Evaluation and Value for Money: A practical approach

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Introduction

Kia ora koutou katoa, I'm an independent public policy consultant from Auckland, Aoteaora New Zealand. I'm a member of the Kinnect Group in New Zealand, a graduate and Honorary Fellow of the Centre for Program Evaluation, University of Melbourne, and an Associate of Oxford Policy Management globally. In this presentation I share an overview of a VFM approach I developed and refined through my doctoral research and in real-world projects with these groups.

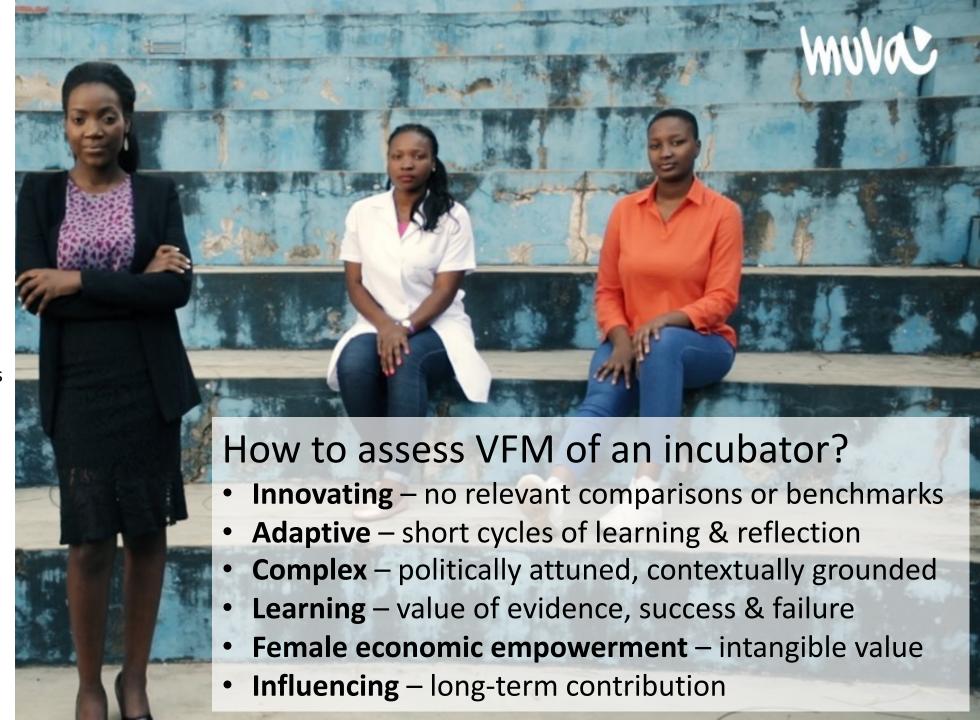www.julianking.co.nz   policy | evaluation | value for money

MUVA is a female economic empowerment program in urban Mozambique. It is an incubator, funded by the UK Dept for International Development and implemented by Oxford Policy Management. It develops and tests new approaches to female economic empowerment, generates evidence and learning, and influences other organisations to adopt and scale successful approaches. MUVA exemplifies many of the problems we encounter when assessing VFM in complex, adaptive programs.
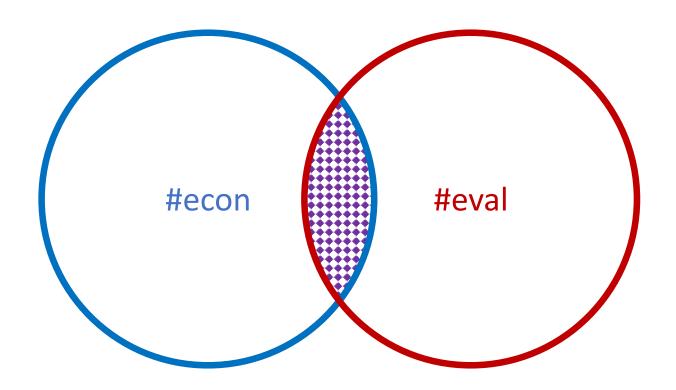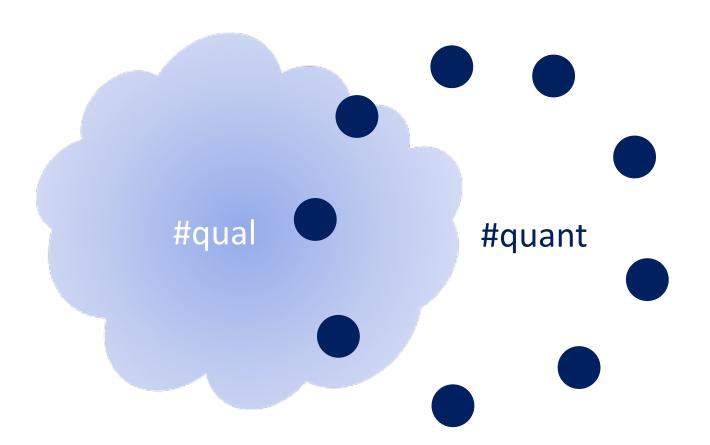
www.muvamoz.co.mz

