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Girls' Education Challenge

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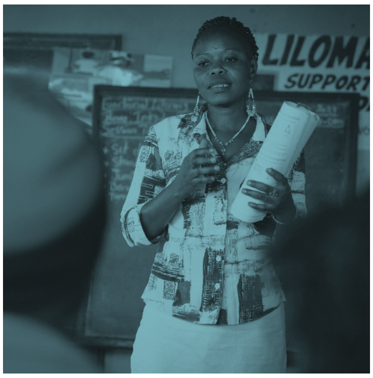
PORTFOLIO IN PRACTICE

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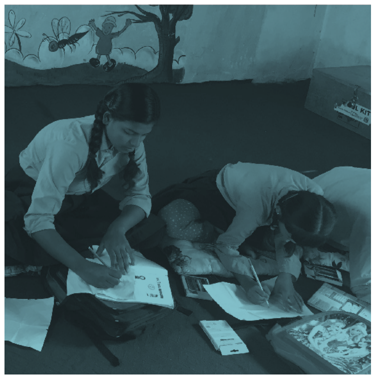
Integrating and evaluating value for money across a portfolio: An innovative approach from the Girls' Education Challenge


The GEC 'Portfolio in Practice' series consolidates best practice and lessons learned regarding how to drive performance across a complex and diverse portfolio of projects. This knowledge and experience come from the GEC Fund Manager, a team drawn from a consortium of organisations, who manage the GEC portfolio of 41 projects across 17 countries on behalf of the UK Foreign, Commonwealth and Development Office (FCDO).

This series is aimed at individuals and organisations (including Fund Managers, INGOs, donors, foundations and consultants) involved in managing large portfolios. The briefs provide practical guidance on how to set up technical, operational and managerial systems or tools to ensure that a large and diverse set of projects effectively delivers for girls. They also provide reflections on successes, challenges and lessons learned.

Introduction: Why does the GEC have a specific focus on value for money?

In a seminal report on Cost-Effective Approaches to Improve Global Learning, the Global Education Evidence Advisory Panel (2020) noted, *'The high rate of Learning Poverty is just one indicator of the wide learning gaps that prevent education systems from providing the kinds of opportunities to their children that they should be able to...And given the scale of the challenge, resources within each country need to be directed to the most cost-effective approaches possible. Investment over the past decade in research on cost-effective ways to improve learning gives us an opportunity to increase the value for money of education programmes.'*

Given the need and desire to increase the value for money (VfM) of education programming, it has been paramount for the Fund Manager of the Girls' Education Challenge (GEC) to consider, conceptualise and assess the VfM of GEC projects that target the most marginalised girls. This has been an important task, as many approaches that are thought to be cost-effective often overlook the most marginalised, leading to further marginalisation as a result.

For example, system-strengthening programmes and interventions, which generally benefit from cost-saving economies of scale, mostly focus only on children within the education system (i.e., those who are enrolled in school), overlooking those who are 'invisible' to the system (i.e., those who have dropped out or never enrolled in the first instance). Reaching these 'invisible' marginalised girls often requires projects to work at a smaller scale, precluding them from benefitting from economies of scale. Interventions focus on bespoke, wraparound activities that are designed to address specific reasons for girls' marginalisation. There are often logistical and operational challenges and costs if girls are located in difficult to reach locations – which is often one reason for marginalisation.

Taken at face value, these factors do indeed raise costs. However, if they are considered in relation to the significant effects that such programming can have on the lives of these marginalised girls, and the degree to which a Ministry or donor values these lives (and the rights entitled to them), there is clear value generated by the extra investment needed to reach them.[1]

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The Girls' Education Challenge (GEC) is the UK Foreign, Commonwealth and Development Office's (FCDO) 12-year, £855 million Global Fund which aims to improve the educational opportunities of the world's most marginalised girls. The GEC is comprised of two types of projects: 1) GEC-Transition (GEC-T) projects, which work within schools and support girls most at-risk of dropping out; and 2) Leave No Girl Behind (LNGB) projects, which target highly marginalised girls who have already dropped out or who have never been able to enrol in school.

[1] An economic argument can also be used to supplement this rights-based justification for reaching the most marginalised. Extra investment should be viewed in relation to the strong correlations between a lack of literacy in society with poor health outcomes, greater youth unemployment, deeper levels of poverty (UNICEF 2022) and a propensity for conflict (UNESCO 2005). Out-of-school children go on to make up a large proportion of adults who are illiterate in society. Reaching them can mitigate significant risks for a government in the long run.

