



Centre for Development Impact PRACTICE PAPER

Innovation and learning in impact evaluation

Improving the Practice of Value for Money Assessment

Abstract This CDI Practice Paper* by Julian Barr and Angela Christie brings together recent work at Itad to examine the origins of the concept of value for money (VFM) in the performance audit of public expenditure and its increasing prominence as a tool applied to support the management of publicly funded international development. It considers similarities and differences between VFM audit and evaluation, and identifies opportunities to strengthen the practice of both. The paper outlines the challenge of using VFM concepts to improve development impact and proposes a VFM diagnostic tool to help meet this challenge, drawing on practice examples from the past three years to illustrate its use.

1 Origins and definitions of VFM

Value for money (VFM) is a concept that is understood instinctively by most people in terms of the way it conditions the majority of everyday purchases. However, promoting the concept as a major agenda item within the international development sector has been more problematic, largely because this has happened without strong methodological guidance from within the sector. As practice over the past few years demonstrates, the VFM concept has often been applied either vaguely, so meaning different things to different people, or narrowly, defined as relating simply to cost. This paper gives an overview of the origins and definitions of VFM, and then seeks to provide a framework that will both clarify the definition and broaden the application of the concept. In particular, the framework seeks to help avoid the VFM concept becoming diluted, understood as little more than cost-saving, or as proper management (sound financial and procurement procedures, systems of results-based management, etc.), or even simply cost-benefit analysis.

History and origins of VFM

Although for some, VFM is considered a recent concept and one specific to the Department for International Development (DFID), its origins are earlier and its implementation widespread across government and not restricted to the UK (Glynn 1995; OECD 2010). Broadly speaking, 'value for money audit' is the term that the UK public sector uses for performance audit (Lonsdale 2011). The UK's National Audit Office (NAO) has been producing

VFM reports on the use of public money, across the spectrum of government operations, since 1984. Value for money audit has its origins in New Public Management (NPM) and, in turn, the performance auditing aspect of NPM has its origins in the Planning Programming Budgeting System (PPBS) developed in the US in the 1960s (Gruening 2001). A growth in the volume of VFM audits, and audits more generally, was seen in the UK throughout the 1980s (Power 1994).

Through the 1990s and 2000s, a major body of VFM audit work was undertaken by the UK Audit Commission, which was established in 1983 to assess VFM in local government and National Health Service expenditure. A particular focus of government VFM activity and academic research through the 2000s related to the use of the Private Finance Initiative (PFI) as a procurement model, and the question of whether or not it offered better value for money than 'conventional procurement' (NAO 2013).

Definitions and different schools of VFM thought

VFM is a way of thinking about, and assessing how well public funds are used. Although VFM audits can be traced back to an origin in performance audit, VFM, combining aspects of cost and benefit, also conceptually draws on economic appraisal – which for the UK government is formally outlined in HM Treasury's Green Book (2011). There are contrasts in these two broad schools of thought. Performance audit occurs mainly during the

life of government interventions and initiatives, and gathers evidence to judge the performance in key functions and processes against set criteria, often using benchmarks. Economic appraisal is often an *ex ante* exercise, which is used to support resource allocation decisions. It estimates and compares costs and benefits, assessing net present value (NPV) of different implementation options to calculate the return on investment and the likely extent to which their respective discounted benefits will exceed costs. An economic approach may also be applied *ex post* as part of a counterfactual-based impact evaluation, employing cost-benefit analysis (CBA) or cost-effectiveness analysis (CEA) techniques (HM Treasury 2011). A similar economic approach is adopted in international development by J-PAL¹ (Dhaliwal *et al.* 2012), 3ie and others.

However, definitions of VFM emerging from these two approaches are not greatly dissimilar. At the heart of each is a cost-effectiveness question. Two very different policy interventions could produce similar effects, but one may be preferable because it uses a fraction of the resources of the other. The Treasury defines VFM as ‘securing the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought’, clarifying that ‘it is not about minimising up front prices’ (HM Treasury 2013: Section A4.6.2). This is consistent with the NAO definition, wherein good value for money is ‘the optimal² use of resources to achieve the intended outcomes’ (NAO n.d.: 1). In operationalising these definitions, VFM has long used three dimensions: Economy, Efficiency and Effectiveness³ – ‘the three Es’ – to assess and shape the performance of the auditee (Power 1994).