How to assess VFM of an incubator?

- **Innovating** – no relevant comparisons or benchmarks
- **Adaptive** – short cycles of learning & reflection
- **Complex** – politically attuned, contextually grounded
- **Learning** – value of evidence, success & failure
- **Female economic empowerment** – intangible value
- **Influencing** – long-term contribution
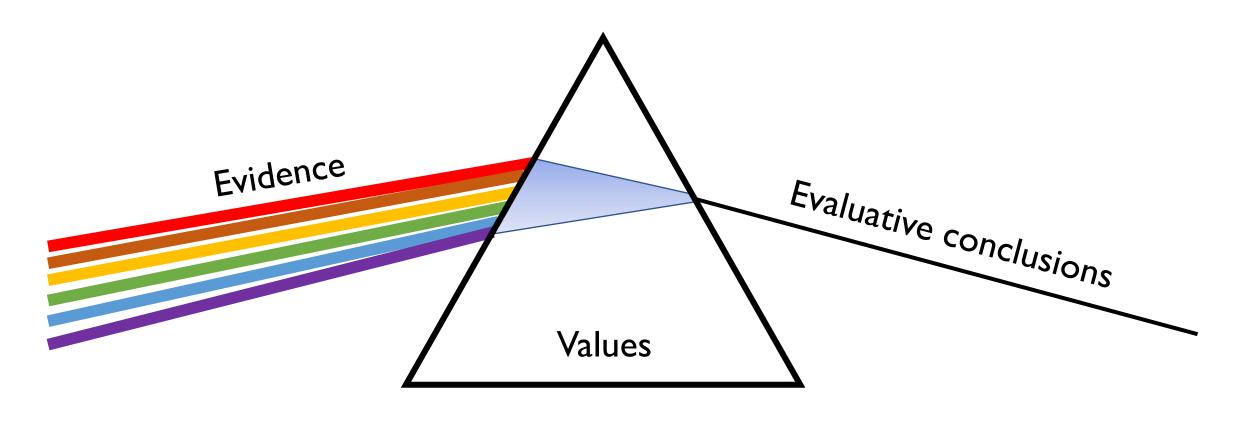
Inter-disciplinary

#econ

#eval

To help address these challenges, our approach to VFM assessment is inter-disciplinary. Evaluation and economics are both under-utilized in VFM assessment. Both disciplines offer useful frameworks and valuable insights – but neither discipline has all the answers. In our approach, we combine evaluative and economic thinking.
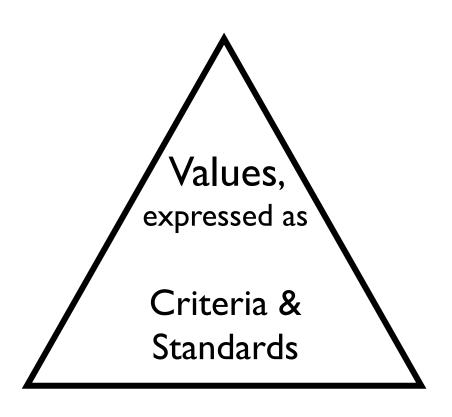
Mixed methods