This extra 'cost of equity' is accounted for by the fourth 'E' in many VfM analyses, particularly those guided by the National Audit Office 4E framework (discussed further in the next section).[2] This cost of equity does not have to be insurmountable or impractical, as is often assumed. Equity can be addressed via two types of programming: mainstream and targeted.[3] Programmes that work through and with the mainstream education system can reach the most marginalised girls by implementing strategies that will prevent their potential drop-out. Targeted programmes should work concurrently to support those who are already out of, and thus invisible to, the education system. These types of programmes can run with considerable efficiency and effectiveness to ensure that investments in reaching the most marginalised are well made. This was our starting point for the GEC, both in its design and subsequent VfM approach.

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In order to safeguard FCDO investments in reaching these marginalised girls, our VfM approach focused on the outcomes and effects that GEC-T and LNGB projects had on girls' lives, and assessed the degree to which these outcomes were being delivered efficiently and at a sensible cost. Outcomes that were substantive and sustained beyond the life of the project generally had significant impacts on girls' lives and this gave rise to greater 'value'. Efficient delivery of activities was not only imperative from an accountability perspective, but also freed up resources for more programming. Our VfM approach not only contributed to accountability aims, but also facilitated better design, adaptations and learning.

That said, it should be noted that in our VfM analyses, *the cheapest interventions did not necessarily demonstrate the best VfM, and vice versa.* If the effectiveness of an activity was reduced because of cost savings, value for money was also reduced. Similarly, if an intervention was inexpensive and efficient, but targeted the wrong people or did not achieve relevant results, it did not offer value for the money that was invested. Put simply, VfM is not just about reducing costs. It is about identifying ways to efficiently deliver relevant and sustained results with a given level of resource. Although not a difficult principle to comprehend, the application of it to a large, complex portfolio of projects presented its own set of challenges.

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2 The 4Es include economy, efficiency, effectiveness and equity

3 This is akin to the twin-track approach that is often referenced to and advocated for within the disability field. It emphasises the importance of implementing both mainstream and targeted programming.

The challenge of assessing value for money across 41 different projects

From the outset, the GEC has faced a series of challenges to develop an effective, proportionate and holistic approach to VfM that can be standardised across projects. The challenges included:

1. **A mix of quantitative and qualitative project data with varying rigour:** This required the Fund Manager to be pragmatic and flexible to come up with meaningful, credible and compelling VfM analyses.
2. **Limited Fund Manager resource:** There was a relatively modest amount of VfM resource available: one full-time VfM Adviser for the entire portfolio deployed towards the end of the programme. This rendered VfM primary data collection unfeasible at the project level. To expand the "reach" of VfM work, the VfM Adviser was also responsible for training Fund Manager and project staff to conduct VfM analyses themselves.
3. **Differing VfM capacities of projects:** Project-level tools and guidance needed to be applied proportionately to different project types, as some projects had more expertise, data and resources for deeper analysis. Others could only feasibly do light-touch analyses, so VfM tools had to be simple and user friendly to allow for such flexibility.
4. **Accounting for nuance within a large, complex fund:** Standardising VfM across a diverse portfolio can be challenging as the 'portfolio effect' can result in findings being insensitive to specific drivers. The only solution to this is to unbundle/disaggregate factors to determine individual effects. For example, increasing investment in teacher training may be a strong VfM intervention for one project, but in another, this may not be applicable due to differences in context. So, the VfM analysis around teacher training may not be accurate or nuanced if a purely aggregated portfolio approach to VfM is taken.
5. **VfM being viewed as a compliance exercise:** In order to undertake meaningful VfM analyses and actions, projects needed to own their VfM assessments and understand that such analyses would be useful for them. They had to guide the VfM approach with their detailed technical expertise, rather than delegate the exercise to a finance team. To accommodate this, the VfM tools were designed to encourage self-reflection and flexibility in using different sources of data, with the Fund Manager providing critical friend feedback and support.

Given these challenges, the Fund Manager developed an innovative analytical framework to measure VfM. This approach allowed for wide, cross-portfolio analysis, combined with more focused studies to allow for thematic and trend analysis, as well as 'deep dives' into individual project assessments. This approach enabled the Fund Manager to:

- navigate and optimise available data
- repurpose existing evaluation, monitoring and expenditure datasets to support VfM analysis
- identify and share evidence –- that was project specific as well as thematic – on cost-effective interventions.