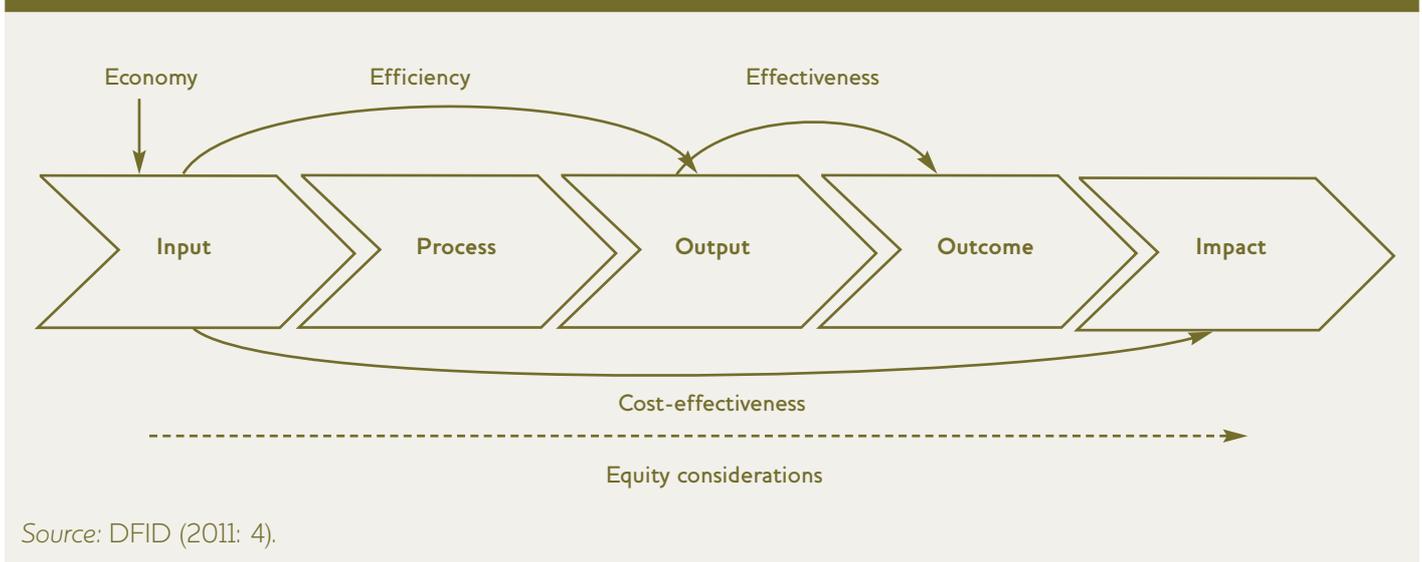
VFM in the development sector

VFM thinking in the development field has been evolving over the past decade, but it is predated by a strong

commitment across the sector to results-based management (RBM), which was similarly designed to improve performance, not least through better provision of information on achievement against clearly stated objectives (Binnendijk 2000). VFM was a measurable objective in DFID’s 2003–2006 Public Service Agreement (PSA) with the Treasury, assessed on the basis of targeted spending and operational effectiveness. The VFM target set for DFID combined an assessment of the proportion of DFID’s bilateral programme going to low-income countries increasing from 78 per cent to 90 per cent over the period with there being a sustained increase in the index of DFID’s bilateral projects evaluated as successful (on the basis of annual review scores) (Poate and Barnett 2003). Later, there was some tendency for VFM to focus on savings and efficiency gains, for example in DFID press releases gains in these areas were highlighted (DFID 2009). More recently, DFID’s reviews to assess the value for money achieved through working with multilateral organisations were assessed as an effective approach (NAO 2012). In some areas of aid, much more detailed VFM guidance is available, emphasising cost-efficiency and cost-effectiveness measures (White *et al.* 2013).

