



**STAR  
Ghana**  
Strengthening Transparency,  
Accountability and Responsiveness



MINISTRY OF FOREIGN AFFAIRS OF DENMARK  
**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION

# STAR Ghana Value for Money Strategy

Version 1

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September 2016

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## Acronyms

CSO	Civil Society Organisation
INGO	International NGO
PEA	Political Economy Analysis
STAR-Ghana	Strengthening Transparency, Accountability and Responsiveness in Ghana
VFM	Value for Money

## Section 1: Background and rationale

### 1.1 Background to Star-Ghana

Strengthening Transparency, Accountability and Responsiveness in Ghana (STAR-Ghana) is a governance, voice and accountability programme that supports civil society to strengthen active citizenship, accountability and the responsiveness of the state to the needs, rights and aspirations of citizens – see **figure 1**.

The programme is in its second phase of implementation, the first phase having ended in April 2015. STAR-Ghana builds on the results and learning from phase 1; in particular the recommendations from the ICAI report on citizens' empowerment and engagement (ICAI 2013).

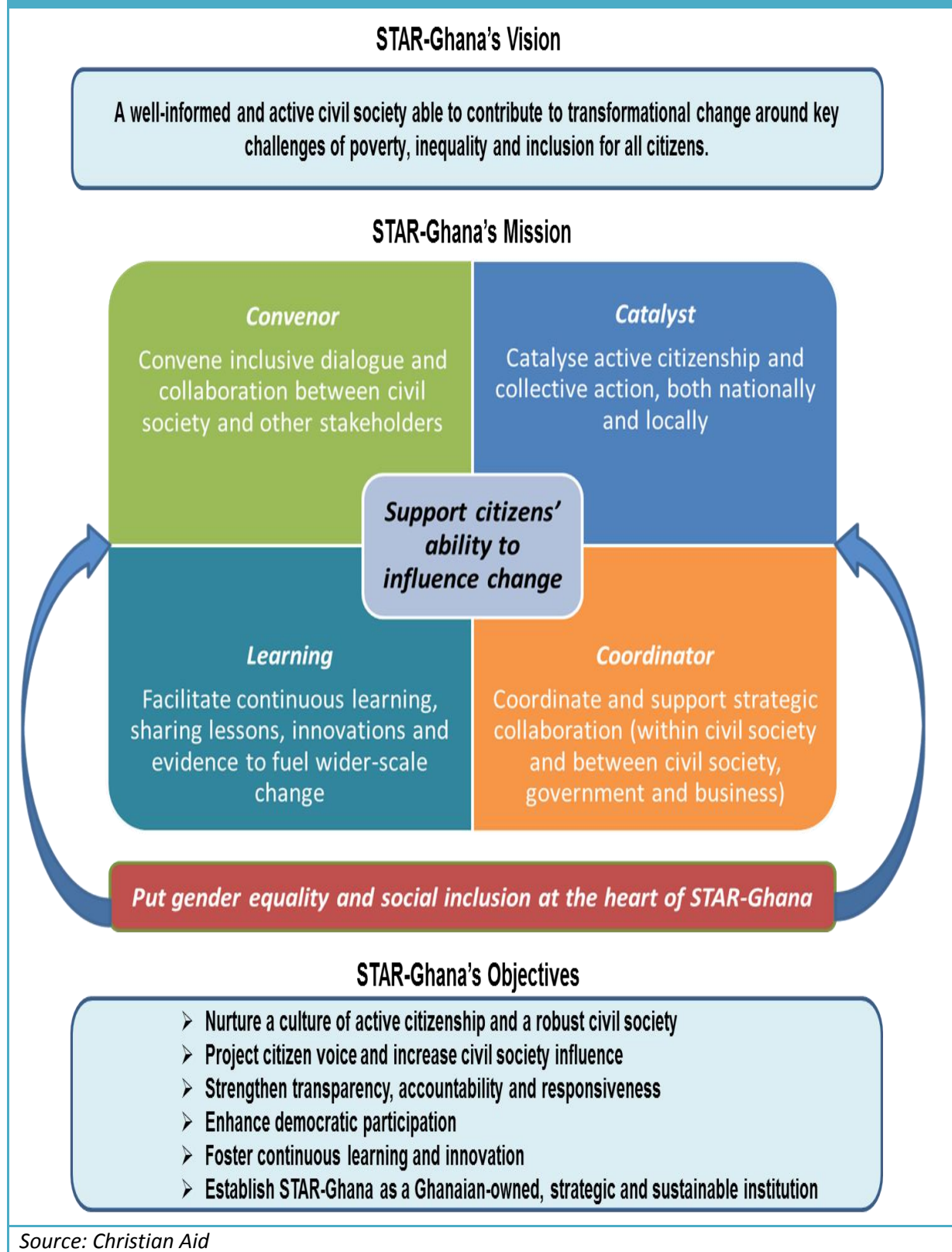
STAR-Ghana comprises four key attributes:

- **Convenor:** Convene inclusive dialogue, relationships, alliances and partnerships, both within civil society and between civil society, government, business and other key development stakeholders.
- **Catalyst:** STAR-Ghana is an engaged, pro-active actor in the Ghanaian context, catalysing active citizenship, collective action and interventions on strategic issues.
- **Coordinator:** Provide coordination and facilitation support to enable collective action among its partners and stakeholders.
- **Learning:** STAR-Ghana is a partnership of knowledge, practice and learning.

The design framework for STAR-Ghana sets out an ambitious programme of work that can broadly be summarised as follows:

- Development of a vibrant, well informed and assertive civil society, able to contribute to transformational and inclusive national development for all Ghanaian citizens.
- Nurturing a robust civil society and active citizenry in Ghana that can take forward systemic, transformational change around key social challenges (such as poverty, inequality, gender equality, social inclusion and more equitable service delivery).
- Fostering active citizen engagement with both government and business in the formation and implementation of public policy.