Measuring value for money: The GEC Analytical Framework

The GEC's VfM approach to analysis is underpinned by the National Audit Office (NAO) 4E framework. We integrated the 4Es (economy, efficiency, effectiveness and equity) within four of the OECD Development Assistance Committee (DAC) criteria (relevance, efficiency, effectiveness, and sustainability), to explicitly include sustainability and relevance, which are strong indicators of VfM. See Figure 1 for an illustration of this comprehensive framework.

Figure 1 demonstrates that the 4Es are intrinsic components of the four DAC criteria. By guiding VfM analysis via the DAC criteria, sustainability and relevance are prioritised.[4] This highlights the need for sustained value generation for the right people, against optimal costs and resource allocation. This helpfully shifts the focus on the 'value' generated over the 'money' used within a 'value for money' analysis.[5]

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4Es

Economy	Economy	Economy	Economy
Efficiency	Efficiency	Efficiency	Efficiency
Effectiveness	Effectiveness	Effectiveness	Effectiveness
Equity	Equity	Equity	Equity

Relevance	Efficiency	Effectiveness	Sustainability
Optimal resource allocation – **strong VfM indicator** – can see if we are broadly investing in the right things.	Efficiency or cost efficiency metrics are a **reasonable indicator** overall VfM, but a focus on this avoids understanding what was actually achieved for whom, how long; too short sighted and narrow.	Cost effectiveness (with narrative) is **strong VfM indicator**. Annual cost per beneficiary benchmarked.	Sustainability is a **very strong VfM indicator**.

Figure 1: Value for Money Framework

[4] In practice, this requires staff to collect data against the four DAC criteria rather than the 4Es

[5] This approach has been updated for 2023 to explicitly include equity as a separate criterion. See VfM Scorecard template for more details.

Activities to enhance VfM analysis and action	
Cross portfolio analysis	Scorecard allowed for broad analysis, aggregation and comparison between individual projects
Deep dives	Bottom-up analyses of VfM drivers through investigating specific themes and case studies
Routine monitoring	Enhanced through the addition of VfM questions in current/new templates and capacity building
Project Evaluations	VfM questions integrated into evaluations Light, medium and deep capacity building
Decision making	VfM criteria/questions integrated into all project reviews, adaptation, budget re-allocations etc.
Capacity Development	Building VfM understanding, capacity and mindset shift throughout the FM team and all projects
Replication beyond GEC	Replication/use of VfM templates and activities by implementing partners for other projects

The combination and balance of these activities drives the value they add as an entire VfM approach

Figure 2: VFM tools and methods used to support VfM analysis across the GEC

We applied this Framework through a series of tools and activities used across the GEC portfolio (*see Figure 2*). The combination of these activities promoted a shift in mindset and prioritisation of VfM amongst project and Fund Manager staff, and drove better VfM integration and recurrent analysis.

Each of the tools above use some or all sources of the data already collected within the GEC. This includes:

1. Project-level, midline and endline evaluation data
2. Project monitoring data (undertaken by the project routinely)
3. Analyses of project-level budget/expenditure, in the form of cost per beneficiary per year[6]
4. Activity-based budgets for each project

Activity-based budget (ABB) templates were used to standardise budgets across the portfolio. This enabled individual activities to be costed, as well as an examination of costs within thematic studies. For example, to isolate the costs of EdTech interventions within a wider project, it was necessary for budgets to be organised by activity, rather than via a traditional accounting format. An ABB allocated direct costs and a contribution to overheads to a specific activity. So, for a project that involved radio-based distance learning, the aim would be to know how much that specific intervention cost within a project of multiple interventions – its direct costs and a contribution to overheads. It should be noted that it is important to set up ABBs early in the project lifecycle, so that data is collected in this format from the beginning.[7]

That said, the strength of the other three sources of data varied project by project, depending on project type and what was possible regarding midline and endline evaluations. Some evaluations had strong outcomes, evidenced by testing for statistical significance through a rigorous evaluation design (i.e., randomised controlled trials, difference in difference approach, tracking girls across time points, etc.). Others assessed outcomes in a more in-depth, but less comparative way (i.e., qualitative surveys and evaluations).

All the available data were triangulated and weighed up using critical and expert judgement by an objective VfM adviser and the FM advisers who work closely with the project. This process allowed for balanced inferences to be made with a combination of different types of evidence, extending the usefulness of all types of data. Given that traditional VfM analysis is often based on randomised control trials (RCT), this process allowed for a level of pragmatism, particularly during the period of COVID-19 school closures, which affected the ability for midline and endline evaluations to conduct RCTs with control groups. This mixed-method approach to VfM analysis is less resource intensive and can still provide a level of relevant and credible analysis due to the high level of triangulation involved.

