



Value for Money (VFM) Strategy

SHINE Supply Programme

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List of Abbreviations

ANC	Antenatal Care
CHANGE	Community Health and Nutrition through Local Governance and Empowerment
DFID	Department for International Development (of the United Kingdom)
EPHS	Essential Package of health Services
EPI	Expanded Programme on Immunisation
Four Es	Economy, Efficiency, Effectiveness, Equity
GESI	Gender and Social Inclusion
GDPR	General Data Protection Regulation
HSS	Health System Strengthening
IP	Implementing Partner
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MESH	Monitoring and Evaluation for the Somalia Humanitarian Programme
MIS	Management Information System
MoH	Ministry of Health
MM	Mott MacDonald
OPD	Outpatient Department
SHA	Somali Health Authorities
SHAHAN	Somali Advocates for Health and Nutrition
SOP	Standard Operating Procedure
TA	Technical Assistance
UNFPA	United Nations Population Fund
UNICEF	United Nations Children’s Fund
VFM	Value for Money

‘SHINE Programme’: The umbrella Somali Health and Nutrition Programme approved in 2015 and consisting of both demand creation and supply components (GBP 92M).

‘SHINE Supply Programme’ or ‘The Programme’: The specific supply component of the SHINE Programme intervention implemented by Mott MacDonald (GBP 19.8M).

‘Managing Agent’ or ‘Contracting Authority’: Mott MacDonald

Executive Summary

The Somali Health and Nutrition Programme (**‘the SHINE Programme’**) was approved in 2015 and consists of both demand creation and supply components, with several service providers implementing different components of the SHINE Programme.

The supply component of the SHINE Programme is implemented through various service providers, including PSI, UNICEF and Mott MacDonald.

This document presents the Value for Money (VFM) Strategy for the supply component implemented by Mott MacDonald, further referred to as **‘The SHINE Supply Programme’** or, in brief, **‘The Programme’**.

Providing VFM for the SHINE Supply Programme is guided by the programme logframe, whereby overall programme success is expressed by successful delivery of outcome-level indicators. In other words, the key VFM factor for the SHINE Supply Programme is to contribute to ‘increased utilisation of quality essential health services’ (i.e. achieving the outcome level statement).

When developing the VFM strategy and reporting mechanisms for the SHINE Supply Programme we followed DFID’s VFM framework, which is based on the economy, efficiency, equity and effectiveness dimensions (4Es). This holistic approach to VFM allows us to systematically report on VFM achievements at each level of the results chain from inputs to outcome, using a defined set of VFM measures and indicators. At the economy level these measures can often be expressed in monetary terms, whereas more quantitative and qualitative measures will be used when reporting VFM at the efficiency and effectiveness levels.

In summary, the 4Es can be expressed as follows:

- Economy (spending less): Are we or our implementing partners (IPs) buying inputs (consultants, services, tickets, accommodation, etc.) of the appropriate quality at the right price?
- Efficiency (spending well): How well do we or our implementing partners convert inputs into outputs?
- Equity (spending fairly): Are we making sure our development results focus on maximising results for women, children, and other disadvantaged groups and/or geographical areas.
- Effectiveness (spending wisely): How well are the outputs from an intervention achieving the desired outcome of improved utilisation rates of quality health services?

When reporting on VFM achievements across the SHINE Supply Programme through the 4Es, we will be guided by a number of VFM principles. These principles further emphasise our holistic approach to VFM and highlight that it is not only about choosing the cheapest option in absolute terms and driving down costs, but more about achieving outputs and contributing to the outcome.

VFM achievement will be assessed and reported against a single VFM framework, with two distinctive elements, viz. (i) *general programme management*, and (ii) *fund management*. The fund management element sits within the overall VFM framework but deserves a more detailed VFM assessment as it covers an estimated 68% of the programme budget with significant VFM gains to be achieved.

The VFM framework starts with an elaboration of the effectiveness dimension of VFM, which is the most important VFM factor, as it will address VFM from the output to outcome level. At this highest level, the selected VFM items are more qualitative in nature and the indicators will be expressed through a narrative explanation, supported by relevant data. When considering the efficiency and economy dimensions, the VFM items are captured in more quantitative, or, where possible, monetary terms.

It is anticipated that programme management, together with other programme implementers for the SHINE Programme and DFID, will review and endorse the entire VFM Strategy and framework, including the VFM measures and indicators. This VFM framework (tables 2 and 3) provides for a comprehensive VFM assessment of the entire Programme and includes a number of measures and indicators that are also being reported on through the logframe and (quarterly) reporting requirements. In order not to duplicate reporting structures, Annex II has extracted the key VFM measures and indicators against each of the 4Es, which we propose will become the basis for ongoing VFM monitoring of the SHINE Supply Programme.

We propose that VFM achievement reporting on most of these key VFM measures and indicators will be conducted on a quarterly basis, whereas a more detailed and thorough review of this VFM Strategy and framework, including the entire set of VFM measures and indicators as presented in tables 2 and 3, will be done on an annual basis.

As discussed before, this VFM Strategy is targeting the SHINE Supply Programme. However, the main concepts, including our VFM understanding, approach, principles and framework outlined in this document may also apply to the other SHINE Programme service providers. While it is suggested that these related programmes may follow the main VFM concepts presented in this document, the scope and nature of their interventions will obviously differ from the SHINE Supply Programme and consequently require a different set of VFM measures and indicators.

1 Programme Background

The Somali Health and Nutrition Programme (further referred to as '*The SHINE Programme*') was approved by Ministers in November 2015, with a total programme value of GBP 92M. The SHINE Programme is a 5-year, DFID funded programme with the overall objective to reduce mother and child deaths in Somalia by improving the supply and demand for improved health and nutrition services. The programme further aims to strengthen Somali Health Authorities (SHA) oversight of basic service delivery and contribute to the wider state building agenda.

The overall SHINE Programme consists of both demand creation and supply components. The demand creation element of the programme is implemented by PSI (SAHAN initiative), whereas the supply element is implemented through various service providers, including PSI (CHANGE initiative), UNICEF, and Mott MacDonald.

The supply element of the SHINE Programme contains the following 3 intervention areas:

- i) Fund Management of the Essential Package of Health Services (EPHS)
- ii) Commodity Security - global procurement at competitive prices with uninterrupted pipeline to facility levels (implemented through UNICEF)
- iii) Health Systems Strengthening (HSS)

Mott MacDonald has been contracted by DFID as the Management Agent responsible for effective management of -part of- the supply component, consisting of the Essential Package of Health Services (EPHS) and the Health System Strengthening (HSS) intervention areas (i.e. supply programme items i and iii above). The specific programme intervention implemented by Mott MacDonald is further referred to as '*The SHINE Supply Programme*' or in brief '*The Programme*'. The SHINE Supply Programme will be delivered in close collaboration with the SHA.

A total contract sum of GBP **19.8M**.¹ has been allocated to deliver against the SHINE Supply Programme as follows:

- 1 Support for the Essential Package of Health Services (EPHS): GBP 13.5M.
 - 1a) grants delivered to IPs: GBP 11.9M.
 - 1b) fund/contract management: GBP 1.6M.
- 2 Health Systems Strengthening (HSS): assessment and roll-out: GBP 1.9M.
- 3 Other related intervention areas: studies / monitoring, evaluation and learning: GBP 1.4M.
- 4 Overall Programme Management: 1.9M.
- 5 Security / Duty of Care provisions: GBP 1.1M.