Figure 1: The vision, mission and objectives of STAR-Ghana



Whilst Christian Aid will oversee implementation of STAR-Ghana from the outset, responsibility for the management of the programme will transition to a Ghanaian-led, corporate entity and the service provider's role will change to providing strategic advice and quality assurance. The new entity is expected to have a crucial role in Ghana, as a valued resource to civil society and as an honest broker of dialogue and relationships across social divides (between the state, civil society, the private sector and the media).

## 1.2 Value for money rationale

The importance of value for money within the international development community can be attributed to 'the push for accountability of government spending and aid effectiveness' (GSDRC 2010: 2) and the rise of the results-based management agenda (Gulrajani 2011; Hollow 2013). STAR-Ghana is committed to delivering value for money.

The concept of value for money can be defined as:

“Achieving the best results we can with the money and resources we have”

(Christian Aid, 2012)

Looking at the issue from the other way around, the National Audit Office notes that:

“Poor value for money means either that:

- more needs to be spent to achieve the expected outcomes, leaving less money for other programmes, services, users and outcomes; or
- the impact of the programme or service is less: fewer users receive the expected benefits or outcomes; or all or some users benefit less than they should.”

(NAO undated)

As a consequence, value for money involves optimising outcomes with the resources available rather than simply focusing on cost reduction. This is best explained by breaking down the concept of value for money into the four fundamental criteria, defined by the Independent Commission for Aid Impact (ICAI 2011):

- **Economy** - getting the best value inputs.
- **Efficiency** - maximising the outputs for a given level of inputs.
- **Effectiveness** - ensuring that the outputs deliver the desired outcome.
- **Equity** - ensuring that the benefits are distributed fairly

Any value for money decision will inevitably require trade-offs between the four 'E's. STAR-Ghana's approach is to prioritise effectiveness and equity before economy and efficiency. Whilst all four criteria are important, STAR-GHANA will prioritise choices that contribute the biggest impact and yield the greatest value in the long term rather than those that cost the least in the short term.

In order to translate these intentions into operational practice, it will also be important to consider how STAR-Ghana will adopt such principles in practice. The Bond (2012) framework (see **figure 2**)

identified the importance of ‘managing for value for money’ and Barr and Christie (2015) confirm the importance of focusing on those day-to-day decisions that will impact on value for money: *“Managers need tools that help manage VfM better over the life of an intervention.”*

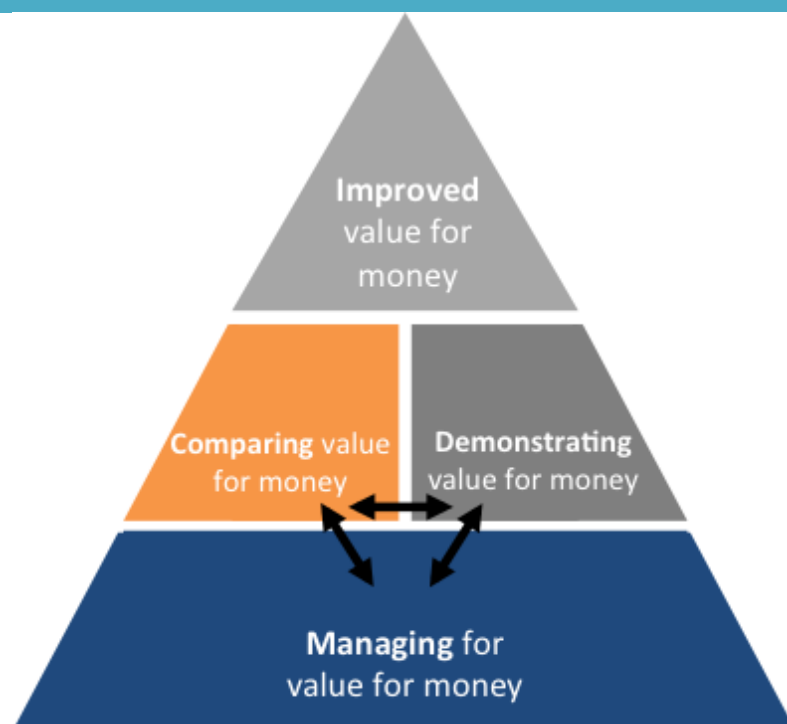
The framework developed by Bond (2012) identifies three key components that should be central to the STAR-Ghana VFM strategy:

- **Managing for VFM.** Good management practices facilitate the achievement of VFM. If an organisation or programme has sound financial management systems, including robust procurement procedures and anti-fraud and corruption measures; is developing and implementing programmes in a participatory way with partners and their target communities that promote gender equality and social inclusion; and has a well-functioning monitoring and evaluation system, then it will be well-placed to deliver activities that balance the 4 Es.
- **Comparing VFM.** VFM is an inherently relative concept (Shutt 2015: 67) which involves making explicit VFM comparisons between programme activities in order to make judgements about the allocation of resources. It is important to consider alternative means of achieving the same outputs / outcomes at lower cost.
- **Demonstrating VFM.** It is important for STAR-Ghana to be able to justify and evidence its decisions to others. There will be instances where targeting marginalised social groups will increase the costs of an activity and it will be important to be able to explain to stakeholders why the benefits outweigh the additional cost. This necessitates an operational learning agenda that keeps proper records of the data used, the consideration of alternative options and the justification for the approach taken.

This document draws on this guidance to set out a strategy that will be used by STAR-Ghana to achieve value for money. In particular, the strategy comprises the following sections:

- **Section 2: Achieving Value for Money through comparative analysis.** This section outlines the challenges in making value for money comparisons and how we have developed an approach to address this.
- **Section 3: Managing for Value for Money.** This section outlines how we plan to embed the consideration of value for money into day-to-day management of activities.
- **Section 4: Demonstrating Value for Money.** This section explains how we plan to capture and record the evidence needed to substantiate how we have achieved value for money.