It is a common view that VFM has become a more prominent agenda item in development (Shutt 2011; Jackson 2012). This can be traced to about 2009–10, with VFM becoming one of six DFID top-level departmental priorities (DFID 2010). In the UK, increased focus on VFM has been part of both aligning DFID procedures more closely to Treasury guidance and a government-wide focus on VFM during a period of fiscal austerity. Other aid donors have similarly increased the level of attention they accord to VFM to ensure responsible use of public funds; for example, Australia’s Department of Foreign Affairs and Trade (DFAT 2014) and USAID (USAID 2014).

Figure 1 DFID’s 3Es framework



Source: DFID (2011: 4).

Objections have been raised with regard to the emphasis on VFM in development, but these are not new. Such critique has been levelled at the growth and purpose of audits across a breadth of activities since the early 1990s, raising the question at that time of ‘whether it has all gone too far?’ and whether ‘the language of quality and VFM [is] an elaborate rhetoric for cost reduction in the face of a public sector borrowing crisis?’ (Power 1994: 30). Plus ça change... There is, however, a countervailing argument supporting the need for more VFM scrutiny of international development financing, on the basis that it warrants a higher degree of accountability to the taxpaying UK public than other areas of domestic spend, because it occurs remotely and the public are not able to experience or scrutinise it in the same way they can public expenditure on education, health and infrastructure (IFS 2012). What this argument misses is that the drive for greater accountability through increasing use of VFM audit relates to accountability to the UK taxpayer and not to beneficiaries or other stakeholders. It misses the question of ‘whose value?’ and the opportunity to follow a trend of increasing democratisation in evaluation. Jackson (2012: 3), however, notes that in considering whose value, ‘it is also possible to over-emphasise the difference. In reality, everyone wants results’. It is important that interventions reach consensus about their desired results before they start.

DFID’s published approach to VFM (DFID 2011: 4) states that VFM in DFID’s programmes means: ‘We maximise the impact of each pound spent to improve poor people’s lives’. This paper stakes DFID’s commitment to the ‘3Es’ approach to VFM, and introduces the importance of considering equity as a dimension of effectiveness. The 3Es and cost-effectiveness are mapped on to a results chain (Figure 1).

A similar approach is taken by the UK ‘aid watchdog’ – the Independent Commission for Aid Impact (ICAI) – though it promotes Equity as a fourth ‘E’ in its own right. The ICAI’s approach to VFM considers ‘the four Es together, not separately, balancing them to come to a judgement’, yet it privileges effectiveness, arguing tautologically that ‘effectiveness and value for money are inextricably linked’ (ICAI 2011: 1).

2 Approaches to VFM

Donors and programme implementers have all grappled with how to shift the VFM paradigm towards one of managing better, and away from VFM sound bites on reduced costs. Overall, the published material on VFM from donor agencies has been clear on the rationale for VFM and the basics of what it is. The ‘3Es’ and ‘4Es’ definitions of VFM are now in common currency. But with a few exceptions (Barnett *et al.* 2010; Palenberg 2011; White *et al.* 2013), there has been a deficit of guidance on *how* to assess VFM. This may be seen as a

Table 1 Comparison of DAC evaluation criteria and VFM criteria

DAC	VFM
Relevance	–
–	Economy
Efficiency	Efficiency
Effectiveness	Effectiveness
–	Equity
Impact	–
Sustainability	–

passive strategy to encourage innovation in this area, but in reality it has left programme implementers each trying to make their own sense of VFM, hungry for methods and concerned about how to pass what has been seen as an annual VFM test as part of their review process (Antinoja *et al.* 2011). There has been patchy success in translating the 3Es and 4Es into operations.

As noted above, VFM has strong roots in performance audit; however, in development it has moved beyond the domain of ‘the auditors’. It increasingly forms part of the objectives of annual reviews and evaluation processes. Indeed, it has been argued that determining whether or not interventions are cost effective (rather than just effective) should be a key clinical equipoise consideration in justifying impact evaluations: ‘But we don’t live in a world of no budget constraints, and so the standard of clinical equipoise needs to be more along the lines of doubts over whether this use of funds makes people better off relative to any other possible use of funds...’ (Mackenzie 2014).

In responding to the increasing demands placed on implementers, reviewers and evaluators, there is a search for method. Managers are demanding tools that help manage VFM better over the life of an intervention, and evaluators seek ways to better address VFM in the context of the OECD Development Assistance Committee (DAC) evaluation criteria. The current environment with high demands on accountability and transparency, and in evaluation and rigour, means methods need to be clear and credible and more open than the ‘secret garden’ of performance auditing’ (Reichborn-Kjennerud 2011: 218).