[6] Where possible and relevant this is benchmarked to the cost per secondary school child per year for the relevant country

[7] Building Evidence in Education (BE2) has developed a common framework for collecting, analyzing, and using cost information across the global donor-supported education portfolio which can be accessed here.

The Value for Money Scorecard: Aggregating and comparing value for money across very different projects

One of the key tools/activities within the GEC VfM approach was the VfM Scorecard. This Scorecard was the result of triangulating the four data sources for each project and making a moderated assessment for the project's overall VfM picture for the year. This allowed for standardisation of VfM analyses across all projects, irrespective of size or scope, and allowed comparisons and aggregations across the diverse portfolio. Critical judgement – through internal discussions – to make final decisions on scores was key, with a robust moderation/validation process built in. As a result of this process, projects are rated from 1 to 5, with 5 representing excellent VfM and 1 representing poor VfM.

The Scorecards, when taken together, represent a systematic, multi-pronged VfM index that scores each project annually using the OECD DAC criteria/4Es framework. The advantages of this Scorecard approach include:

- Having a VfM score for each project allows for a quick VfM overview and provides supportive evidence and analysis that helps projects course correct accordingly.
- A holistic view of scores across the portfolio allows the Fund Manager to understand trends in ratings and their drivers (see Figure 4 for a summary of scores in 2021). Analyses can also be conducted across various project groupings based on context, cohort, etc.
- The Scorecard illuminates areas for further work – for example, groups of projects that consistently feature higher costs and would merit deeper investigation to understand the drivers (such as disability or EdTech-focussed projects).
- Identification of low VfM performers also triggers targeted capacity building, which includes support to M&E teams to integrate VfM data collection and analysis into routine project monitoring, and support to programme/technical teams regarding intervention design and adaptations.
- Updating the Scorecards year on year allows for an overview of progress across the portfolio, as well as an understanding of factors driving this change over time.

What	Why	How	Value add
• Comprehensive spreadsheet • **Holistic VfM review of every project** • Informed by all existing project data • **Quantitative + qualitative** driven narrative • Final score per project	• **Accountability and learning** • Easy to sport key success factors • To evidence good practice and support adaptations • **To understand trends** in ratings and heir drivers across the portolio	• Uses and **triangulates multiple sources of existing evidence** • Evaluation, monitoring, budgets, expert judgment • Internal discussions provide additional data	• **Aggregation and comparison across a diverse portfolio** • User friendly glance of VfM progress across the portfolio • Uses and presents existing data together in a new way

Figure 3: Aims and outputs of the VFM Scorecard

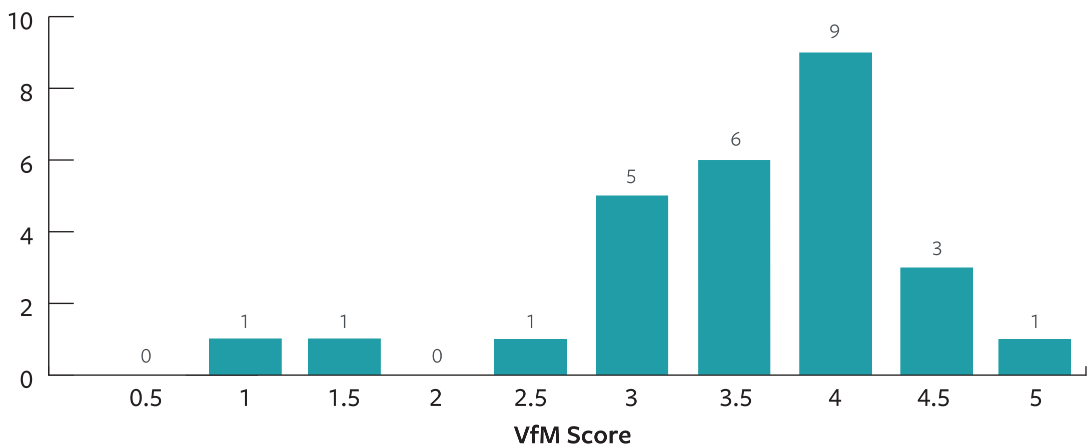


Figure 4: Illustrative summary of VfM scores across the portfolio for 2021

Results from using the Value for Money Framework and Scorecards across the portfolio