**Figure 2: A framework for UK NGOs to engage with value for money**



Source: BOND (2012) Value for Money: what it means for UK NGOs. Available at: [https://www.bond.org.uk/data/files/Value\\_for\\_money\\_-\\_what\\_it\\_means\\_for\\_NGOs\\_Jan\\_2012.pdf](https://www.bond.org.uk/data/files/Value_for_money_-_what_it_means_for_NGOs_Jan_2012.pdf) (accessed 31st August 2016)



## Section 2: Achieving Value for Money Through Comparative Analysis

### 1.1 Context

There are six main methods used to determine VfM (Vardakoulis 2013), which BetterEvaluation (2014) categorise into three sets:

- **Cost Effectiveness Analysis** and **Cost Utility analysis** are used to evaluate programmes in non monetary terms that aim to reach the same goal.
- **Cost benefit analysis** and **Social return on investment** evaluate whether a program is beneficial in an absolute sense by monetising outcomes. Using a common currency enables the methods to compare programmes with different objectives.
- **Rank correlation of cost vs impact** and **Basic Efficiency Resource Analysis** both evaluate the relative costs and benefits of many programs. The first method ranks and correlates costs and impact while the second examines relative value by plotting programs on a four quadrant graph based on costs and impacts.

Value for money is an inherently relative concept (Shutt 2015:67) and, in each of the above approaches, the underpinning principle is to compare the performance of a programme/activity against alternatives or expected norms.

Yet value for money has been a '*hot topic of conversation*' within the development sector for a number of years (Shutt 2015: 59). Apart from the wider discussions on the merits of attributing costs to humanitarian work and that it encourages transactional rather than transformational development (Barder 2012), the key concerns raised include:

- The typical results based diagram used to define the four Es in relation to inputs, processes, outputs, outcomes and impact implies a simple linear relationship. In practice, such an approach does not sufficiently reflect the political and sectoral difficulties inherent in establishing effectiveness in such a complex environment (Ramalingam et al 2008; Davis 2012).
- Value for money should not be regarded as an impersonal and objective measure and it is important to recognise that 'value' is a subjective term and closely associated with morality, culture and ethics (Shutt 2012; Otto and Willersley 2013).
- A donor-driven value for money agenda does not take sufficient account of the values of beneficiaries or other stakeholders, especially marginalised groups. NGOs should consider to whom they are providing value (Emmi, Ozlem et al. 2011; Jackson 2012)

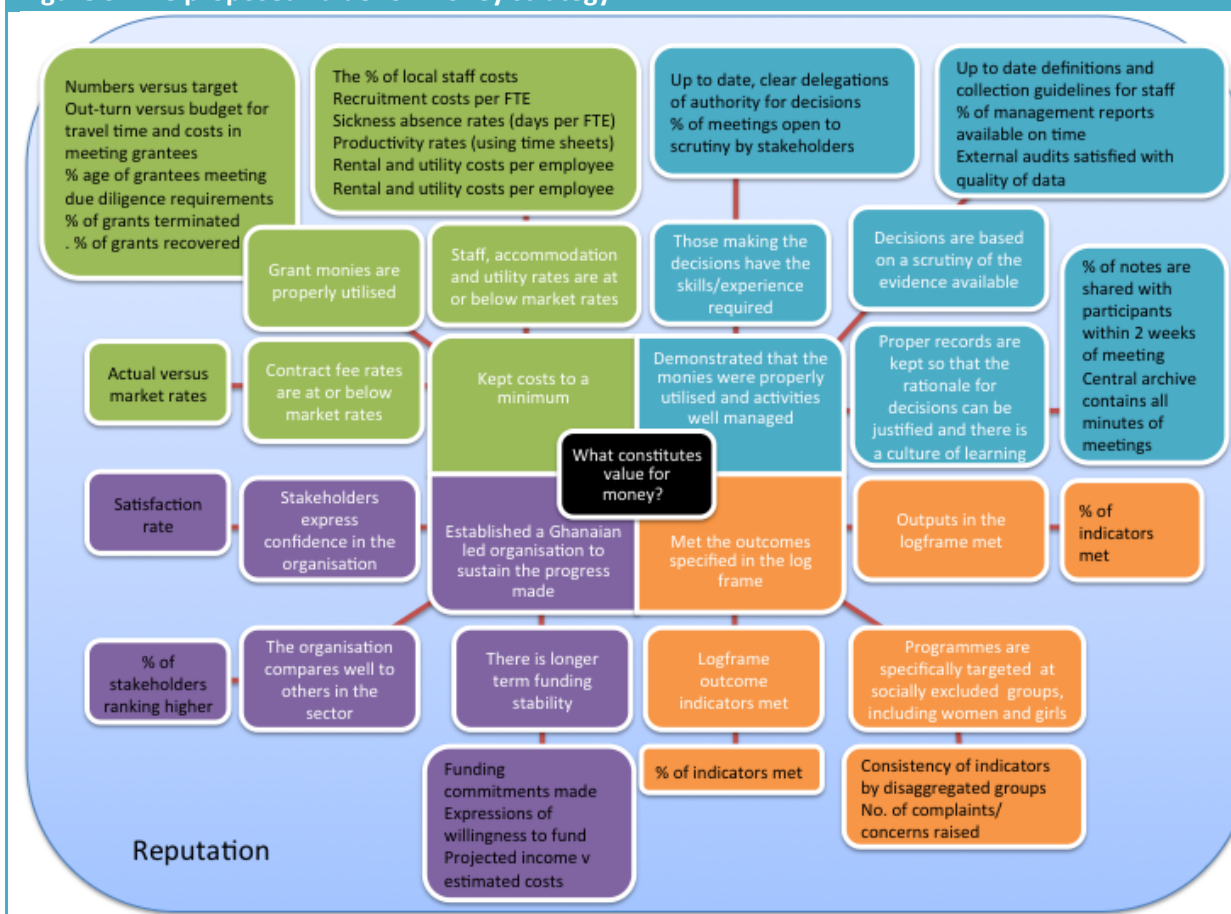
### 1.2 Our value for money assessment framework

As **figure 3** shows, the overall value for money strategy we have developed includes four key aspects: the need to meet the outcomes specified in the logframe; to establish an entity that can sustain the progress made; to demonstrate that the programme is well managed; and, to show that costs have been kept to a minimum. These determinants of value for money are shown in the inner ring of boxes and between them cover economy, efficiency, effectiveness and equity.

