Evaluating VfM on complex governance programmes:
The Pakistan Sub National Governance Programme

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How do you assess VfM of a complex, adaptive, governance programme?

An example from the Sub National Governance (SNG) programme
The SNG programme

- 5 year, £28m DFID governance programme in two provinces in Pakistan
- Subject to annual reviews, including VfM
  - First 3 VfM assessments focused on inputs
- DFID demanded a fuller assessment for year 4

“It is necessary now to start collecting information on how outputs are translating into outcomes… Unless such information is monitored, it impossible to say with confidence that the interventions are effective and sustainable”
The challenge

- SNG is a complex governance programme
  - diverse workstreams & dynamic political economy
  - no linear relationship between outputs & outcomes
- Lack of external benchmarks
- Attribution of results is problematic
  - multiple factors impact on service delivery & no counterfactual
  - need to measure results and tell a story of SNG’s contribution
- Designed to be iterative and experimental
  - Responds to emergent opportunities
  - expectation that some interventions will “fail”

Cannot rely on “off the shelf” definitions of VfM

Need to define performance standards from scratch

VfM cannot be measured by quantitative indicators alone

- Cannot unduly penalise “failure”
- Need to assess learning performance as part of VfM
Our Approach

An evaluation-specific approach using criteria & standards
Value for Money

An evaluative question about an economic problem
Evaluation “does not aim simply to describe some state of affairs but to offer a considered and reasoned judgement about that state of affairs”
Agreed definitions of good performance & VfM

Criteria

What do:
- economy
- efficiency,
- etc…

mean, in this context?
Agreed definitions of good performance & VfM

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Standards
What would economy (etc) look like if they were:
- Excellent?
- Good?
- Adequate?
- Poor?
Agreed definitions of good performance & VfM

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**Evidence**

What evidence do we need to make judgements?
- Indicators
- Narrative
- Economic
Sound judgements
Clear, transparent, valid, credible

Agreed definitions of good performance & VfM

What evidence to collect

How to interpret the evidence

Adapted from Davidson (2013)
**Example: SNG efficiency**

**Definition:** The SNG Programme produces the intended quality and quantity of deliverables, within the available resources.

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<thead>
<tr>
<th>Efficiency standards:</th>
<th>Description</th>
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<tr>
<td></td>
<td>SNG deliverables for the year substantially exceeded work plan and in line with allocated budget</td>
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<td>SNG deliverables for the year moderately exceeded work plan and in line with allocated budget</td>
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<td>SNG deliverables for the year completed according to work plan and in line with allocated budget</td>
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<td>SNG deliverables for the year moderately did not meet work plan and/or moderately exceeded budget</td>
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<tr>
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<td>SNG deliverables for the year substantially did not meet work plan and/or substantially exceeded budget</td>
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Example: SNG cost effectiveness

Definition: The SNG Programme contributes to increased funding for services to meet identified needs in Punjab and Khyber Pakhtunkhwa.

Cost-effectiveness standards:

- Increased funding utilisation + efficiency gains exceed combined DFID resourcing for SNG and consequential provincial and district government investments in governance, planning and PFM reform
- Increased funding utilisation + efficiency gains exceed DFID resourcing for SNG programme
- Increased funding allocation + efficiency gains exceed DFID resourcing for SNG programme
- Funding allocation for services moderately below DFID resourcing for SNG programme
- Funding allocation for services substantially below DFID resourcing for SNG programme
Reflections

What makes this approach to VfM analysis so well suited to complex governance programmes?
Suitability of the VfM approach

• Defining VfM metrics for the programme & agreeing standards up front - an agreed basis for judgement making

• Not relying on economic measures alone – enabled us to capture equity-related results & tell a complex attribution story

• Emergent and experimental nature of SNG accommodated by documenting responsiveness to context & not unduly penalising workplan activities which were discontinued

• Learning formally captured in annual VfM reports.
Suitability of the VfM approach

“The framework presented here offers a disciplined and pragmatic approach to analysing VfM in a hard-to-quantify sector. It represents a marked step forward in our monitoring, evaluation and learning framework, and is an important tool not only for DFID’s own internal accountability, but also our accountability to those living in poverty in Pakistan.”
Thank you

OPM’s approach to VfM assessment is now available to download from:

http://www.opml.co.uk/publications/opm’s-approach-assessing-value-money