Evaluators have at their disposal a number of methods by which to assess VFM. These include methods which monetise value (benefit) – such as cost–benefit analysis (CBA) and social returns on investment (SROI)⁴ – and those wherein it is recognised that value is not easily monetised. These include cost–utility analysis (CUA) which uses common measures of value or utility – such as in the

health sector quality-adjusted life years (QALYs) – and cost-effectiveness analysis (CEA). CEA is the closest technique to normative evaluation, taking measures of effectiveness and integrating a cost component (Fleming 2013).

This illustrates where there are disconnects between VFM audit and evaluation, but also where there is scope for bringing them closer together. Mapping the '4Es' VFM audit criteria to the accepted OECD DAC evaluation, Table 1 shows that nominally there is complementarity in relation to only efficiency and effectiveness.

Several points emerge from this comparison. Cost-effectiveness is not a criterion in either schema and while VFM considers equity – considered by DFID as a sub-set of effectiveness – it does not explicitly consider sustainability. This is potentially an omission, since in most interventions value will multiply manifold if it is sustainable and erode rapidly if it is not. Economy is often poorly considered in evaluation, and since in a budget-constrained world, cost-effectiveness is an ever more important evaluation criterion, the collection of good cost data is an area deserving of more attention (Dhaliwal *et al.* 2012). The need for good cost data in evaluation also surfaces the need for better and more standardisation in management information systems (MISs) used for donor and government development interventions. Lastly, efficiency is a common criterion in both schools of thought, but one whose measurement is generally not done well, and where methodological development is lagging behind that for assessing effectiveness (Palenberg 2011). The overall picture is that VFM and evaluation are coming closer together as disciplines – and could do so with some mutual benefit. In particular, more attention should be paid to cost-effectiveness in evaluation, requiring better cost/economy data, and a stronger methodological focus on efficiency is needed in both areas.

3 Weaknesses in current VFM practice

As identified above, managers need tools that help manage VFM better over the life of an intervention. VFM is usually reported against a range of metrics, grouped around the 3Es. However, this does not automatically provide the most useful information, particularly so if the emphasis gravitates, as is frequently the case, towards reporting cost savings under the heading of Economy. Such practices reinforce the widely-held view that VFM is essentially a process for cutting costs and saving money, and encourages a 'race to the bottom' irrespective of the effect on programme performance.

Once programmes are commissioned, programme managers and implementers may be routinely required to report on VFM in them. VFM tends to receive particular attention during annual reviews. Implementers will often assemble a set of examples and measures into a VFM report to inform the annual review process. This risks VFM

becoming an annual 'VFM exam', rather than being embedded in the way programmes are managed.

One of the key implementation difficulties relating to VFM stems from it being shorthand that essentially says 'economy equals money' and 'effectiveness equals value'; this is often how the widely used diagram shown in Figure 1 is interpreted. Yet, money (i.e. cost) and value are important considerations within each of the 3Es, contributing ultimately to cost-effectiveness. Viewed this way, the 3Es framework relates closely to the results chain of a programme. Thus, Economy is concerned with the cost and value of inputs. Efficiency is concerned with the aggregate cost of inputs that are transformed by sets of activities into outputs. And Effectiveness and cost-effectiveness are the achievement of outcomes and impact in relation to the underlying costs associated with outputs.

Yet, despite this link to the traditional results chain, many practitioners in development agencies and working on programmes have found a '3Es approach' to VFM difficult or inappropriate to apply during implementation. There are a number of reasons for this, but the two most important relate to the stage of the project cycle in which the VFM analysis is applied and to a series of disconnects.

First, the relative degree of relevance of each of the 3Es at different stages of the programme cycle varies. During the design of interventions, there is generally a due emphasis on economic appraisal and a predictive cost-benefit analysis. This is to ensure that there is a justified rationale for the particular use of aid funds, which is likely to yield the best possible results for the level of investment, and that the funds are unlikely to deliver greater development results if spent in other ways.