The middle ring of boxes in the diagram specifies how we will know whether these criteria have been met. The outer set of boxes highlight the indicators that will enable us to measure progress.

Pressures to demonstrate effectiveness have resulted in a growing proliferation of organisational performance measures in the NGO sector over the last few decades (Meyer and Gupta 1994, Liket and Maas 2015), characterised by different theoretical approaches, the demands of different stakeholders and the reliance on Theories of Change to specify inputs and outputs. The range of indicators has made the accumulation of data and comparison of results problematic (Herman and Renz 1999) with consequent impacts on how an organisation can achieve value for money. Methods for assessing multiple indicators and stakeholder interests, such as the Balanced Scorecard approach (Kaplan and Norton 1992), have not proven readily applicable to the sector. In addition, the four criteria do not readily provide a means of comparison across the programme so that stakeholders can be confident that resources have been appropriately prioritised in order to

**Figure 3: The proposed value for money strategy**



maximise value for money.

The programme largely comprises grants to CSOs, but also includes a range of other activities, such as raising awareness through the media, building relations with government officials and establishing a corporate entity that will sustain the programme once funding has ended. As a convenor, catalyst and coordinator, Star-Ghana will have a key role in instigating challenging discussions on 'tough' development issues and persuading citizens and civil society to take action accordingly. It is not feasible to target such actions on everyone and there will need to be a rationale on who should be prioritised. The diverse nature of the potential activities around empowerment and accountability, the need to respond to circumstances as they unfold, and the importance of spending more in order to target specific social groups that would otherwise be excluded mean that

it can be difficult to measure and compare how different approaches contribute to programme outcomes or the long-term sustainability of STAR-Ghana as an entity.

Accordingly, we plan to use the concept of ‘reputation’ as the primary measure of whether STAR-Ghana will represent value for money. Reputation refers to the extent to which an organisation is held in high esteem, including its relationship with others, its ability to bridge social divides and its leadership capacity. It will enable us to establish how stakeholders think it compares with other organisations in Ghana and whether they would be willing to support STAR-Ghana in future. As Vilma (2008) notes:

“The concept of ‘stakeholder’ refers to those groups or individuals without whose support the organisation would cease to exist, as well as to those who aim to influence or are influenced by the organisation.”

“The different stakeholders are believed to continually form assessments of the organisation and these assessments together form an invisible entity of attitudes ... referred to as reputation.”

As a Humanitarian Accountability Partnership certified organisation, Christian Aid are committed to ensuring that the partners and communities we work with participate in the planning, design, implementation, monitoring and evaluation of our programmes. As a consequence, our stakeholders will include direct beneficiaries (including socially excluded groups such as women and children with disabilities), other citizens (including men and the elite), CSOs that support women and other excluded groups, partner organisations, and government officials as well as donors and other representatives – details of how we would identify and categorise stakeholders are specified in the STAR-Ghana Institutional Positioning Paper.

As shown in **figure 3**, all four of the value for money criteria we have devised will impact on the reputation of STAR-Ghana. If programmes are not well managed (blue boxes) or have little impact (orange boxes), then government of Ghana and CSOs are unlikely to regard STAR-Ghana as having a strong reputation. If costs are not kept to a minimum (green boxes) and it does not appear to have a long-term future (purple boxes), it is unlikely to attract additional funding in future.

The concept of reputation is particularly relevant to STAR-Ghana’s commitment to ‘leave no one behind’. Equity can be difficult to incorporate into any rationale for decisions based on value for money due to the challenge in justifying the extra costs of targeting some groups, such as women and children, when the benefits cannot readily be quantified. As GESI is central to Star-Ghana, however, the extent to which programmes are targeted on the socially excluded will have a major impact on its reputation.

### **1.3 Assessing ‘reputation’**

The term ‘reputation’ consists of a number of different characteristics, such as credibility, reliability, responsibility and trustworthiness (Formbrum 1996). The focus of measuring ‘reputation’ should be on the services provided and the fulfilment of the organisation’s functions (Webley 2003). Drawing on this and the research by Vilma (2008), the term appears to be closely associated with: organisational efficiency and effectiveness; the credibility and authority of senior staff in negotiations/engagements; stakeholder assessments of the outcome of diverse functions; and, the likelihood of STAR-Ghana to be able to secure further funding in future.

More importantly, STAR-Ghana's reputation will be dependent on its role as a convenor, catalyst and coordinator of initiatives that target socially excluded groups and ensure that no-one is left behind. By building a reputation as an organisation that has learned from such interventions, it will become a reference point for others that should leverage wider change across Ghana.

On this basis, the criteria for our conceptual framework of 'reputation' would comprise:

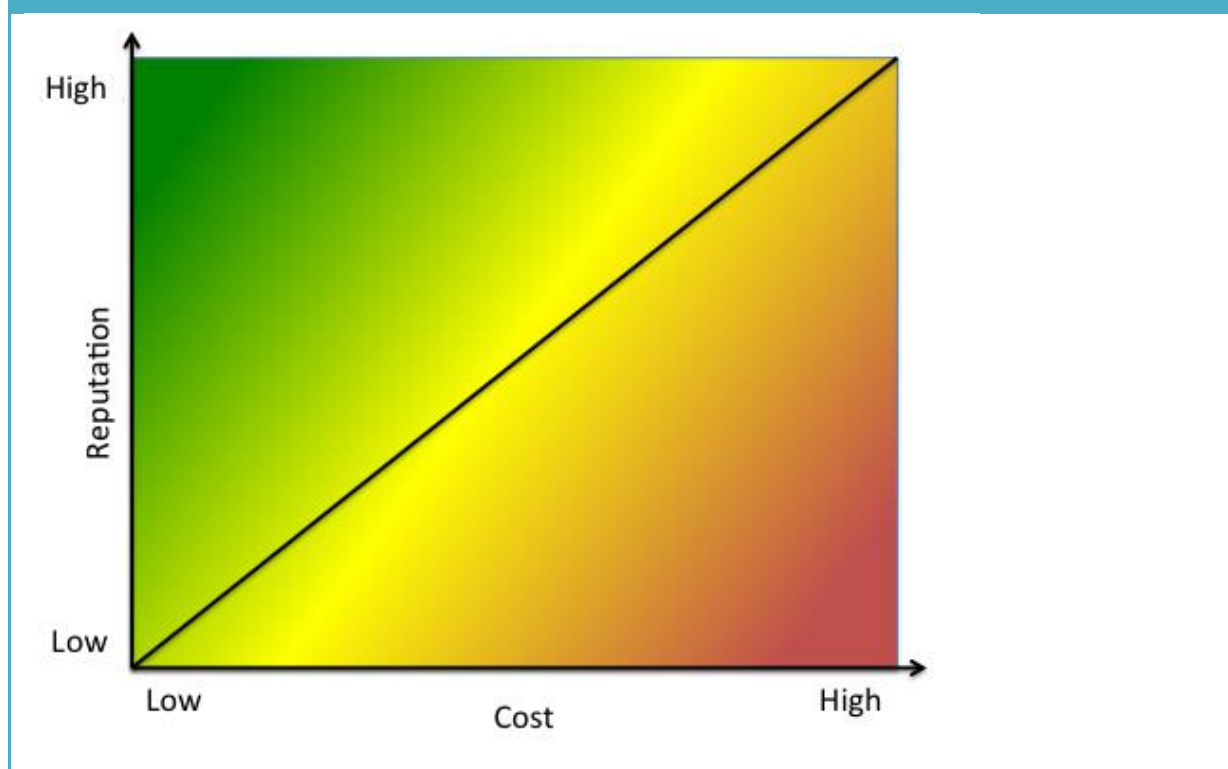
- **Credibility** – the quality of being trusted and believed in:
  - ❑ Equity – Are issues relating to gender equality and social inclusion properly considered by staff? Does Star-Ghana use disaggregated data on beneficiaries to identify the structural barriers to active citizenship for all?
  - ❑ Effectiveness – Does STAR-Ghana have influence and authority? Are the staff suitably skilled/experienced? Is there a clear rationale for how each activity will lead to positive change?
  - ❑ Efficiency - Is the organisation well run? Do the staff appear authoritative and in control?
- **Reliability** – the ability to be depended upon:
  - ❑ Equity – Is feedback from women and other marginalised social groups actively sought and acted upon? Do past actions as well as future plans demonstrate inclusivity? Are there systems and policies in place to uphold GESI within STAR-Ghana and how it works with partners, including grant partners?
  - ❑ Effectiveness – Has the organization demonstrated that its actions have led to clear outcomes? Do the staff fulfill their commitments?
  - ❑ Efficiency – Is there any evidence of wastage on past work? Do staff meet agreed timetables?
- **Responsibility** – the state or fact of being accountable for each decision made:
  - ❑ Equity – Do staff actively seek meaningful involvement from socially excluded groups and report back to all stakeholder groups? Are performance monitoring/reports designed to capture progress in addressing barriers to the active citizenry of socially excluded groups and are data categorized by different groups?
  - ❑ Effectiveness –Is the organisation accountable for its actions? Are staff responsive to feedback? Does STAR-Ghana mobilise and share evidence and learning from its programme and facilitate continuous, adaptive learning? Is STAR learning from trial and error, and documenting that learning?
  - ❑ Efficiency - Are instances of wastage examined and resolved? Are contracts let by tender?
- **Trustworthiness** – the ability to be relied upon as honest and truthful:
  - ❑ **Equity** – Are data showing progress on GESI, including the breakdown of progress

by group validated by those groups? Are gaps or uncertainties in data brought to the fore and acted upon?

- ☐ **Effectiveness** – Do staff check whether users are satisfied with the work done? Are complaints/feedback taken on board and followed up?
- ☐ **Efficiency** – are you confident that staff are properly focused on getting the work done? Are any instances of wastage investigated and remedied?

By developing an assessment framework for reputation, it should be feasible to compare the value for money of different activities by plotting their contribution to reputation against estimated cost. As **figure 4** shows, adapting the visualization methods typically associated with Basic Efficiency Resource Analysis would enable STAR-Ghana to plot the projected impact on reputation against estimated cost for alternative options or different activities. Those nearer to the top left should offer better value for money than those to the bottom right.

**Figure 4: The proposed value for money assessment framework for STAR-Ghana**



Using reputation as our primary measure of value for money would enable STAR-Ghana to compare performance against each of the four E's. As **figure 5** shows, the concept can be applied to the overall performance of the programme, and will also be adapted into checklists to consider different funding opportunities and to monitor progress.

**Figure 5: How the concept of 'reputation' covers equity, effectiveness and efficiency**

Criterion	Equity	Effectiveness	Efficiency	Economy	Overall assessment
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<b>Overall Programme Performance</b>	Feedback shows that: - the reputation of STAR-Ghana is consistent across different stakeholder groups. - STAR-Ghana has actively integrated a gender equity and social inclusion approach into its work.	The reputation of STAR-Ghana in convening, catalyzing and coordinating change will have increased over time. STAR-Ghana is increasingly seen as an expert in its field and used by others as a reference point for wider change. Stakeholders would comment favourably on the impact of programmes and back this opinion up through their willingness to invest in STAR-Ghana	Stakeholders comment favourably on the efficiency of STAR-Ghana and are confident to invest as there is a reputation of minimal wastage	N/a as cost will be assessed separately .	The overall assessment is closely aligned with the objectives for STAR-Ghana. Until programmes elsewhere adopt such a methodology, value for money is dependent on demonstrating the progress made over time and by showing that each activity within STAR-Ghana made the greatest contribution to reputation relative to its cost.
<b>Consideration of different funding opportunities</b>	Stakeholder consultation during options appraisal shows that the preferred option best meets the need of different groups and addresses structural barriers that constrain citizen voice, collective action and inclusion.	Stakeholder consultation during options appraisal shows that the preferred option best meets their expectations	Stakeholder consultation during options appraisal shows that they regard the proposed option as most likely to be delivered on time and within budget	N/a as cost will be assessed separately .	Stakeholder consultation will be a crucial part of options appraisal.
<b>Periodic monitoring of the performance of different activities</b>	Feedback confirms whether women and other marginalized groups remain satisfied with progress	Feedback confirms that groups are satisfied with the contribution of STAR-Ghana	Feedback confirms that groups are satisfied with the performance of STAR-Ghana	N/a as cost will be assessed separately .	Whilst stakeholder consultation will only be conducted periodically, any concerns or complaints will be flagged in the performance monitoring arrangements.