This VFM Strategy presents a VFM framework for the SHINE Supply Programme and proposes how it will manage and measure VFM throughout the life of the programme, through an agreed set of VFM measures and indicators. This VFM framework will be forward looking for ongoing

¹ Excluding government tax

monitoring and reporting purposes, with VFM principles incorporated into future decision-making processes.

The continuous reflection on decision-making processes and monitoring of programme interventions through a VFM lens will allow us to provide a robust and defensible answer to the question of whether the SHINE Supply Programme has delivered good value for money.

This document reflects on the Shine Supply Programme's understanding of and approach to VFM (chapter 2), elaborates on our core VFM principles (chapter 3), and presents the VFM framework for the programme, including reporting and assessment modalities (chapter 4). The final chapter provides the way forward to finalise and effectively implement the SHINE Supply VFM strategy during programme implementation (chapter 5).

Annex I provides for an explanatory note of the VFM measures at effectiveness level and also presents how we will report VFM achievements against each of the 4Es to DFID and other stakeholders. Finally, Annex II presents a completed form of an adapted version of the DFID provided VFM action template. It presents a set of key VFM measures and indicators at each of the 4E dimensions, which have been extracted from tables 2 and 3 and will be systematically tracked and reported on. Whereas tables 2 and 3 present the entire set of all relevant VFM measures and indicators -with some of these measures already being tracked and reported on through other mechanisms, e.g. logframe and quarterly reporting-, we propose to only regularly track and report on the key VFM measures and indicators presented in Annex II. Measuring this set of VFM measures and indicators will provide a reasonable judgement whether the Programme is on track to achieve VFM.

We further suggest that the entire set of VFM measures and indicators presented in tables 2 and 3 will be reviewed on an annual basis (e.g. through DFID's commissioned annual review) to make an informed and more accurate assessment on whether the SHINE Supply Programme is on track to achieving good VFM.

Once we have agreement from DFID on this VFM Strategy paper and reporting modality we will continue operationalising and updating the procedures, processes and specific VFM measures during programme implementation.

It is important to note that this VFM Strategy is targeting the SHINE Supply Programme. However, the main concepts, including the VFM understanding, approach, principles and framework outlined in this document may also apply to the wider SHINE Programme intervention areas, which are implemented by other service providers. However, while these initiatives may follow the main VFM concepts presented in this document, the scope and nature of their interventions will obviously differ from the SHINE Supply Programme and consequently require a different set of VFM measures and indicators.

2 VFM understanding and approach

2.1 VFM understanding

For the SHINE Supply Programme, we believe that the *value* element of VFM should be largely derived from the programme logframe². This causal pathway from inputs, activities, outputs and outcomes clearly indicates the value of what the programme interventions attempt to achieve. As we move upwards on the results chain, it demonstrates the contribution of our actions for the intended beneficiaries.

Table 1 below presents the SHINE Supply Programme results chain derived from the SHINE programme logframe. Following the logframe, achieving VFM for the *entire* SHINE programme (containing both supply and demand interventions) will need to be expressed in terms of achieving overall programme impact i.e. ‘improved health of Somalis with a focus on women and children’. However, achieving this overall impact indicator is largely beyond the control of the SHINE Supply Programme as it partly relies on achieving targets of supplementary programme components (e.g. demand side elements), contribution from other implementing partners (e.g. UNICEF), and other external factors (e.g. government policies) that are outside our SHINE Supply Programme interventions. In fact, achieving overall impact is even largely beyond the health sector, as the impact indicator is also influenced by food security, infrastructural development, and other sectoral developments.

This implies that when reporting on the VFM achievements of the SHINE Supply Programme, we will move one step down from the impact level and ultimately *target the outcome level* of the results chain, and from there move downwards to outputs, activities and inputs.

Table 1. The overall SHINE Programme results chain

Impact	Improved health of Somalis (with a focus on women and children)
Outcome	Increased utilisation of quality essential health services
Output 1	Improved standardisation, coverage and quality of Essential Package of Health Services (EPHS)
Output 2	Strengthened government oversight of service provision (monitoring and data use; supply chain systems; health information systems; human resources for health)
Output 3	Developed and supported scale up of proven behaviour change interventions
Output 4	Promoted a learning culture in SHINE to inform the wider health sector

Hence, our approach on achieving VFM focuses on the project outcome i.e. ‘increased utilisation of quality essential health services’. Although the SHINE Supply Programme also does not exercise

² The logframe for the SHINE Programme is also applicable for the SHINE Supply Programme, hence a single logframe is used.

full control over achieving the outcome statement, it is understood that when the four outputs of the logframe are met (for which the SHINE Supply Programme contributes to three, i.e. outputs 1, 2 and 4) the outcome level statement will ultimately be achieved.

It is important to note that our overall VFM understanding and point of departure for developing this VFM Strategy document aligns to DFID's approach. DFID has made it explicit that the success of the Programme is about the **delivery of outcome-level results**. This is further substantiated by a focus on results and directly linking these to VFM achievements (reference is made to the DFID issued ToR for the contracted services, p5).

2.2 VFM approach

The previous section explained that demonstrating VFM at the impact and outcome level is complex, especially for programmes whereby the Contracting Authority (Mott MacDonald) is only responsible for implementation of certain components. One reason is that for programmes with various implementers (e.g. Mott MacDonald, UNICEF, PSI, UNFPA) working towards the same impact statement it is not always possible to single out and measure the precise value of the interventions and achievements of a single entity. This is further complicated by the fact that in certain districts (e.g. in Banadir region) other agencies that are not operating under the SHINE Supply umbrella may be supporting the same health facility.

Another complexity is that the Programme works closely with Somali sub-national government authorities whereby achieving the overall outcome of 'increased utilisation of quality essential health services with an enhanced SHA oversight role', depends on active government participation and their capacity and willingness to engage in the change process. To bring sub-national governments of Somalia and Somaliland on board and even in the lead of programme implementation implies that the SHINE Supply Programme will need to work jointly with them and create a shift in mindset, which requires a focus on consistently achieving incremental changes at predominantly sub-national government levels. This can only be realised through successful advocacy, awareness, and capacity building interventions, using a step by step approach and involving the government from the start. It needs to be recognised that the interventions required to ultimately achieve these transformational changes, and hence achieve VFM at outcome level, are not only difficult to quantify in monetary terms, but also take time before results become visible.

Taking these complexities into consideration, our VFM approach consists of a **holistic approach** with emphasis on the quality as well as the quantity of the outcome and output areas, despite challenges in measurement of these. We will be providing a VFM narrative at outcome level and link this with the programme's output and activity areas, over which we exert a higher level of influence and can to a certain extent be quantified and monetised.

As indicated above, when defining VFM we will stay as close as possible to the activities, outputs, and outcome of the programme logframe and describe the process of achieving the programme results across the chain using selected VFM measures and indicators. Through this, the SHINE Supply Programme will be in a position to describe, and where possible quantify, the programme's VFM achievements through the selected VFM measures and indicators at each area of the logframe results chain.

