Aspects of value for money to consider when selecting EU projects

Presentation at Interact workshop, Rome

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Presentation structure

Background and aim

Different approaches to assessing value for money

Case in point

Questions

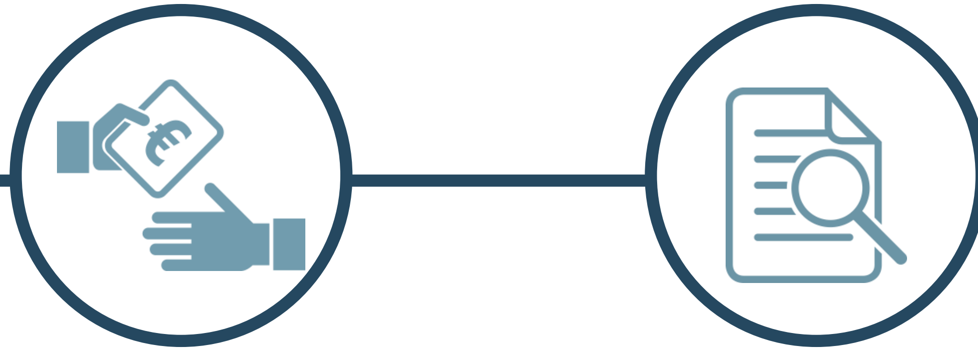
Background and aim

- Identify **relevant lessons for Interreg from a value for money study** for the European Parliament
- Explore different elements to take into account when assessing value for money in EU programme funding.

Value for money = ?

Different definitions, but helpful to think of **'optimal efficiency'**, i.e. delivering the best value for the lowest cost possible

Different approaches to assessing value for money



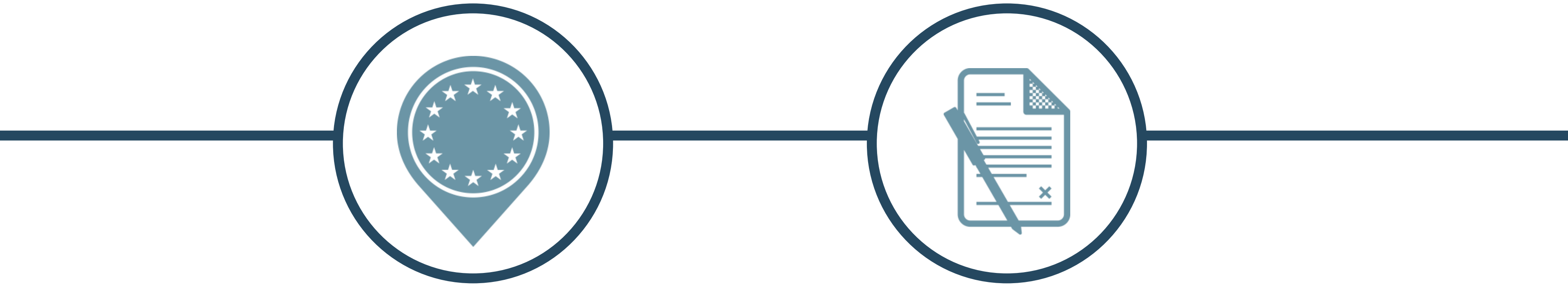
- ‘Weighing’ approaches *(e.g. cost-benefit / cost-effectiveness / cost-consequence analyses)*
- ‘Considering processes’ and whether they are likely to maximise value for money

Case in-point: a project for the European Parliament’s Budgetary Control Committee (CONT)

- Looked at the **Value for Money** of EU Programme Funding
- Specifically in the Field of **Democracy and Rule of Law**

Based on a report prepared by RAND Europe

Scope of the RAND Europe Study



- **Focus was on processes most likely to maximise value for money**, and therefore what project commissioners might like to take into account in making funding decisions
- Looked at **EC-established programmes** to support democracy and rule of law, but there are transferable lessons for other programme areas

The data collection methods used to produce the study

- Review of relevant **documents and literature**
- **Interviews** with EU programme staff
- **10 country case studies**, including interviews with EU delegation representatives

Overall findings

7

key findings

13

recommendations

Relevance for assessment

The following areas may be of relevance to Interreg programme commissioners when considering value for money:

- Design and feedback loops
- Monitoring & evaluation and reporting
- Coordination

Design and feedback loops

- EU programmes on democracy and rule of law have clear objectives. However, different understandings of projects’ impact.
- Key trade-off: between clear priority setting a programme flexibility.

Recommendations:

- Need a shared understanding of objectives, and greater use of ‘theory of change’ approach.
- Explicitly acknowledge this trade-off.

Monitoring & evaluation and reporting

- Important to have M&E because it helps projects reflect on the extent to which they are meeting their objectives, and as such delivering their value.
- Common challenges surrounding this relate to outcomes and impacts often being inherently difficult to identify, let alone measure.
- Reporting can help to specifically evidence the value for money of different projects.

Recommendations:

- M&E can be used in lesson learning to ensure money is well spent to maximise value. Can be done by a) adding sections to M&E templates on 'theory of change' and 'value for money', and b) considering interim evaluations.
- Different approaches to meeting challenges, such as making use of routine data.
- Specifically address value for money in reporting.

Coordination mechanisms

- Effective coordination is key to maximising value for money, for instance to avoid duplication. This applies to both project commissioners and project delivery partners.

Recommendations:

- When commissioning new projects, programme officials should consider other relevant funding streams and projects, both EU and non-EU.
- At the project level, implementing partners should consider coordination with other relevant projects as appropriate.

Conclusions

- There are different approaches for assessing the value for money of projects - both ‘weighing’ approaches and ‘considering processes’ approaches.
- When using the ‘considering processes’ approach, a focus on the extent to which processes specifically address value for money can help achieve efficiencies.

Questions?

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