#### 1.4 Capturing stakeholder views on the reputation of STAR-Ghana

The STAR-Ghana Institutional Positioning paper sets out how stakeholders would be identified and categorized.

This part of the value for money strategy, therefore, explains how stakeholder views on reputation would be captured and translated into an overall assessment.

##### (a) Annual assessment

The four criteria of credibility, reliability, responsibility and trustworthiness that we identified can readily be translated into a survey questionnaire (Vilma 2008) that can be used to undertake a baseline assessment and an annual assessment.

The questions for the survey would utilise a Likert type scale (from 1: Low to 5: High) to quantify each response. The total scores across for each of the four criteria would then be multiplied by each

stakeholder's assessment of their confidence in their findings - see figure 6. Low confidence in the assessment, for example, would mean that the score for that stakeholder's views on STAR-Ghana's reputation would be multiplied by 25%.

Figure 6: The confidence that we can apply to each stakeholder's assessment of the reputation of STAR-Ghana					
Level of confidence	No confidence	Low confidence	Medium Confidence	High Confidence	Very High Confidence
Weighting to apply to scores	(0%)	(25%)	(50%)	(75%)	(100%)
<b>Level of direct experience</b>	These views are based on rumours I have heard	These views are based on what colleagues have said of the organisation	These views are based on a meeting I had with STAR-Ghana staff	These views are based on a series of meetings with staff	These views are based on regular meetings with staff and the papers they shared
<b>Timeliness of our experience</b>	We have not had any contact with STAR-Ghana	Colleagues had contact with STAR-Ghana during Phase 1 of the programme	We had occasional contact with STAR-Ghana in the last year	We are in regular contact with a STAR-Ghana representative	We are in regular contact with a wide range of STAR-Ghana staff
<b>Willingness to participate in STAR-Ghana work in future</b>	We have no plans to participate in any STAR-Ghana work in future	We are considering the possibility of making a commitment to participate in STAR-Ghana work in future	We expect to commit ourselves to participate in STAR-Ghana work in future	We have committed to work with STAR-Ghana next year. Or As a donor, we expect to fund STAR-Ghana next year	We work with STAR-Ghana and are committed to continue to do so. Or We have previously funded STAR-Ghana and have set aside funds to continue to do so next year

(b) *Ad hoc assessments for grant applications and options appraisals*

It would not be cost-effective to conduct additional surveys each time there is a review of grant applications or other funding decisions. Instead, the plan is to invite staff to use a checklist to self-assess the anticipated impact on STAR-Ghana's reputation. Such an approach has previously been used by DFID (2013) for its Multilateral Aid Review in order to ensure consistency of approach.

The checklist would still be structured around the four reputational criteria identified. **Figure 7** outlines some of the key questions relevant to equity, effectiveness and efficiency that we might use to assess each criterion. In this case, the team or grants review panel would assess each option/application using such a checklist. Again, the results would be quantified using a Likert type scale and then weighted according to their confidence in the strength of their evidence.

In conclusion, this section of the strategy outlines why it is necessary to have an over-riding objective in order to be able to compare values on a consistent basis. We have opted to use the concept of 'reputation' as this is not only relevant to the expected outcomes from the grants and other activities of the programme, but also the long-term sustainability of STAR-Ghana as an entity. If STAR-Ghana is able to make a significant impact with the funds available, it will have a high reputation amongst different stakeholders and they would be more likely to fund it in future.

**Figure 7: The outline checklist for assessing options or grant applications**

	<b>Equity</b>	<b>Effectiveness</b>	<b>Efficiency</b>
<b>Credibility</b>	To what extent funding would demonstrate STAR-Ghana's commitment to focusing on women and other marginalized groups	To what extent we are confident that funding would generate material outcomes that would enhance STAR-Ghana's reputation, including for GESI objectives	To what extent we have identified the support we would need to offer and have the resources in place to do so
<b>Reliability</b>	To what extent we are confident that the approach could be adjusted during implementation to ensure a level playing field if some groups appear to be disadvantaged	To what extent we can rely on past experience for assurance that the team/approach will achieve the outcomes expected, including those related to GESI objectives and the call to leave no-one behind	To what extent we can rely on past experience for assurance that the resources and arrangements are in place for an efficient approach
<b>Responsibility</b>	Does each stakeholder group have reasonable expectations of what is involved and the means to review progress of what is involved in ensuring that all have equal chance to benefit and the means to review progress in this regard?	Are there suitable arrangements in place to monitor and report progress, and to make changes to approach where applicable?	Is each member of the team clear on their roles and the resources at their disposal?
<b>Trustworthiness</b>	Are we confident that the data on how the activity will impact on each group is complete and reliable?	Are we confident that there are suitable arrangements to deal with problems/complaints?	Are we confident that the systems and staff are in place to ensure the funds are used appropriately?



### Section 3: Managing for Value for Money

As outlined in the STAR-Ghana PEA review and scoping paper (annexes 1a and 1b) and the Institutional Positional paper, STAR 2 will need to be responsive to events. This necessitates an adaptive approach to programming and so in order to achieve value for money it will be necessary to embed the concept in day-to-day operational decision-making.

Every decision involving the use of resources (whether time or money) incorporates value for money considerations either implicitly or explicitly. The extent and nature of the evidence and analysis required to ensure value for money depends on the type of decision being taken, including its potential impact, the associated risks and the level of resources at stake. Approaches are needed to ensure that the resources and effort deployed in considering value for money are proportionate to the importance of the decision being taken.