If the intervention is externally procured, then the procurement process places greatest weight on the economy VFM criterion. Funders want to know that service providers can deliver their programme economically. During inception, when interventions are establishing their systems, offices and teams and technical assistance, economy continues to be a major consideration as goods are being bought and service contracts established.

However, once implementation begins, the emphasis should change. During early-to-mid implementation, efficiency is the most relevant VFM measure; this is the front-loaded period when inputs are being used to produce outputs (such as commissioning grants in grant programmes). It is important to know that this is being done well, and good efficiency data can improve implementation, though it is often hard to access this in real time. As interventions reach their later stages, the focus should increasingly move towards outcomes. Once data on results become available it is appropriate for VFM to have an increased emphasis on effectiveness and cost-effectiveness.

Second, there is a series of disconnects in the way VFM is viewed:

- a temporal separation whereby programme staff are under pressure to demonstrate VFM in the early or mid-point stages before the ‘value’ of the intervention is realisable;
- a tendency to focus on what is measurable (or comparable through benchmarks) rather than what is important, often leading to an over-emphasis on unit costs and cost savings. Power (1994: 26) suggests that in government sectors where effectiveness is not easily calibrated, ‘VFM prioritises that which can be measured and audited in economic terms – efficiency and economy – over that which is more ambiguous and local – effectiveness’; and
- disconnects between different sets of people, from those in finance, procurement and administration that have a more granular approach to money, to technical advisers, team leaders and specialist consultants who concentrate on results and value. Power (1994: 26) finds that where measurement and attribution of results are difficult or require technical experts, the tendency is to ‘focus on unambiguous measures of input’ and thus VFM audit focuses on economy and efficiency. This involves displacing technical experts who can assist in measuring complicated results in the assessment process with expert accountants, who focus on economy and efficiency.

It is for these reasons, and other disparate interpretations of VFM, that a broader framework and methodological approach to VFM can assist. In order to avoid this separation, in Section 4 a diagnostic framework is proposed.

4 A VFM framework: bringing value and costs back together

The framework illustrated in Figure 2 (Barr and Christie 2014) can be used to plan or assess how well a portfolio of VFM measurement indicators presents the VFM of a development initiative – and can be utilised throughout the cycle of project implementation. The diagnostic and analytical framework categorises results (value) against which costs can then be allocated, thereby avoiding the separation of costs from value, and the common focus on cost savings because these are more granular and easier to demonstrate. The framework employs two axes: ‘VFM indicators’ (which provide different ways by which to assess value and costs combined) and ‘VFM measurement’ (which provides different ways to help reach a judgement on VFM). The framework can, and should, be applied to all of the ‘E’s. Thus a programme or sector diagnostic using this framework would include one of these matrices for each ‘E’, to give a comprehensive assessment of the VFM offer.

Figure 2 Itad VFM Indicator Framework

		Measurement typology		
		Benchmark	Comparison	Stand-alone
Indicator typology	Monetary result			
	Quantitative result			
	Qualitative result			

Source: Barr and Christie (2014).

The VFM Indicator Framework is a matrix. The vertical axis relates to types of VFM indicator and three types are proposed:

- *Monetary* indicators report the monetary value of a point on a programme’s results chain (for example, an output or an outcome) in relation to the associated cost.
- *Quantitative* indicators report how much (in numbers) a programme has achieved in relation to the associated cost.
- *Qualitative* indicators report the kind of change a programme has achieved (in descriptive terms – for example, an improvement in the quality of a process or product) in relation to the associated cost.

The horizontal axis in the matrix relates to types of VFM measurement and three types are also proposed:

- *Benchmarked* measurement compares programme achievements with similar achievements outside the programme (within country or outside country). They are thus external, relative indicators, and can provide strong evidence of best value or best cost or both.
- *Comparative* measurement shows progress over time (for example, years) or space (for example, districts), demonstrating cumulative effect or showing comparative improvement between ‘cases’. They are internal, relative indicators.
- *Stand-alone* measurement shows what has been achieved within a reporting period. These are ‘one-off’ realisations of value, and not likely to be repeated. They can be compared against the planned target for that period, in which case the value in VFM terms depends on the credibility of the original plan as both realistic and stretching. They may be important as denoting a results step-change.