As a result of the GEC's VfM approach over the last two years – which has included the GEC analytical framework, the pragmatic use of multiple sources of data and Scorecard analyses – we have seen significant developments and improvements in the following areas:

1. **Improvement in projects' VfM capacity and practice.** This includes greater capacity to use ABBs, monitor and self-assess project VfM, and guide decision-making based on this information. As a result of this heightened VfM capacity and a shift in mindset, there has been improvement in VfM scores across the portfolio.[8]
2. **Improvement in the Fund Manager's VfM practice and support to projects.** The Fund Manager was able to support and scrutinise projects' VfM data and analyses more effectively and ensure resources were allocated to cost-effective activities. This allowed for better programming and a more efficient use of funds for the portfolio. In addition, better VfM capacity and mindset amongst the Fund Manager team also led to key decisions and revised processes and protocols being guided by VfM analyses.
3. **Strengthened overall VfM analysis of the portfolio.** The Fund Manager's VfM standardisation and meta-analyses allowed for sight and understanding of trends, both across the portfolio and within various project groupings.
4. **Deep dives and case studies.** Both positive and negative outliers within the Scorecard analysis triggered further investigations, which generated a deeper understanding of the cost drivers, design features, contexts, management processes and types of interventions which drive VfM and why. These findings then fed back into Fund Manager support to improve project performance.

[8] During the first VfM Scorecard exercise in 2021, the GEC portfolio scored a mean of 3.4 out of 5. In 2022, the mean score improved to 3.5. Although this improvement appears small, it should be noted that costs were driven by a variety of factors. Firstly, at this later stage in the fund lifecycle, it was not realistic to expect VfM scores to increase significantly due to the nature of diminishing returns. Over the year, projects also faced instability, inflation, droughts and a return to post-COVID face-to-face programming, which increased their cost base overall. Some projects also experienced shortfalls in attendance after COVID-19 school closures, which in some cases, were resource intensive and costly to bring back up.

The cost-effectiveness of the GEC value for money approach

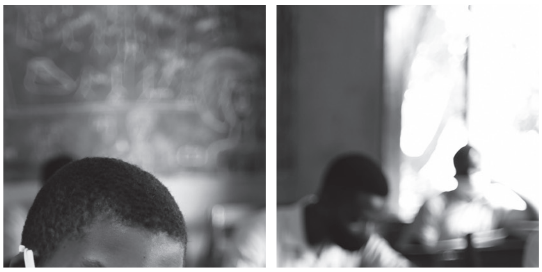
Providing a meaningful VfM assessment of the GEC's actual VfM approach not only includes an analysis of cost, but also includes consideration of the degree of value it added, including its use across the portfolio, the level of learning and analyses it provided, as well as the intangible results that it produced both for the FM and individual projects such as better decision making, as discussed above.

hat said, the cost of a VfM Adviser will vary between contexts and Fund Managers; thus, our illustration of costs is based on the type of VfM staff required, and the number of days needed for delivery. For example, in order to develop and implement our VfM approach across the large GEC portfolio, the full-time equivalent of a senior VfM technical adviser was required (216 days per year), of which 30% of their time was spent on development costs (i.e., conceptualisation, developing guidance notes, templates, etc.). This totals 65 days and is a one-off cost that can be amortised when spread over the 41 projects in the portfolio £878 investment in each project, and the number of years the VfM approach and tools are utilised by and for projects £219 per project per year for a four-year project cycle. For readers who are interested in using this VfM approach for their own purposes[9], these development costs have already been borne by the GEC and are no longer required, unless time is invested in adaptation.

There are FM costs associated with implementing the VfM approach across the portfolio, which was the equivalent of 160 VfM adviser days per year. This included VfM adviser time in online workshops and briefings to introduce the approach and associated templates/guidance notes with projects. Further implementation of the approach entailed driving all the activities discussed in Figure 2, including capacity building when needed, training of the Fund Manager team, VfM Scorecard analyses (which included moderation by other FM colleagues), four thematic VfM studies, three deep dive case studies and routine VfM reporting for client needs and adaptive management.

In terms of costs incurred by the projects, these entailed initial set up costs to attend workshops and briefings, which is the equivalent of four core project staff days.The ongoing costs to implement the VfM approach varied across projects – on average it was the equivalent of approximately three project staff days based on time spent reporting and participating in meetings in which VfM analyses were discussed.[10] This is the equivalent of approximately 13 staff days per project based on a four-year duration.