Drawing on the lessons learned from STAR 1 and the ICAI review of empowerment and accountability programmes (ICAI 2013), **figure 8** outlines the key risks to value for money that could arise during implementation unless the programme is properly managed. This list is not necessarily comprehensive and would need to be regularly reviewed and updated by the Steering Committee.

**Figure 8: The hypothetical key risks to VFM that could arise during implementation if the programme is not properly managed**

	<b>Equity</b>	<b>Effectiveness</b>	<b>Efficiency</b>	<b>Economy</b>
<b>Credibility</b>	Due to expedience or the lack of political will, the approach does not actively and meaningfully engage excluded groups	STAR-Ghana has continued to pursue its existing activities when changing circumstances should demand a change in approach	The team have underestimated the work involved and the resources required, or there is unnecessary bureaucracy	STAR-Ghana fails to negotiate and enforce contracts adequately. Staff appear to be overpaid for the sector
<b>Reliability</b>	STAR-Ghana does not meet its commitments and is unable to adapt its approach to address excluded groups who should be included and fails to deliver broad-based citizen engagement or transformational change.	Decisions are not evidence based and a failure to learn lessons means that repeated mistakes inhibit progress	There is a failure to identify and plan for the resources required, which means that STAR-Ghana slips into responding to crises too readily	Without routine monitoring of spend, such as comparisons against budget or other similar activities, expenditure is not adequately controlled
<b>Responsibility</b>	STAR-Ghana fails to provide the information to enable stakeholders to challenge how funds are allocated or resources deployed	Weaknesses in the arrangements for evidence-based decision-making, progress monitoring & reporting or governance enable mistakes to be made	Staff are under-utilised and other funds are left unspent until near the financial year end.	Without formal budget delegations and monitoring, contracts are not competitive
<b>Trustworthiness</b>	In the absence of reliable data, there is little assurance that funds have been used equitably	It becomes apparent that funds have not been allocated on an objective & rational basis and concerns raised are not addressed	Poor governance arrangements and a lack of oversight create a culture of waste	There is a lack of basic financial controls over income and expenditure

Having identified the potential risks to value for money, it is important to establish at what point these risks might materialise. It is likely that there will be a number of key moments in the life of the programme where the majority of key decisions are made. By focusing on these stages of the programme to ensure that suitable experienced staff have the information and evidence they need, it should be feasible to achieve value for money.

Drawing on the Gateway methodology developed by HM Treasury (2007), decisions likely to impact on value for money will be supported by a checklist approach and subject to peer review. The key Gateway stages applicable to STAR-Ghana comprise:

- **Gate 0 - Strategic Assessment:** to confirm the programme remains aligned to its core objectives, including gender quality and social inclusion, and is building the reputation of STAR-Ghana. This is an over-arching gateway review that should be undertaken ahead of each annual review. Typical questions might include:
  - Who are the stakeholders and are they supportive?
  - Is the proposed programme affordable?
  - Is each component of the programme adequately aligned to what we are trying to achieve?
- **Gate 1 – Determination of the Approach:** to confirm which areas of activity merit funding. This review would be undertaken when resources are being allocated, such as budget setting (including gender and inclusion budgeting), or determining what proportion of funds should be allocated to local and strategic grants as well as to the various grant calls (eg GESI, Media, Elections etc). Typical questions might include:
  - Is the preferred option best placed to enhance the reputation of STAR-Ghana?
  - Is the decision based on the available evidence, sound assessment and a convincing rationale?
  - Are we confident that direct beneficiaries and other stakeholders regard this option as value for money?
  - Do we have the resources needed to deliver this option?
- **Gate 2 – Grant Award and Contract Letting:** to confirm that each financial commitment can be justified and will enhance the reputation of STAR-Ghana. This review would be taken at the grant/contract award stage. Typical questions might include:
  - Will this investment enhance the reputation of STAR-Ghana, including its reputation as an organisation committed to social inclusion and gender equality?
  - Are we confident that the portfolio of grants being approved is likely to fulfill the strategic objectives of STAR-Ghana, with an appropriate balance of different priorities and stakeholders being addressed?
  - Are we satisfied that the contractor/grantee is committed to gender and social justice and meets our due diligence requirements?
  - Will stakeholders regard this investment as value for money?
  - Do we have the resources to fulfill this commitment?
  - Do we have suitable contract/grant management arrangements in place?
- **Gate 3 – Mid-term Grant Review:** to confirm that the grant programme remains on-track to deliver the outcomes we had originally intended. As grants represent the largest element of the programme, it is prudent to undertake a periodic review to ensure that the decisions

taken under Gates 1 and 2 remain valid and that risks are being managed. Typical questions might include:

- Is the grant programme on-track to deliver anticipated outcomes and will it enhance the reputation of STAR-Ghana?
- Have we identified and recovered the money where grantees are not complying with their grant conditions?
- Have we taken action on under-performing grantees to offer them extra support or to withdraw funding?
- Does the portfolio of grants continue to support the overall strategic direction of STAR-Ghana?

The **Gate 0 - strategic analysis** will be crucial in demonstrating organisational value for money. It will draw upon the results of periodic surveys of stakeholders in order to establish their willingness to fund and/or participate in working with STAR-Ghana in future, how they think it compares with other non-governmental organisations in Ghana and their overall views of its reputation. This will be compared against the costs incurred by STAR-Ghana and its management of its cost drivers. In particular:

- The measure of STAR-Ghana's reputation will be an indication of the perceived success of its activities amongst stakeholders, how it compares to other organisations in Ghana and its capacity to become an autonomous and sustainable entity. It will be important to demonstrate a continued strengthening of the organisation's reputation and that stakeholder willingness to fund the organisation will be sufficient to cover its future costs.
- At this stage, the main costs of STAR-Ghana are likely to comprise grants, the management fee and contracts for technical support. It will be important to ensure that there are sufficient funds available to meet each of these obligations. We have not specified target levels of expenditure for each area as this may need to flex in order to ensure that STAR-Ghana builds its credibility. Instead we plan to focus on ensuring that the associated cost drivers are properly managed – see **figure 9**.