5 Practical applications of the VFM Indicator Framework

Whether a particular intervention offers value for money is ultimately a judgement. VFM judgement may naturally be instinctive, but the judgements are stronger if they are evidence-based, and stronger still if they involve comparative judgements and pluralistic views – beneficiaries' judgements. The thinking behind the VFM Indicator Framework (see Figure 2) is that VFM judgements are easier to make when indicators are preponderantly towards the upper left corner of the matrix. These are 'harder' indicators – they have comparators or benchmarks and are expressed quantitatively – and this assists evidence-based judgement. These types of indicators seem to be more easily communicated, are more straightforward to understand, and are a stronger basis for a 'VFM offer'. The extent to which this applies to the 3Es varies – Economy offers in which indicators are mainly qualitative, would be insufficient. Strong sets of Economy indicators ought to be primarily monetary. However, sets of Effectiveness indicators may well rely more heavily on quantitative and qualitative indicators, such as qualitative improvements in governance, or numbers of girls receiving life-skills coaching.

The framework should be used with the recognition that programmes' VFM offers should improve over time. During inception periods, programmes have a greater focus on establishing their systems and processes. Therefore, early VFM offers will justifiably feature internal programme process indicators – such as establishing a monitoring and evaluation (M&E) system. Likewise, year one indicators will mostly be stand-alone, although even at this stage, benchmarks may be available and make for more robust VFM offers. From their second year onwards, programmes may be expected to have an increasing proportion of comparative/trend indicators in their VFM offers. Finally, it may be possible for programmes to shift some of their indicators upwards towards monetary results over time.

This framework has been used in Nigeria, Ghana, Ethiopia and India in a number of ways. It has helped programmes to clarify their VFM approach and move away from a focus on cost saving towards collecting data on both efficiency that assists in management decision-making – for example, on the allocative efficiency of programme outputs – and on cost-effectiveness. This has required programmes to develop new approaches to managing data on results and programme finance, so that costs can be ascribed to the associated outputs. It has been used to review VFM in donor portfolios – including in governance, economic development and human development – and in the evaluation of VFM in health sector programmes in India. Lastly, the framework has also been used in an empowerment and accountability grant programme wherein grant recipient organisations have used participatory

techniques with beneficiaries to try to reach an assessment of social value.

Experience has found that the framework is broadly applicable; however, it has been adapted for use in particular contexts. For example, in Ethiopia, the framework was used to assess VFM in a suite of multi-donor funded interventions delivered by Ethiopian government departments and agencies. The majority of VFM indicators were economy indicators, whose data were sourced from government management information and accounting systems. Selection of indicators had to take into consideration the availability of, and access to, data sets that already existed and were not always good.

The programmes benefit from the fact that funds are centralised, and that all procurement is done via government, with a clear system and set of guidelines. In the human development sector, outcomes are comparatively straightforward to measure. The challenge for using the framework in a government-delivered situation was accessing efficiency data. The study concluded that if it is known both what is 'bought' (economy level) and what outcomes are achieved (effectiveness level), it may be enough to assume that what was planned to happen at efficiency level did happen – i.e. to base VFM on these two dimensions and accept a 'black box' situation for efficiency.

In Nigeria, the framework has been used successfully on several governance programmes⁵ as the basis for their VFM strategies. These consist of sets of 3Es indicators that bring together cost and value. The indicators have been mapped on to three VFM Indicator Framework matrices to ensure that overall VFM offers are as robust as possible, spread across the 3Es,⁶ and have scope to become 'harder' over time, for example by developing comparators between states and years.

Also in Nigeria, the framework was employed to review VFM across portfolios of governance and economic development programmes. In the normative use of the framework (as in the Nigeria governance programmes above), VFM indicators are linked to performance indicators along the results chain. Inputs, outputs and outcomes/impacts are established, and converted into VFM indicators by integrating the associated costs, to translate them into economy, efficiency and effectiveness VFM indicators. However, the economic development portfolio included programmes with less straightforward delivery chains, requiring adaptation of the framework. Several of the programmes define clear outcomes/impacts but allow for a range of different means, working in parallel, to achieve them. These programmes included a funding facility which supports varied policy formulation initiatives by the Nigerian government, and several market systems development programmes⁷ which aim to

strengthen a number of markets in different ways. For the funding facility, the obverse to the Ethiopian situation was found: funds are managed by a contractor to be used by government agencies, and thus the VFM diagnosis placed emphasis on the efficiency of fund management processes by the contractor. In market-based programmes which focus on strengthening markets through innovation, it was found that the VFM of innovations (such as introduction of new plastic crates for transporting tomatoes) depended greatly on scale of replication. Thus the 4Es needed to consider the cost and value of the specific mechanism or innovation and its replication.