#qual

#quant

Our approach to VFM assessment uses mixed methods. We are always seeking to understand the story behind the numbers, and the best way I know to do that is to triangulate evidence from multiple sources – and to make sense of the evidence with stakeholders, rights-holders and end-users.
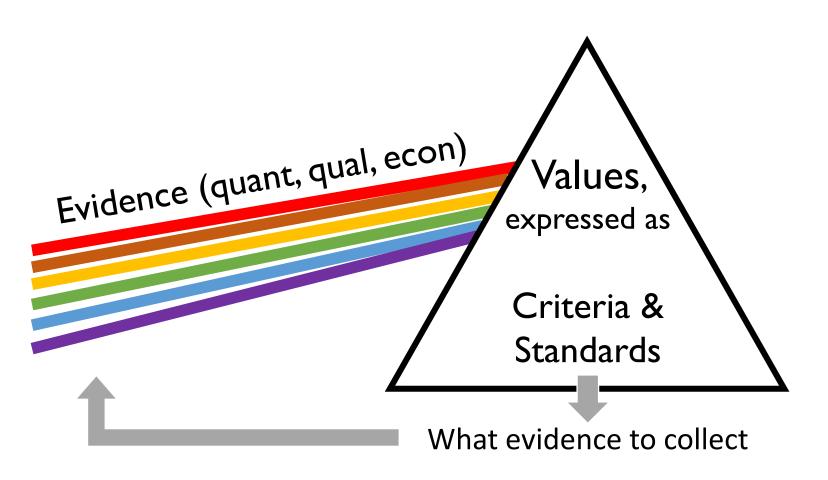
Evaluative reasoning

Evaluative reasoning provides the means for making transparent judgements from the evidence. A bit like a prism in reverse, values provide a lens for looking at a broad spectrum of evidence, and reaching a focused, robust evaluative conclusion.
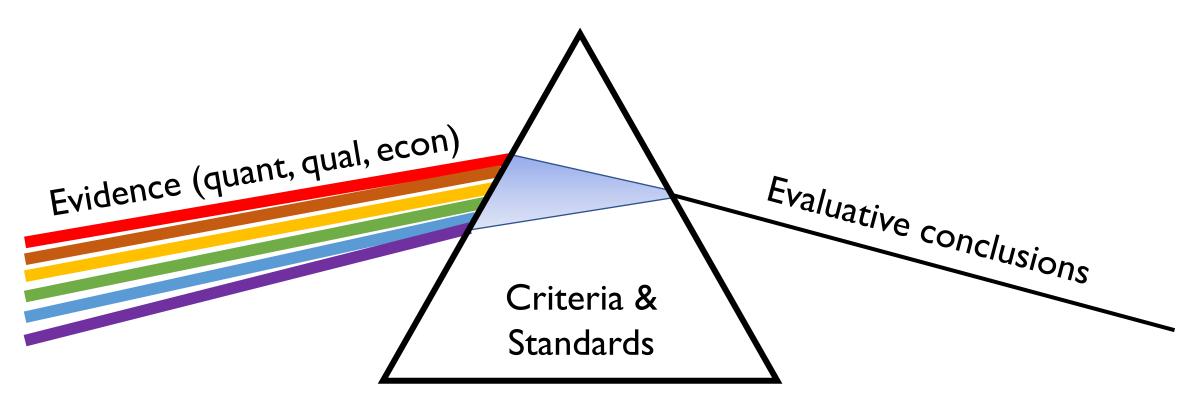
Evaluative reasoning

It starts by working with stakeholders, rights-holders and end-users, to define values. Values are expressed as criteria (aspects of VFM) and standards (levels of VFM). Together, criteria and standards provide a statement of what matters, and what good looks like.

Values,
expressed as

Criteria &
Standards

Evaluative reasoning

Once we are clear about what matters and what good looks like, we know
what evidence we need to collect and analyse.