In concrete terms, VFM measures and indicators will focus on health system delivery and strengthening of basic systems, including government oversight. In addition, VFM measures will be developed in relation to institutionalising the results and learnings within existing sub-national and national government.

When moving further down the results chain to activity level, we will conceptualise the logframe based upon a detailed context and problem analysis during the inception phase, which will inform the workplan for the implementation phase. This will draw on a political economy analysis of the context in Somalia and international evidence of what works in the relevant technical areas of the health sector. Through this, we have proposed a series of coordinated evidenced based activities, which we believe will work in Somalia and follow a logical causal pathway with completed programme activities leading to achieving the SHINE Supply Programme outputs, whilst contributing to the outcome. The design of the programme has been such that part of these activities will be implemented through sub-contacted Implementing Partners (IPs), especially those supporting the provision of the Essential Package of Health Services (output 1).

3 VFM principles

Following from our VFM understanding and approach, the programme will be guided by achieving the overall logframe outcome ‘increased utilisation of quality essential health services’. This is regarded as the overarching and key VFM target.

In order to achieve this key VFM target, the programme will adhere to the following seven VFM principles when implementing the SHINE Supply Programme interventions:

- ***Programme delivery with sustainability in mind with SHA in the lead of programme implementation***

Programme decisions are made with the overall outcome ‘increased utilisation of quality essential health services’ in mind. From a VFM perspective this means that the cheapest options are not always chosen. Rather, interventions that engage government officials, ensure transfer of skills and build local, regional and national capacities will be favoured. These interventions may be more expensive and riskier to implement but ensure that the government health authorities are in the driver’s seat, contribute to ownership, and enhance the possibility of programme sustainability.

- ***Transparency and accountability based on a strong competitive framework***

The programme established open and transparent procedures for the fund management component (output 1) to ensure a fair competition process among IPs. Moreover, programme achievements and finances will be presented in a timely and transparent way to DFID and other relevant stakeholders. Good transparency of spending will help to ensure that programme funds are used for the intended purpose and not diverted to other initiatives or lost to fraud or corruption. In this regard, the programme will also facilitate improving transparency and accountability at national and sub-national ministry level.

It is worth mentioning that some of the monitoring activities include verification missions, third party monitoring, results monitoring, and regular monitoring of targets and milestones against performance, which will enable the programme to monitor progress on an ongoing basis and take corrective actions when needed. We will also be looking for interesting stories and change processes, whether positive or negative, and using these as opportunities for lessons learning. The regular reporting on targets and widely disseminating of stories will further increase transparency and accountability of the programme, and hence contain a VFM factor.

- ***Following an adaptive management approach***

Adaptive management is at the heart of the programme with the ultimate objective to achieve the maximum added value from each programme intervention. From the outset, the programme will follow a flexible and participatory approach to be able to adequately and quickly respond to the various contexts, e.g. by adopting a phased approach in health facility targeting with variations in speed of implementation. Moreover, we will take a flexible and adaptive approach on the TA provided to health system strengthening. We plan to start with the Ministry of Health (MoH) at national level and roll out to sub national levels requiring less TA inputs and providing economies of scale. This suggested approach may, however, be adapted based on further dialogue with the government.

Focusing on the wider SHINE Programme partnership and working in close cooperation with UNICEF (commodities provider) and the wider health sector to achieve overall SHINE programme objectives

As indicated before, the SHINE Supply Programme operates within the broader SHINE Programme. In this regard it is of crucial importance that the programme works in close consultation with other programme implementers, including UNICEF and PSI, to ensure that there is a steady and uninterrupted supply of medicines, which is a necessary condition to achieve overall programme objectives. In addition, the Programme will closely cooperate with the CHANGE, SAHAN and MESH initiatives (e.g. in the areas of developing protocols and procedures for health system strengthening; design and roll out of MEL and VFM strategies, joint monitoring, etc.) to establish synergies, which will add further value from a VFM perspective.

- ***Systematically recording cost benchmarking and comparative measurement for procurement of services and goods (e.g. workshops, travel, accommodation, fees, equipment)***

At activity and input level we will follow proven practices of procurement of services and goods. The modalities of these have been captured in the SHINE Supply Operations Manual, which will be complied with at all times. We will also compare and negotiate unit rates for recurrent costs, such as travel, accommodation and workshops, to ensure we provide VFM at activity level throughout the programme duration.

In addition, since Mott MacDonald is implementing various DFID funded programmes within the Region, we will establish synergies and cost-savings wherever feasible. This relates to e.g. sharing office space and staff in Nairobi and Hargeisa; using Mott MacDonald's established protocols and procedures in relation to security; building on established networks, etc.

- ***Transfer selected operational items and selected VFM measures/indicators to IPs, demanding them to adhere to the same VFM principles and applying similar systems and procedures as those DFID demands from and applies vis-à-vis Mott MacDonald.***

Our contract with subcontracted IPs will include selected articles containing VFM elements that are transferred from the contract Mott MacDonald holds with DFID. Moreover, we will ensure that IPs follow similar duty of care and safeguarding procedures as the Management Agent.

It is also worth mentioning that the programme is looking at employing a third-party monitoring agency for field verification in places where the duty of care costs associated with the Mott MacDonald team are too high, allowing this to be delivered by an agency that can operate even more flexibly and can get to the more difficult areas relatively quickly to monitor and follow-up on the programme interventions. This will be a cost-saving, and hence VFM achievement for the programme.

- ***Ensuring that all programme staff actively apply and promote their continuing obligation to seek VFM as part of their routine activities***

This will be realised by discussing this VFM Strategy with all programme staff, so they are all aware of the Programme's VFM approach, principles, and reporting framework. The quarterly report section on VFM achievements will put further emphasis on this obligation. In addition, the IPs, other partner organisations, and relevant government officials within the overall SHINE partnership, will be made aware of this VFM Strategy paper. Moreover, we anticipate establishing a VFM reporting template for the IPs, including a reference to this VFM Strategy and VFM measures and indicators, so they will collect data and record activities and results from a VFM perspective to the Management Agent.

Our VFM understanding, approach and principles make it clear that we will indeed take a holistic approach to VFM. It is not only about choosing the cheapest option in absolute terms and driving down cost, but is more about achieving outputs and contributing to the outcome. Or, in other words, it is all about maximizing the (outcome level) results of each pound spent.

VFM is not a static concept but a dynamic one that needs to be reviewed and reported against on a regular basis. It is suggested that the VFM Strategy be reviewed on an annual basis in conjunction with yearly logframe revisions. In addition, there will need to be quarterly VFM achievement reports, presenting the VFM achievements following the VFM reporting framework as presented in the next chapter and Annex II. Reporting on VFM achievements will capture the entire logframe results chain, thereby also including achievements related to the VFM principles as elaborated in this chapter.

For adherence to the above VFM principles, it is important that these are fully understood and endorsed by a wide range of stakeholders, including the entire programme team, subcontracted IPs, government stakeholders, programme implementers of the wider SHINE Programme, and DFID.

4 VFM framework: reporting and assessment

4.1 VFM framework: reporting

When developing the Programme's VFM Strategy and reporting modality we followed DFID's VFM framework, which is based on economy, efficiency, equity and effectiveness dimensions (4Es). We have established an initial set of VFM measures and indicators against each dimension. Some of these indicators will be reported on directly by the Management Agent (Mott MacDonald) whereas others will be collected by the contracted Implementing Partners (IPs) and consolidated and reported on by the Management Agent.