In India, the VFM framework was used as a diagnostic for a VFM evaluation of three large state-level sector-wide health support programmes. One of the key challenges of applying the framework to a complex portfolio of interventions, such as sector-wide programmes, is that it can prove unwieldy to apply unless the unit of analysis is selected carefully. For a system in which a very large number of activities are ongoing, it can become extremely resource intensive to apply the framework at the discrete intervention-level, particularly if the aim is to draw sector-wide conclusions on VFM. It was found that more confidence in VFM could be obtained when examining downstream interventions (such as provision of clinics and drugs), as they can be more closely linked to improvements in health outcomes. With upstream interventions (systemic reforms), unpacking the attribution pathway with respect to effectiveness is very difficult, and determining VFM is more challenging and requires robust evaluation approaches. Nonetheless, assessing VFM across health sector programmes in three states facilitated comparative analysis to support VFM-based decision-making, though it is accepted that context is critical as a modifier to making VFM comparisons (Barnett *et al.* 2010).

Notes

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- 1 Cost-Benefit/Effectiveness/Comparison Analyses (see www.povertyactionlab.org/methodology/what-evaluation/cost-benefiteffectivenesscomparison-analyses).
 - 2 'Optimal' is defined as 'the most desirable possible given expressed or implied restrictions or constraints'.
 - 3 Economy – the acquisition of resources on the best possible terms. Efficiency – the use of resources to achieve a given level

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6 Conclusions

In conclusion, it is evident that while VFM may feel like a new set of control mechanisms in the development sector, it is consistent with both a long-term strengthening of mechanisms to improve accountability across public sector expenditure and with adoption of results-based management within the sector. However, both the concern about VFM reducing accountability to beneficiaries and it being perceived, and in places experienced, as a means to simply reduce costs, have created resistance to a concept that is readily accepted in everyday life. A strong promotion of VFM principles in the absence of strong methods by which to realise them has exacerbated this situation.

In comparing sets of criteria for conducting evaluations and VFM audits, there are clear opportunities for the two schools of assessment to mutually benefit from sharing framing and method. Evaluation has become ever more innovative at determining what makes development effective, but has failed to place similar emphasis on what is cost effective. VFM audit has given increased weight to equity as an important criterion, particularly as a measure of effectiveness, but has paid less attention to the fate of the value that programmes create once they complete, i.e. to sustainability issues. Insufficient attention has been paid in both evaluation and VFM audit to assessing efficiency better, and it would be timely to do so in the context of increasing recognition being accorded to the role of developmental evaluation. This paper has presented a diagnostic and analytical framework for making stronger VFM judgements which can be adapted to a range of situations. There is much opportunity to innovate from across the range of evaluative techniques to improve the types of data used for VFM audit, and to strengthen the formation of VFM judgements.

- of output. Effectiveness – the match between intentions and outcomes.
- 4 In SROI, values are derived from participatory valuation with intervention stakeholders, using contingent techniques. It offers the opportunity to address the 'whose value' question by focusing on the values that beneficiaries ascribe to the results from an intervention.
 - 5 Including SAVI (<http://savi-nigeria.org>) and V4C (www.v4c-nigeria.com).
 - 6 The programmes have taken equity as a dimension of effectiveness.
 - 7 Making markets work for the poor (M4P) programmes.

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“ ... concern about VFM reducing accountability to beneficiaries and it being perceived, and in places experienced, as a means to simply reduce costs, have created resistance to a concept that is readily accepted in everyday life... There is much opportunity to innovate from across the range of evaluative techniques to improve the types of data used for VFM audit, and to strengthen the formation of VFM judgements. ”

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- (2) Designing appropriate ways to assess the impact of complex interventions in challenging contexts.
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This CDI Practice Paper was written by **Julian Barr** and **Angela Christie**.

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