Evaluative reasoning

And, once we've gathered and analysed that evidence, criteria and standards are a guide for interpreting the evidence, so we can provide a clear answer to the VFM question.
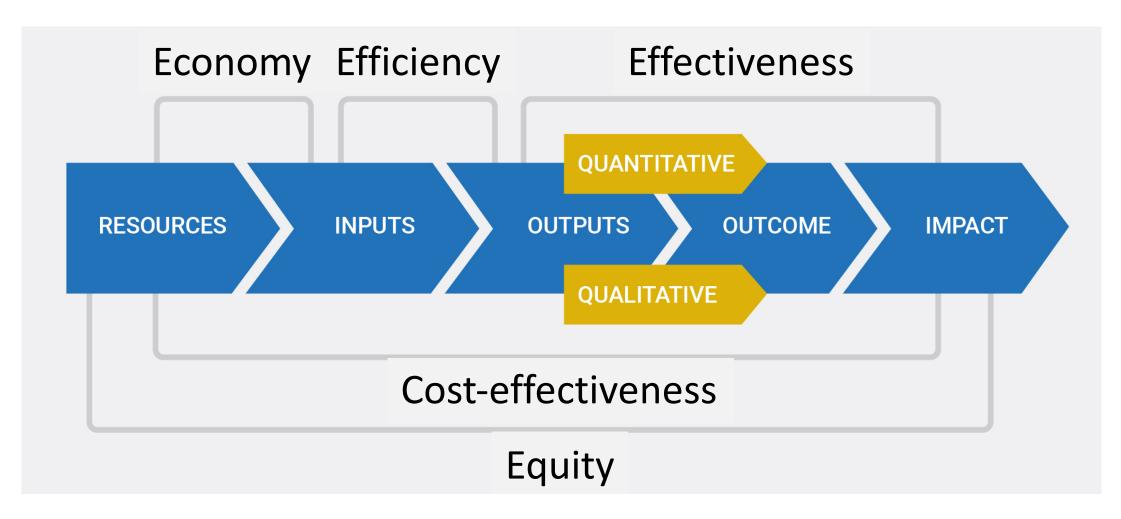

Evidence (quant, qual, econ)

Evaluative conclusions

Criteria & Standards

What evidence to collect

How to interpret the evidence

Criteria = aspects of VFM
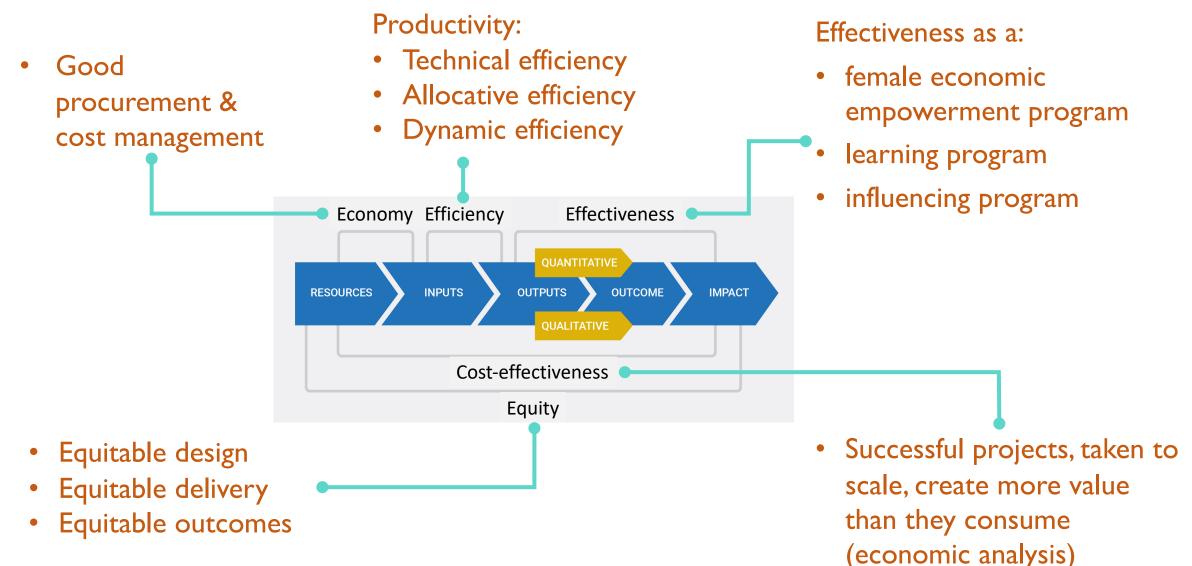## Example (DFID, 2011)…

Here's an example of some VFM criteria. These ones come from DFID's approach to VFM (2011). They provide a good starting point, but we need to define them in a way that is more specific to our program and context.

Criteria are specific to the program and context
For example, here's an overview of how we defined the criteria for the MUVA program.