Following our VFM understanding and approach (chapter 2), the VFM measures and indicators will be expressed using monetary, quantitative and qualitative data sources. In case VFM achievements cannot be easily expressed using these data sources (e.g. at outcome level), VFM reporting will be done through a narrative explanation.

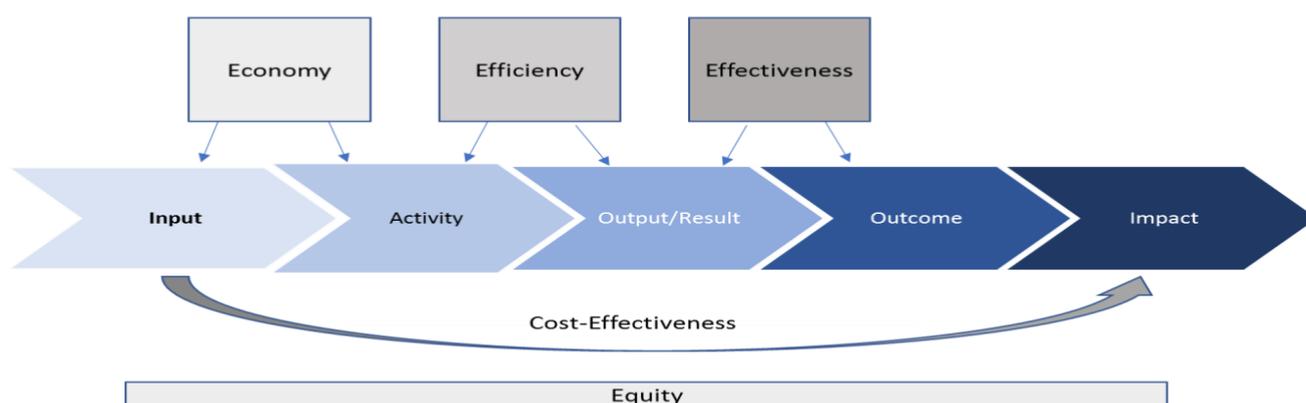


Figure 1. Value for Money results chain - DFID's 4Es Framework

It is critical that we start VFM reporting at the highest level of the chain (effectiveness), since this dimension connects programme outputs with the outcome level and will ultimately determine whether the programme is overall successful, i.e. the key VFM factor. Reporting against the effectiveness dimension will be done through a clear and extensive programme narrative, supported by (qualitative) stories/beneficiary feedback with the objective to tell a good story and reflect on challenges, which enables us to report on progress made and any lessons learnt towards achieving the programme outcome.

At the activity-output (efficiency) and input-activity (economy) levels, the programme exerts more control over achieving these and will be in a position to formulate a number of operational VFM

measures (monetary, quantitative and qualitative) that can be tracked over time and are easily understood by a range of stakeholders (e.g. programme staff, IPs, government, programme implementers of the wider SHINE Programme, and DFID). By also linking these selected VFM measures and indicators to the results area of the logframe, the programme will increase the potential that the logframe targets will be met in the most cost-effective way (input to output-impact³).

Lastly, the equity dimension will be addressed when reporting on VFM. Through defining some specific equity interventions from the outset based on the recently prepared Gender and Social Inclusion (GESI) Strategy, the programme will prioritise this important cross-cutting dimension, which aims to mainstream gender and social inclusion across all outputs, with a focus on maximising these results for women, children, and other disadvantaged groups and/or geographical areas⁴.

This holistic approach to VFM allows us to systematically report on VFM achievements through an economy (spending less) and efficiency (spending well) lens, but also using a broader and more important equity (spending fairly) and ultimately effectiveness (spending wisely) perspective.

4.2 VFM framework: assessment

Table 2 below presents the proposed VFM framework for the SHINE Supply Programme, which is the responsibility of Mott MacDonald. The framework follows the four dimensions with proposed VFM measures/indicators and related data source. It is anticipated that the other programme implementers for the wider SHINE Programme will review and perhaps adopt this VFM framework and develop specific VFM measures/indicators for their specific interventions.

As discussed earlier, the framework starts with the VFM effectiveness dimension, which is the most important VFM factor. At this highest level, the selected VFM measures are more qualitative in nature and the indicators will be expressed through a narrative explanation, supported by relevant data. When considering the efficiency and economy dimensions, the VFM items are captured in more quantitative, or, where possible, monetary terms. It is anticipated that the SHINE Supply Programme management and DFID will review and endorse the entire VFM framework, including the comprehensive set of VFM measures and indicators. From this framework we have extracted a number of key VFM measures and indicators that will be systematically tracked and reported on over time. These key VFM measures are presented in Annex II. Through regular reporting on these selected items we will reduce the reporting burden while at the same time be in a position to provide for a reasonable assessment on whether the Programme is on track to achieve VFM. Hence, these key VFM measures and indicators will become the basis for ongoing VFM monitoring of the SHINE Supply Programme.

Whereas table 2 presents the VFM framework from an overall management perspective, table 3 shows a more detailed VFM framework, which exclusively focuses on the fund management element of the programme (i.e. output 1 - support for the EPHS). This component represents a total of GBP 13.5 mln., or 68%, of the overall programme budget. Since significant VFM gains can

³ Since the case has been made that for the SHINE Supply Programme the outcome level will be targeted, cost-effectiveness for the programme will be expressed from input to outcome (rather than impact).

⁴ The geographical areas have already been selected at an earlier stage in the inception phase with the equity dimension taken into account.

be achieved through the fund management part of the programme, it deserves a more detailed VFM framework and assessment.

It is to be noted that the VFM framework for the fund management element (table 3) should not be understood as a separate VFM framework, but as a more detailed or nested version of the overall VFM framework. The objective of this separate VFM framework for output 1 is to establish a more robust VFM assessment for the fund management part of the programme. As an example, one VFM indicator in table 2 includes 'establishing and monitoring economy indicators for implementing partners' as a VFM measure at the economy dimension, which is quantified and monetized in the more detailed VFM framework for the fund management part (table 3).

A substantial part of the data on VFM measures for the fund management component will need to be collected by the IPs for further analysis and consolidation by the Management Agent. The additional column of table 3 'responsible party to report progress' specifies whether the Managing Agent (i.e. Mott MacDonald) or the IPs are responsible for collecting data on the respective indicators.

Similar to the overall programme management VFM framework, it is important that the VFM framework for the fund management component is also endorsed by the programme management team and DFID. Annex II also provides for a selection of the key VFM measures and indicators for the fund management part of the Programme, which will form the basis for ongoing VFM reporting. In addition, the VFM reporting requirements for IPs will need to be formally accepted by them, forming an integral part of the IP contracts. This will allow the programme management team to receive and analyse all indicators required for the VFM analysis of the fund management part.

It is suggested that ongoing VFM achievement reporting on overall programme management and fund management items will be done through the selected key VFM measures and indicators presented in Annex II, whereas a more detailed and thorough review of the VFM Strategy, including the entire set of VFM measures and indicators (tables 2 and 3), will be conducted on an annual basis, i.e. at the end of 2019 and again at the end of 2020. This detailed yearly VFM review will need to be done in conjunction with DFID's annual review as during this time the programme logframe may be subject for revision, which may also impact on the VFM framework. Moreover, the annual review will assess overall programme performance at outcome level, which will allow the programme to register progress and achievements at the highest (and most important) effectiveness dimension of the VFM framework.

