relative investment made for each component and how many and what kind of benefits were generated. Facilitate a discussion using probing questions such as: If you were to go back would you suggest that we do these actions again? How could we have achieved more changes? Are the changes we have achieved good enough? What could we do more in the future? How would you plan the money? How could we have spent less? How do you think we should structure our work to achieve more benefits? Should we stop working on any of these components? Should we change the way we are working on any of these components?

**Step 6.** Create a four-square graph on the floor and develop with participants local phrases to represent each quadrant, based on the combination of value and investment. Discuss the overall value of the interventions, and place a card in the quadrant that most closely represents participant consensus on the value for money of the interventions.

**Step 7.** Summarize the key recommendations for course corrections and programme priorities that emerged and close the session.

### Day 5: Drawing summary conclusions from the assessment

In Day 5, the facilitation team comes back together with some key community leaders to review the findings of the assessments by different groups

Purpose: To assess the value of an intervention, based on the level of observed benefits and the level of investment made to achieve those benefits.

**Step 1.** The team revisits the Theory of Change discussed on Day 1, identifying the changes that had been described in Day 1 but that were not mentioned in the

community sessions.

**Step 2.** Each community facilitator uses a scale from 1 to 10 to represent the value given to each component by each group that participated in the community sessions.

**Figure**

Use of the scale 1-10 in the VfM Assessment in Ethiopia



Group 1	Group 2	Group 3	Group 4	Group 5
10	10	10	10	10
9	9	9	9	9
8	8	8	8	8
7	7	7	7	7
6	6	6	6	6
5	5	5	5	5
4	4	4	4	4
3	3	3	3	3
2	2	2	2	2
1	1	1	1	1

**Step 3.** Use the scale to draw the VfM Diagram for the whole programme. If there are strong differences between one group and another use more than one VfM Diagram to illustrate the VfM analysis of the programme (for example, the communities closer to the river may see more benefits from the capacity building intervention than the ones higher up in the mountains).

**Step 4.** Identify the key conclusions and recommendations for improvements to the programme expressed by community groups. These could include: a) changes in strategies; b) changes in investments; c) changes in ways of working; d) reprioritization of specific components; etc.

## Summary Flow Chart



\* If you were to go back would you suggest that AA does these actions again? How could we have spent less? 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? How do you think we should structure our work to achieve more results?