Productivity:
- Technical efficiency
- Allocative efficiency
- Dynamic efficiency

Effectiveness as a:
- female economic empowerment program
- learning program
- influencing program

- Good procurement & cost management

Economy   Efficiency   Effectiveness

QUANTITATIVE

RESOURCES   INPUTS   OUTPUTS   OUTCOME   IMPACT

QUALITATIVE

Cost-effectiveness

Equity

- Equitable design
- Equitable delivery
- Equitable outcomes

- Successful projects, taken to scale, create more value than they consume (economic analysis)

Standards = levels of VFM
Example (MUVA, 2019)…

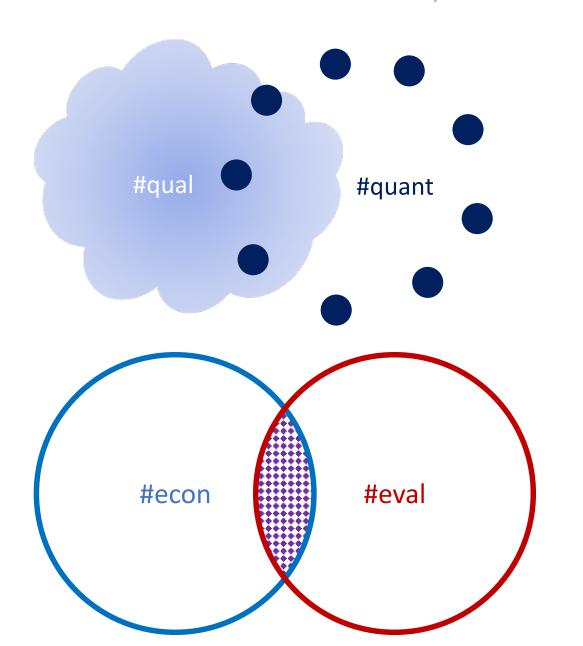| Excellent	Meeting or exceeding all reasonable expectations/targets bearing in mind context. Room for incremental improvements.
Good	Generally meeting reasonable expectations/targets, allowing for minor exceptions. Some improvements needed.
Adequate	Not meeting expectations/targets but fulfilling minimum requirements and showing acceptable progress overall. Significant improvements needed.
Poor	Not fulfilling minimum, 'bottom-line' requirements or not showing acceptable progress overall. Urgent improvements needed.

Standards are levels of VFM. A table of standards like this one is sometimes called a *rubric.* This is where we define terms like 'excellent', 'good', and 'adequate'. Once we have defined these terms, we can use them in a precise way in our evaluation. These terms are not superlatives, but carefully-crafted and agreed definitions.

Criteria & standards ➡ what evidence to collect

#qual

#quant

#econ   #eval

Administrative data

Documents review

Outcome evaluation data from pilots (quant & qual)

Stakeholder interviews

Reflection workshops

Cost-benefit analysis of successful approaches at scale

In most cases we find that a mix of quantitative and qualitative evidence is needed to address the criteria and standards. The list above shows some key examples of the evidence we use in MUVA.

Criteria & standards ➡ how to interpret the evidence
Transparent judgements, clear reporting

	Judgement	Evidence	Opportunities
Economy	Excellent		
Efficiency	Good		
Effectiveness	Good		
Cost-effectiveness	Adequate		
Equity	Good		
VFM overall	Good		