Table 2. SHINE Supply Programme management VFM Framework (Management Agent)

VFM Measures	Detailed Explanation / Examples	Progress/Achievement Insert key items and elaborate in report template (ANNEX I)	Data Source / Evidence
	<p>Improved standardisation, coverage and quality of Essential Package of Health Services (EPHS) (e.g. reach at minimum 2 mln people)</p> <p>Strengthened government oversight of service provision (monitoring and data use; supply chain systems; health information systems; human resources for health)</p> <p>Promotion of a learning culture in SHINE to inform the wider health sector</p>		<p>Technical Annual Report</p> <p>Annual Review commissioned by DFID</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Effectiveness</p>	<p>Leveraging resources from government, development partners and/or private sector providers (e.g. increased public-sector health expenditure per capita)</p> <p>Additional interventions contributing to overall programme outcome (e.g. scaling up of interventions; or some of programme’s HSS support interventions -such as developed protocols, guidelines, manuals, etc.- benefit the health sector beyond the targeted regions)</p> <p>Additional capacity development interventions beyond logframe targets (e.g. training provided beyond logframe interventions).</p> <p>Other....</p>		<p>Technical Annual Report</p> <p>Any partnership review commissioned through an external party?</p> <p>Annual Review commissioned by DFID</p>
<p>Achieving overall VFM</p>	<p>DFID scoring on VFM criteria in contract performance review</p> <p>Feedback from programme beneficiaries on programme interventions (stories)</p> <p>Maintain VFM in all aspects of the programme and with the IPs and subcontractors</p>		<p>DFID Performance Review</p> <p>Beneficiary feedback</p>

VFM Measures	Detailed Explanation / Examples	Progress/Achievement Insert key items and elaborate in report template (ANNEX I)	Data Source / Evidence
VFM choices made in relation to costs, risks, and sustainability	<p>Following participatory approaches with strong engagement of Somali Health Authorities (SHA) and/or with SHA in the lead</p> <p>VFM achievements provided against each of the 7 VFM principles as presented in this document (narrative)</p>		<p>SHINE Supply Programme Management</p> <p>SHINE Supply VFM matrix</p>
Partnership arrangements established with programme implementers of the wider SHINE Programme (e.g. UN Commodity Security)	<p>Partnership agreements drafted and signed</p> <p>Minimum standards of EPHS agreed with Ministry, DFID and other programme implementers</p> <p>Political Economy Analysis and stakeholders mapping exercise completed informing detailed workplan of implementation phase</p>		<p>Signed agreements</p> <p>Signed letters</p> <p>PEA and mapping exercise completed and signed off</p>
Establishment of a Health System Strengthening (HSS) approach	<p>Overall assessment of health system functions (including systems, protocols, procedures and guidelines) and capacities completed and approved by MoH/DFID</p> <p>Milestone targets and delivery processes for HSS interventions set and approved by MoH/DFID (e.g. technical advice provided to SHA on HSS)</p> <p>Monitoring of HSS targets and delivery processes</p>		<p>Capacity Assessment Report</p> <p>Milestone targets as per inception report?</p> <p>Field Monitoring reports</p>
Establishment of a risk matrix, monitor risks (including fiduciary risks) and apply mitigation measures where appropriate	<p>Any risks successfully mitigated</p> <p>Risk register updated on quarterly basis</p> <p>Design, maintain and report on any possible fiduciary risks, including potential fund virements, through an Issue Log. Issue Log captures actual fund virements and mitigation measures</p>		<p>As reported by programme management</p> <p>Quarterly update</p> <p>Quarterly update</p>
Establishment of a robust monitoring, evaluation and learning (MEL) strategy for the entire SHINE Programme	<p>Monitoring system prepared and approved (at validation workshop).</p> <p>Monitoring done jointly with SHA and UNICEF (for commodity security)</p>		<p>Final Monitoring and Reporting document</p> <p>Field Monitoring Reports</p>
Budget forecasting and analysing programme expenditure against	<p>Established overall programme budget with monthly/quarterly breakdown</p> <p>Budget forecast established and monitored by:</p>		To be initiated by Programme Operations

VFM Measures	Detailed Explanation / Examples	Progress/Achievement	Data Source / Evidence
each of the three outputs as well as by type of expenditure	<ul style="list-style-type: none"> • Output • Type of expenditure (training, TA, grants) • Funds provided directly to government representatives 	Insert key items and elaborate in report template (ANNEX I)	Assessed through Annual Review & DFID Performance Review
Robust programme management with costs closely monitored and controlled	<p>Established overall workplan, including TA plan</p> <p>Adherence to DFID Terms and Conditions, including supply partner code of conduct, General Data Protection Regulation (GDPR) etc.</p> <p>Drafting and adherence to a comprehensive Manual of Operations, including standard operating procedures (SOPs). Operations Manual distributed and accepted by DFID and -where relevant- government stakeholders.</p>		<p>DFID Performance Review (Jan and July 2018)</p> <p>Programme Manual of Operations and SOPs</p>
Established presence of Mott MacDonald in Somalia providing synergies and cost savings	<p>Operations / Finance / Procurement Manuals in place and contextualised in short time span.</p> <p>Familiar with Somali goods and supplier markets and able to establish discount rates.</p> <p>Programme builds on established networks of government and private sector providers.</p> <p>Sharing office space and staff across various MM implemented programmes.</p> <p>Building on established security and duty of care provisions.</p>		
SHINE Supply Management Costs as percentage of overall Programme cost	Total grants awarded / overall programme value for output 1		Programme Management / Quarterly Report

VFM Measures	Detailed Explanation / Examples	Progress/Achievement	Data Source / Evidence
		Insert key items and elaborate in report template (ANNEX I)	
Economy	<p>Unit Costs applicable for Management Agent (MM)</p> <p>Unit costs for workshops per participant per day at national level and regional level.</p> <p>Unit costs of external suppliers (assessed against benchmark and record the savings made based on receipt of minimal 3 quotations)</p> <p>Unit costs for national and international travel</p> <p>Accommodation unit costs per night in Nairobi / Mogadishu / Hargeisa</p> <p>Unit cost per month for long term international and national management staff</p> <p>Unit costs per month for national and international technical staff</p> <p>Unit costs per month for national support staff (operations, finance, human resources)</p>	Register changes over time (e.g. unit costs for the HSS intervention may decrease with design component at national level and roll out to the regions, bringing economies of scale)	
	<p>Establishing and monitoring economy indicators / unit costs for Implementing Partners</p> <p>Reference is made to economy indicators set for IPs (table 3)</p> <p>Where possible, unit costs to be established against the indicators</p>	A set of economy indicators are proposed in this document.	Programme Operations
Equity	<p>Access and use of health facilities segregated by sex / vulnerable groups / distance to facilities</p> <p>Implementing the gender equity and social inclusion (GESI) component</p> <p>Focus on mainstreaming GESI across the SHINE Supply Programme</p>		<p>Annual Review</p> <p>Technical Annual Report</p> <p>Programme quarterly reports</p> <p>Beneficiary feedback</p> <p>Annual Review</p> <p>Technical Annual Report</p> <p>Programme quarterly reports</p> <p>Beneficiary feedback</p>
	<p>Selection of geographical areas for programme implementation</p> <p>As per Inception Phase</p>	Selection made in Inception Phase	Inception Report