To sum up, the FM spent a total of 160 senior adviser days per year on VfM, which is roughly 2% of total FM expenditure in a year. To put this into perspective, the monitoring and evaluation expenditure comprises roughly 13.7% of the FM budget in a year. VfM is a subset of monitoring and evaluation activities, and this percentage figure is in line with expectations. Given the costs and benefits arising from the VfM expertise, this represents good value for money. Moreover, if the reports influence wider learning outside the immediate boundaries of the GEC, the return on this investment will be amplified.



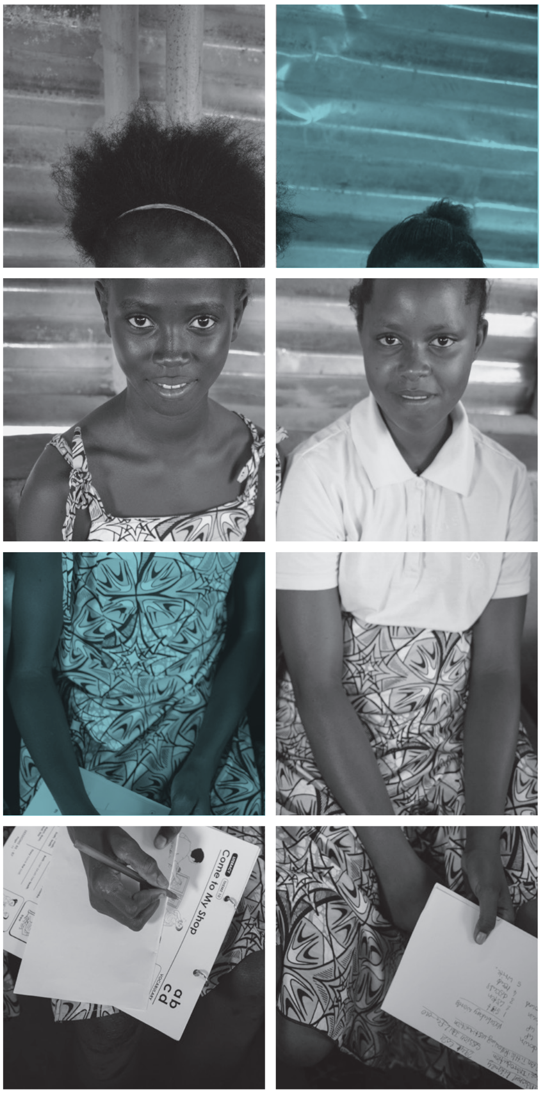
[9] The Activity-Based Budget template/guidance and Scorecard template have been included via hyperlinks

[10] This cost relates to core-project staff members spending time attending the RAM call with the GEC FM twice a year. Average based on 2 different project's time.

Making the GEC value for money approach work for you

Overall, the GEC VfM approach is one that moves away from a strict focus on return-on-investment analysis to one that synthesises alternative methodologies and triangulated data sources to assess impact. This opens up opportunities for assessing VfM in flexible yet compelling ways.

In addition to this conceptual shift, this VfM approach also offers practical benefits. It is applicable to any sector with a portfolio or fund structure, particularly one that has projects operating in different contexts, with differing scopes and sizes. The tools and Framework are flexible enough to meet the needs of the differing projects and of the varied VfM expertise they may or may not have. Moreover, the GEC VfM framework provides a way for fund managers to navigate the complexities inherent in large portfolios, even if budgets are constrained.



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Below are reflections and recommendations for those who are interested in adapting the VfM approach for their own use:

1. **Determine your prioritisation and level of effort on VfM at the outset and determine your budget accordingly.** The VfM approach is flexible to cover different budget envelopes.
2. Whilst the VfM approach was developed for use throughout project implementation, it can also be useful at the **design stage to help teams think through the different elements of VfM** in their proposed interventions.
3. **Set up project activity-based budgets early in the project lifecycle,** so that data is collected in this format from the beginning, with clear beneficiary figures reported for each year and broken down by relevant groups.
4. **Ensure all project monitoring and evaluation templates integrate VfM questions and indicators,** so that data is collected from the start of implementation.
5. **Collect as many relevant benchmarks as possible,** such as similar programmes and government spend on education (or your relevant sector).
6. **Ensure all baseline, midline and endline evaluations include VfM questions** to support triangulation and analysis.
7. **Provide clear guidance and capacity development** to all project and Fund Manager staff from the outset.
8. Whilst Scorecard analysis was designed for standardisation of VfM across a portfolio, **it can be used as a self-assessment tool by individual projects as well.**

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