Gateways 1,2 and 3 are more applicable to the management of programmes and other activities within STAR-Ghana. Whilst the Steering Committee would retain an overview of these gateway reviews, in practice responsibility would be delegated to a sub-committee. The sub-committee should comprise senior staff from STAR-Ghana and the STAR-Ghana consortium, supported by Steering Committee representatives, including the Chair of the Gender and Technical Advisory Committee. It would be the responsibility of STAR-Ghana staff to ensure that the sub-committee had the information required in advance.

**Figure 9: Key cost drivers**

Area of cost	Key cost driver	How the cost drivers will be managed	Possible indicators that might be used
<b>1. The management fee</b>	1.1 Staff costs	1.1.1 Maximising local recruitment and minimising reliance on staff from Global North 1.1.2 Minimising staff turnover 1.1.3 Maximising staff utilisation	1.1.1 The % of local staff costs 1.1.2 Recruitment costs per FTE 1.1.3 Sickness absence rates (days per FTE) and productivity rates (using time sheets)
	1.2 Accommodation costs	1.2.1 Using competitive tendering and contract management to minimise rental and utility costs 1.2.2 Monitoring space utilisation to ensure accommodation continues to match needs	1.2.1 Rental and utility costs per employee 1.2.2 Rental and utility costs per employee
<b>2. Grants</b>	2.1 Volume of grantees	2.1.1 The categorisation and target numbers of grants would be specified as part of Gateway 1.	2.1.1 Numbers versus target
	2.2 Location of grantees	2.2.1 The additional costs of remote locations would be factored into budgets as part of the Gateway 1 & 2 assessments	2.2.1 Out-turn versus budget for travel time and costs in meeting grantees
	2.3 Capability of grantees	2.3.1 Due diligence of grantee capability as part of Gateway 2. 2.3.2 Withdrawal of support where capability subsequently proves inadequate	2.3.1 % age of grantees meeting due diligence requirements. %age of grantees subsequently identified as lacking adequate capability 2.3.2 % of grants terminated where capability was insufficient. % of grants recovered
	2.4 Excluded group represented by grantees	2.4.1 Minimising subsequent change by ensuring that we have identified all marginalised groups at the outset	2.4.1 Grantee coverage of marginalised groups
<b>3. Technical support</b>	3.1 Fee rates	3.1.1 Contracts would be let by competitive tender	3.1.1 % of contracts let where there were two or more tenders
	3.2 Contractor performance	3.1.2 Each contract would include scrutiny of fee rates 3.2.1 Each contract would specify the work required, deadlines and require approval for any budget over-runs	3.1.2 No of contracts where staff fee rates exceeded benchmarked rates 3.2.1 % of contracts completed on time. % of contracts completed within original budget. % value of approved cost increases

## Section 4: Demonstrating Value for Money

Sackett et al. (2000) identified two separate stages to evidence-based decision-making: firstly the stage of generating evidence; and secondly, the stage of using that evidence in making informed decisions based on those practices. Yet as Baba and HakemZadeh (2012) notes, it is unrealistic to assume that every decision is focused solely on an objective analysis of the evidence and does not take into account personal preferences. Accordingly, in order to be able to demonstrate value for money, our strategy breaks the decision-making stage down further. The strategy focuses on five key aspects:

- Ensuring data are timely and reliable
- The skills and experience of the decision-makers
- Transparency of deliberations
- Documentation of rationale
- Reporting of overall performance

### *(a) Ensuring data are timely and reliable*

The MEL strategy already stipulates the importance of triangulation to strengthen the evidence collected from primary and secondary sources. However, the rigour and relevance of the information is also likely to be affected by sector practices and its staff (Berger and Luckmann 1991; Escobar 2012), as well as context and culture (Rousseau and Fried 2001; Rosseau 2006).

Accordingly, we plan to strengthen the evidence further by developing clear data definitions and collection guidelines for staff in order to minimise ambiguities and to supplement this with periodic data audits in accordance with ICAI recommendations (ICAI 2013). Whilst it is important to acknowledge that it is not feasible to have a wholly scientific approach to determining data reliability (Miller and Safer 1993; Rosseau 2006), these represent reasonable steps that would offer assurance to decision-makers and stakeholders.

### *(b) The skills and experience of the decision-makers*

Managers are typically under time pressure and find it difficult assimilate a wide range of often conflicting information. There is a risk, for example, that decisions are based on readily available data and without exploring other issues – termed the availability heuristic (Kahneman, Slovic et al. 1982, Hayibor and Wasieleski 2009).

In order to enable those tasked with making decisions to explore and challenge the available data, we plan to offer basic core training on this issue as well as gateway checklists to offer a reminder of core issues to explore. In addition, the gateway process will encourage a committee based approach to reviewing the data available, supplemented by representatives from the Steering Group who will be able to advise and challenge as appropriate.

### *(c) Transparency of deliberations*

The principles of New Public Management, building on the concept of ‘democratic experimentalism’ (Dorf and Sabel 1998), advocate transparency and accountability to encourage better decision-making. Accordingly, the vfm strategy assumes that Steering Committee

representatives would be able to attend the gateway review meetings and other stakeholders – such as donors, government officials or grantees would be able to observe procedures where applicable.

*(d) Documentation of rationale*

It is important to keep a formal record of key decisions and, more importantly, the rationale for how they were reached. This is partly in case auditors, donors, or other stakeholders seek to challenge specific judgments. It also provides a reference point for future teams faced with having to make similar decisions.

By focusing the majority of decisions likely to impact on value for money into the gateway review points we have developed, it should be easier to ensure that arrangements can be made to keep a record of proceedings. For each meeting, the minutes of the meeting will be drafted and circulated to the panel for comment prior to finalisation and archiving.

*(e) Reporting of overall performance*

The overall performance reports to donors and other stakeholders will focus on progress against the log-frame, the assessment of stakeholders views on the reputation of STAR-Ghana, progress in managing the cost drivers for the programme and identification of any risks to value for money that should be brought to their attention.

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