Table 3. SHINE Supply VFM Framework for Output 1: Improved standardisation, coverage and quality of Essential Package of Health Services (EPHS)

VFM Items/Indicator	Detailed Indicator / Explanation / Examples	Progress/Achievement	Responsible Party to report progress		Data Source / Evidence
		Insert key items: and elaborate in report template (Annex I)	MM	IPs	
Achieving targets as per MM-IP Agreement	# of beneficiaries reached with EPHS services (disaggregated by sex)			X	Baseline Reports Technical Annual Report Quarterly Reports Annual Review
	# of health facilities targeted/reached				
	# of supported health facilities offering a full standard EPHS package				
Effectiveness	# of supported health facilities providing 6 (out of 10) EPHS components				Technical Annual Report
	Health facility utilisation rates				
	Uptake of specific health services (e.g. EPI, ANC, birth spacing, etc.)				
Additional results achieved (beyond proposal targets)	Amount of co-funding of facilities / equipment / medicines			X	Technical Annual Report
	Additional capacity development interventions beyond logframe targets (e.g. training provided beyond logframe interventions).				
Achieving robust inventory control reducing wastage	Amount of TA provided to support to SHA with improving medicine inventory control at warehouses and health facilities reported			X	

VFM Items/Indicator	Detailed Indicator / Explanation / Examples	Progress/Achievement Insert key items: and elaborate in report template (Annex I)	Responsible Party to report progress		Data Source / Evidence
			MM	IPs	
Efficiency	Selection regions of implementation	<ul style="list-style-type: none"> - Selection based on relevant country specific and health criteria - Establish working arrangements with external parties (government, UN agencies, DFID) 		X	
	Establish robust and transparent tender process to select the IPs	<ul style="list-style-type: none"> - Launch comprehensive request for proposal documentation - Ensure open and transparent competition 		X	
	Negotiating contracts with selected IPs	<ul style="list-style-type: none"> - Pre-contract award due diligence (including financial capacity) conducted - Optimising resources for IP implementation through negotiations with IPs together with Ministry - # of contracts concluded with IPs (larger contracts with few providers to achieve economies of scale) - % of payments based on achieving milestones/results (if any) - Contract article captured that IPs will need to follow MM's developed VFM Strategy and indicator reporting 	narrative	X	
	Establish and monitor IP contract performance, including target tables.	<ul style="list-style-type: none"> - Assess performance against IP baseline - Monitor number of beneficiaries reached meeting EPHS standards 		X	
	Monthly review of IPs invoices against approved workplan and budget	<ul style="list-style-type: none"> - % of invoices approved - % of milestone-based payments against KPIs for IPs (if any) 		X	

VFM Items/Indicator	Detailed Indicator / Explanation / Examples	Progress/Achievement Insert key items: and elaborate in report template (Annex I)	Responsible Party to report progress		Data Source / Evidence
			MM	IPs	
Review annual external project audit for each IP	- % of IPs with no issues reported from the audit - % of IPs requiring minor adjustments based on the audit - % of IPs with major observations/issues arising from the audit		X		
Unit costs of standard package EPHS	Calculation of unit costs based on defined standardised package, which is similar over time and across IPs.			X	
Unit Costs of identified services per health facility (disaggregated per urban/rural and other relevant measures)	Health services identified (e.g. OPD, EPI, ANC), costs identified and monitored over time.			X	
Economy	Direct versus indirect costs	% of direct versus indirect costs over time	X		
	Budget spent against forecast	% of budget spent against forecast	X		
Equity	Access and use of health facilities segregated by sex / vulnerable groups / distance to facilities	% of male/females benefitting from health services		X	Annual Review Technical Annual Report Programme quarterly reports Beneficiary feedback
	Mainstreaming the implementation of the gender equity / social inclusion component		Initial progress made at national, provincial and individual level. Measures included in Monitoring Matrix.	X X	Annual Review Technical Annual Report Programme quarterly reports Beneficiary feedback

5 Way Forward

This document presents the VFM Strategy and reporting framework for the SHINE Supply Programme. Through tables 2 and 3 an attempt has been made to identify a comprehensive set of relevant VFM measures and indicators to assess whether the Programme is on track to achieve overall VFM. Since many of these measures and indicators will be tracked and reported on through other reporting mechanisms (e.g. logframe and quarterly reporting), and to reduce the data collection and reporting burden, we have identified a number of key VFM measures and indicators that will be systematically tracked and reported on during Programme implementation (Annex II).

In summary, the following actions will need to be completed before the VFM strategy and related framework can be implemented:

- Submit the VFM Strategy Paper to DFID.
- Incorporate comments.
- Review and complete VFM measures and indicators based on field verification. Compare measures and indicators with final logframe items, and review on relevance, data availability, and costs.
- Using the revised VFM actions template from DFID and systematically track VFM measures and indicators presented in this reporting format.
- Further operationalisation of the VFM Strategy and reporting modalities by assigning responsibilities on data collection, analysing, and reporting.

Once these actions have been completed a start can be made by conducting quarterly and annual VFM reporting, which will focus on managing and measuring VFM throughout the life of the SHINE Supply Programme.

ANNEX 1: VFM Measures: explanatory note and reporting template

This Annex provides an explanatory note and reporting template for each individual VFM measurement and indicator at effectiveness level. It also includes a section to elaborate on reporting VFM achievements against each of the individual VFM measures and indicators against the 4Es as presented in tables 2 and 3.

Effectiveness

The effectiveness dimension describes how the SHINE Supply Programme outputs contribute to achieving the desired outcome of 'increased utilisation of quality essential health services'. Table 2 shows that we have identified the following three VFM measures related to the effectiveness dimension to assess whether the SHINE Supply Programme is on track to achieve its intended results and hence provides overall VFM:

- Progress made against each of the logframe outputs
- Additional results achieved (beyond logframe)
- Achieving overall VFM

These VFM measures/indicators are elaborated in more detail below, with an additional section to report on ongoing VFM progress/achievements against each of the VFM measure/indicator.

(i) Progress made against result areas of the logframe

As mentioned above, the SHINE Supply Programme has been designed on the basis that achieving the outputs will lead to 'increased utilisation of quality essential health services'. As discussed in the VFM Strategy this is the most crucial dimension from a VFM perspective as it defines whether the programme has achieved its planned results.

Reported Achievements (progress against logframe)

Achievements to be reported on an annual basis (in conjunction with DFID Annual Review)

- Improved standardisation, coverage and quality of Essential Package of Health Services (EPHS) (e.g. reach at minimum 2M people)

Achievement:

- Strengthened government oversight of service provision (monitoring and data use; supply chain systems; health information systems; human resources for health)

Achievement:

- Promotion of a learning culture in SHINE to inform the wider health sector

Achievement:

(ii) Results achieved beyond the result areas of the logframe

Whereas the SHINE Supply Programme logframe is meant as a planning and monitoring instrument capturing the main activities, outputs, and outcome of the programme, the programme is also likely to achieve additional outputs/results that were not anticipated at the design stage. It is important to highlight these additional outputs/results during the quarterly VFM reporting mechanism, and (if relevant), include these into any future annual logframe revision. These additional achievements may have strong positive VFM implications and are often overlooked during formal reviews (as DFID annual review will focus on achieving logframe criteria). The items below present an overview of the reported additional results that are relevant at the effectiveness dimension.