Using criteria and standards helps us get straight to the point and answer the VFM question. This table resembles the format we use on the first page of our VFM reports. It provides all most people need to know: the judgement, according to our agreed criteria and standards; the key pieces of evidence that back the judgement; and opportunities to improve.
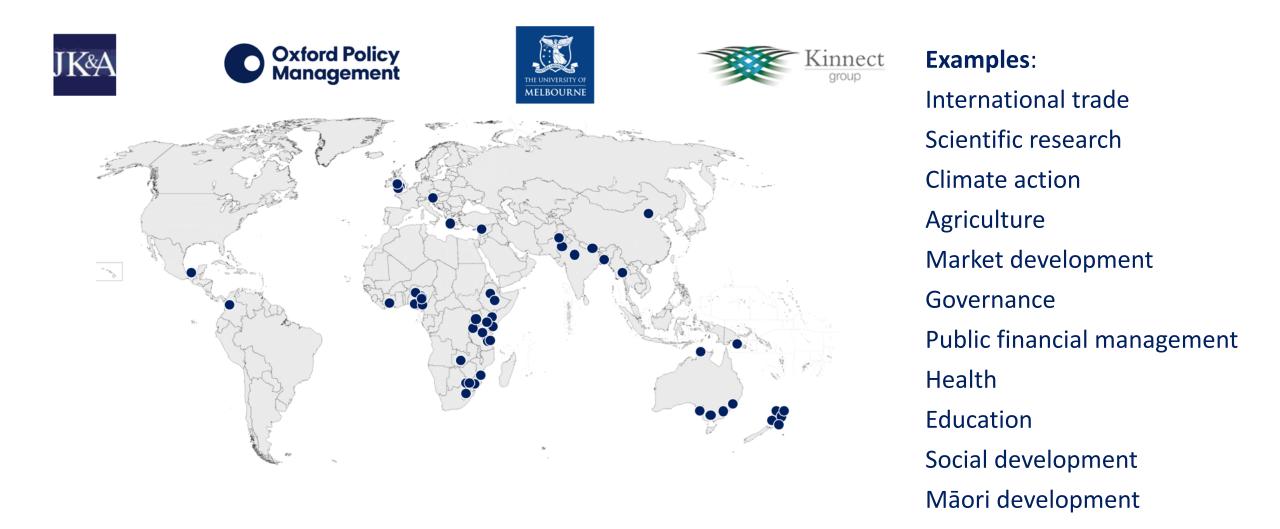
Aimed at better VFM assessment

from…

Accountability

Indicator-based:

measurable > important

quantity > quality

simple > complex

Cost-focused

Opaque:

No conclusions

OR unclear basis

to…

Use:
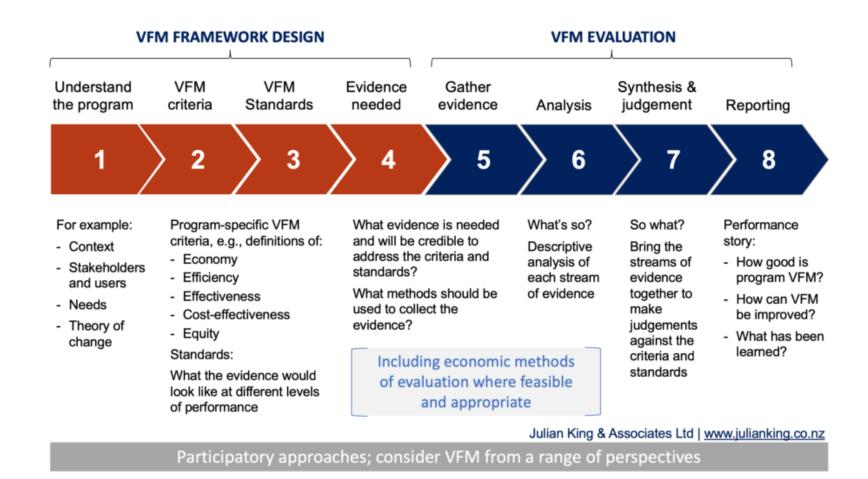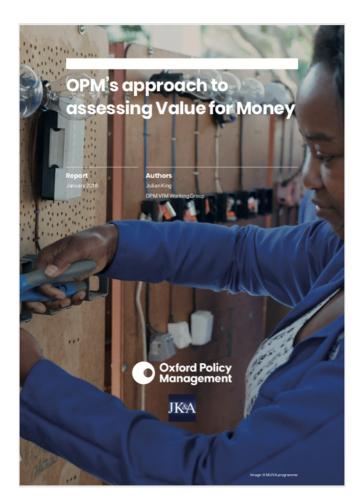
Co-design & sense-making

Learning & adaptation

Capacity building

Full evidence:

Focused on what matters

Complexity-informed

The story behind the numbers

Value-focused:

Outcomes & impacts

Equity & efficiency

Transparent:

Answer the VFM Q

Conclusions backed by evidence & reasoning

Gaining traction globally

Examples:

International trade

Scientific research

Climate action

Agriculture

Market development

Governance

Public financial management

Health

Education

Social development

Māori development

Practical, intuitive process

(King & OPM, 2018)

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