Reported Achievements (additional results achieved)

(iii) Achieving overall VFM

DFID's quarterly performance reviews with the Management Agent provide for a systematic overview of overall programme performance using a scoring mechanism whereby VFM is being assessed and scored as a distinct category. Though being aware that this is an external (i.e. DFID) perception on overall SHINE Supply Programme VFM performance, this assessment can be considered as a VFM item in itself at the effectiveness dimension.

Reported Achievements (achieving overall VFM)

Include DFID score and reflection on VFM during quarterly performance reviews with suppliers.

With respect to the fund management part of the VFM framework (table 3), the reporting mechanism at the effectiveness dimension is similar as for the overall

VFM management framework, with addition that ‘achieving robust inventory control thereby reducing wastage’ is an additional VFM measure at effectiveness level.

Efficiency

Efficiency relates to how well the planned activities are converted into outputs. For programmes as SHINE Supply this not only relates to proposing and implementing activities that are the cheapest and least risky things to do, but also need to be considered with a view to strike a balance between cost, quality, risks, and potential for sustainability in achieving the outputs. The following VFM measures/indicators have been identified to provide for an assessment whether the programme provides VFM from an efficiency perspective (reference is also made to tables 2 and 3 of the VFM Strategy).

Overall Management VFM Framework (table 2)

- VFM choices made in relation to costs, risks, and sustainability
- Partnership arrangements established with programme implementers of the wider SHINE Programme (e.g. UN Commodity Security)
- Establishment of a Health System Strengthening (HSS) approach
- Establishment of a risk matrix, monitor risks (including fiduciary risks) and apply mitigation measures where appropriate
- Establishment of a robust monitoring, evaluation and learning (MEL) strategy for the entire SHINE Programme
- Budget forecasting and analysing programme expenditure against each of the three outputs as well as by type of expenditure
- Robust programme management with costs closely monitored and controlled
- Established presence of Mott MacDonald in Somalia providing synergies and cost savings
- SHINE Supply Management Costs as percentage of overall Programme cost

Fund Management component (table 3)

- Selection regions of implementation
- Establish robust and transparent tender process to select the IPs
- Negotiating contracts with selected Implementing Partners
- Establish and monitor contracts with IPs, including KPIs and target tables
- Monthly review of IPs invoices against approved workplan and budget
- Review annual external project audit for each IP
- Unit costs of standard package EPHS
- Unit Costs of identified services per health facility (disaggregated per urban/rural and other relevant measures)

Economy

At the lower end of the SHINE Supply VFM framework, the programme will need to ensure it is buying inputs of the appropriate quality at the right price (economy). This includes staff costs, consultant fees, workshop venues, and expenses such as equipment and other items that are contributing to achieving the results. The following items describe the SHINE Supply suggested indicators and metrics to be able to assess VFM from an economy perspective.

Overall Management VFM Framework (table 2)

- Unit Costs applicable for Management Agent (MM)

- Establishing and monitoring economy indicators / unit costs for Implementing Partners

Fund Management component (table 3)

- Direct versus indirect costs
- Budget spent against forecast

Equity

For the cross-cutting equity part of the VFM Framework we will assess whether our development results focus on maximising results for women, children, and other disadvantaged groups and/or geographical areas. The following items describe the SHINE Supply suggested measures to be able to assess VFM from an equity perspective.

Overall Management VFM Framework (table 2)

- Access and use of health facilities segregated by sex / vulnerable groups / distance to facilities
- Mainstreaming the implementation of the gender equity and social inclusion (GESI) component

Fund Management component (table 3)

- Access and use of health facilities segregated by sex / vulnerable groups / distance to facilities
- Mainstreaming the implementation of the gender equity and social inclusion (GESI) component

ANNEX 2: VFM Actions Template for SHINE partners

1. What are the top 3 things you are doing to maximise VFM in your project?

(maximising VFM from maximising benefits and minimising costs)

<p>a) Programme delivery with sustainability in mind with Somali Health Authorities (SHA) in the lead of programme implementation</p> <p>From a VFM perspective this means that the cheapest options are not always chosen. Instead, interventions that engage government officials, ensures transfer of skills to government and partner agencies, and which build local, regional and national capacities can offer the best VFM. These interventions may be more expensive and riskier to implement but put the government health authorities in the driver's seat, contribute to ownership, and enhance the possibility of programme sustainability.</p> <p>Investing ample time and resources for supporting the SHA may yield significant benefits, including health-related and cost benefits.</p> <p>For example, supporting SHA with improving medicine inventory control at warehouses and health facilities could provide significant and sustained savings for the government.</p> <p>Moreover, supporting the government in regulating consumption patterns around medication (e.g. reduced use of antibiotics) may produce both health and cost benefits for the Somali people.</p>
<p>b) Work through implementing partners, with proven implementation capacities and existing networks, which will be tightly managed by Mott MacDonald throughout programme implementation, building on MM's extensive track record in fund management.</p> <p>This includes:</p> <ol style="list-style-type: none"> i. Rigorous selection process to ensure those IPs are selected that provide best value for money. ii. Conducting rigorous Financial Management assessments and annual audits of IPs. iii. Ensuring IPs have costed workplans that link expenditures to results.
<p>c) Tightly controlling costs through cost benchmarking and establishing unit costs for selected high value and recurrent expenditures.</p> <p>These include costs related to security, workshops, accommodation, travel costs, per diem rates, etc.</p>

2. What are your key costs and what are the drivers of them?

Key costs (insert top three headings from budget template e.g. Staff, Overheads, Transport, Commodities for transfer to beneficiaries)	% total budget (from budget template)	Cost drivers (factors that influence the Key Costs e.g. project location, inflation)
a) Grants to IPs	60%	Fixed amount at proposal development phase. Competitive, participatory and transparent process.
b) Staff costs	26%	Fixed and competitive rates established.
c) Accommodation & Per Diem	6%	Mott MacDonald will monitor on ongoing basis using the budget table as per commercial proposal.
d) Security / Duty of Care Costs	3%	Working areas require different level of security arrangements. The Programme may opt for engaging a local monitoring agency to conduct monitoring in zones where Duty of Care costs are too high.
e) Studies and Assessments	0.9%	- Monitor budget on ongoing basis. - Adhere to procurement procedures as outlined in MM operations/procurement manual. - Transfer procurement procedures to IPs (unless they have comparable procurement procedures in place).

		- Liaise with MESH II for data collection as possible offered through their services
f) Workshop, Meetings, Trainings	0.5%	- Monitor budget on ongoing basis. - Adhere to procurement procedures as outlined in MM operations/procurement manual (e.g. minimal 3 quotes, benchmarking costs, etc.)
g) Others	4%	- All other costs not related to above, e.g. travel, equipment, etc.

3. What are your main variable costs and what are the drivers of them?

Variable costs (costs with the greatest risk of change during the project e.g. commodities, security costs)	Cost drivers (factors that influence the Variable Costs e.g. changes in security or market demand and supply)
a) Security Costs	* Changes in security environment * Frequency of staff movements to areas requiring more stringent security arrangements
b) TA provided to support the SHA in health system strengthening	* Current capacities of SHA staff * Scope of work in relation to health system strengthening interventions
c) Monitoring Evaluation and Learning (MEL) activities	* Non-availability and reliability of secondary data sources may require collection of (expensive) primary data in the field * MEL requirements may vary during programme implementation

4. What are you doing to manage the key cost drivers given above?

(Not all will be possible to manage, so only select those that are relevant)

Cost driver	Actions
a) Changes in the security conditions	* Availability of Regional Account Leader in Nairobi, coordinating security issues across various MM programmes in the region. * SHINE Programme staff working partly from (relative secure) Nairobi office to avoid any unnecessary work disruption providing savings on security costs.
b) Quality and intensity of support provided to the SHA	* Ensure all support to health system strengthening and roll out falls within the workplan/available budget, which will be monitored on an on-going basis with quarterly reporting to DFID. * Establish synergies of capacity support within the wider SHINE partnership (including SAHAN and CHANGE). This applies in terms of liaison on monitoring tools, logframe development, measurement, etc. * Establishing a learning culture through learning events, advocacy, and sharing good practices. A number of programme interventions could be replicated to non-intervention areas, which will create VFM gains beyond the SHINE Supply Programme areas.
c) MEL activities	* Through a comprehensive and consultative process of Logframe development and revision, ensure that the data collecting process (including both primary and secondary data) for reporting on the established indicators can be completed within the overall MEL budget and will be done in the most cost-effective way. * Ensure that much of the quantitative data collection for Logframe indicators will be transferred to the IPs. This data collection by IPs

	<p>will become part of the contracts/reporting requirements between MM and the IPs. IPs will also engage in learning events and develop knowledge products.</p> <p>* Establish synergies within the overall SHINE partnership, including involving MESH in providing data and helping to measure against outcome level issues, and ensuring that analysis and reporting are completed in the most cost-effective way.</p>
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**5. Please provide evidence of your good practice across the 4Es and any VfM savings resulting:
The selected key VFM measures and indicators are extracted from tables 2 and 3 above.**

4 Es	Key VFM Measures / Indicators	Monitoring and recording VFM Measures	Frequency of reporting	Evidence collected
Economy (Lowest price for Inputs of required quality)	<u>MANAGEMENT AGENT</u> 1. Unit costs for workshops per participant per day at national and regional level. 2. Unit costs for goods and services. 3. Unit costs for regional travel 4. Accommodation unit costs per night in Nairobi / Mogadishu / Hargeisa 5. Per Diem rates for programme staff 6. Per Diem rates for government staff 7. Fee rates for long and short term international and national staff as % of total invoice	* Venue/Accommodation/Travel/Food costs divided by total number of participants. * Cost benchmarking * Record the travel savings made based on receipt of at least 3 quotations * Cost comparisons of accommodation * Price negotiations with vendor * Established rates compared to similar programmes * Established rates as % of UN Guidelines * Established rates compared to similar programmes * Establish rates compared to official government rates * Established rates as % of UN Guidelines * Monthly recording of fee rates percentage as per invoice submitted.	* Bi-Annual * Bi-Annual * Quarterly * Bi-Annual * Annual * Annual * Quarterly reporting of monthly amounts * Quarterly	* Receipts vendor * Quotations * Ticket prices * Invoices received * Established rates (in Operations Manual) * Established rates (in Operations Manual) * Invoice with established fixed rates

	<p><u>FUNDS TO IPs</u></p> <p>8. Direct versus indirect costs</p> <p>9. Budget spent against forecast</p>	<p>* % of direct versus indirect costs (max 30% direct costs allowed)</p> <p>* % of budget spent against forecast</p>	<p>* Quarterly</p> <p>* Quarterly</p>	<p>* IP invoices</p> <p>* IPs quarterly report</p>
<p>Efficiency (Inputs produce Outputs of required quality for lowest cost)</p>	<p><u>MANAGEMENT AGENT</u></p> <p>1. SHINE Supply Management Costs as percentage of overall Programme cost.</p> <p>2. Budget forecasting and analysing programme expenditure against each of the three outputs as well as by type of expenditure (planned vs actual)</p> <p>3. Established presence of Mott MacDonald in Somalia providing synergies and cost savings</p> <p><u>FUNDS TO IPs</u></p> <p>4. Unit costs of providing standard package of EPHS</p> <p>5. Unit costs of selected health services per health facility (disaggregated per urban/rural and other relevant measures)</p>	<p>* Total grants awarded to IPs / overall programme value for output 1</p> <p>* Budget forecast established and monitored by:</p> <ul style="list-style-type: none"> • Outputs (EPHS; HSS; Learning) • Type of expenditure (training, TA, grants) • Funds provided directly to government representatives <p>* Savings on sharing office space and staff across various MM implemented programmes.</p> <p>* Savings on security costs, building on established security and duty of care provisions.</p> <p>* Calculation of unit costs based on defined standardised package, which is similar over time and across IPs.</p> <p>* Health services identified (e.g. OPD, EPI, ANC), costs identified and monitored over time.</p>	<p>* Annual</p> <p>* Bi-Annual</p> <p>* Annual</p> <p>* Annual</p> <p>* Bi-Annual</p> <p>* Bi-Annual</p>	<p>* Overall Budget</p> <p>* Invoices</p> <p>* Narrative in annual report.</p> <p>* Reporting IPs based on template provided by MM</p> <p>* Reporting IPs based on template provided by MM</p>

Effectiveness (Outputs achieve Outcomes)	<u>MANAGEMENT AGENT</u> 1. Progress made against each of the logframe outputs 2. Additional results achieved (beyond logframe) <u>FUNDS TO IPs</u> 3. Achieving targets for health service delivery (as per MM-IP Agreement). 4. Additional results achieved (beyond logframe) 5. Achieving robust inventory control reducing wastage	* Self-assessment as per programme management assessment * Scoring as per annual review findings * Narrative in quarterly report * No. of beneficiaries reached with EPHS services (disaggregated by sex) * No. of health facilities targeted/reached * No. of supported health facilities offering a full standard EPHS package * Health facility utilisation rates * Uptake of specific health services (e.g. EPI, ANC, birth spacing, etc.) * Amount of co-funding of facilities / equipment / medicines * Additional capacity development interventions beyond logframe targets (e.g. training provided to government beyond logframe interventions). * Amount of TA provided to support to SHA with improving medicine inventory control at warehouses and health facilities	* Annual reporting (log frame indicator) * Annual reporting (log frame indicator) * Quarterly * Quarterly * Annual * Annual	* Technical annual report * As per annual review findings * Narrative in quarterly report * Quarterly Report * Annual Report * Annual Report
Equity (fair distribution of benefits)	<u>MANAGEMENT AGENT and IPs</u> 1. Access and use of health facilities segregated by sex / vulnerable groups / distance to facilities 2. Mainstreaming the implementation of the gender equity and social inclusion (GESI) component 3. Selection of geographical areas for programme implementation	* Data analysis based on IP quarterly reports * As per separate (internal) study commissioned * As per inception phase	* Quarterly * Annual * Annual	* Quarterly Report * Technical Annual Report * Inception Report

