

**VALUE FOR MONEY:
COMPARATIVE ANALYSIS
OF LIVELIHOOD ASSETS**



Submitted By

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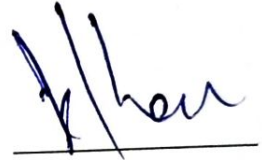
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This is to certify that this thesis entitled: **“Value for Money: Comparative Analysis of Livelihood Assets”** submitted by **Fawad Ahmed** is accepted in its present form by the PIDE School of Social Sciences, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Development Studies.

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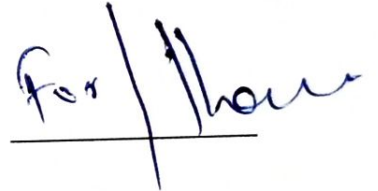
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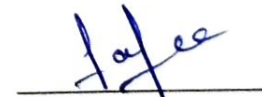


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LIST OF ABBREVIATIONS

VFM	Value for Money
FGD	Focus Group Discussion
KII	Key Informant Interview
DFID	Department for International Development
GoP	Govt of Pakistan
IFAD	International Fund for Agricultural Development
NPGP	National Poverty Graduation Programme
PMU	Project Management Unit
KP	Khyber Pakhtunkhwa
HHs	Households
CRP	Community Resource Person
CO	Community Organization
VO	Village Organization
LSO	Local Support Organization
MoPASS	Ministry of Poverty Alleviation and Social Safety
BISP	Benazir Income Support Programme
CIs	Community Institutions
PSC	Poverty Scorecard
PWR	Poverty Wealth Ranking
PPP	Public Private Partnership
PPIAF	Public-Private Infrastructure Advisory Facility
ICAI	Independent Commission for Aid Impact
NAO	National Audit Office
CIG	Common Interest Groups
LIP	Livelihood Investment Plan
SOEs	Statement of Expenditure

ABSTRACT

Value for Money is an internationally recognized investment return evaluation approach; nevertheless, in the context of Pakistan, it is a new phrase, notably among policymakers, aid agencies, and implementing organizations in the development sector. Although there is no universally accepted definition, Vfm in the Department for International Development (DFID) programme implies "we maximize the impact of every pound spent to improve the lives of poor people" (DFID, 2011). According to my understanding, it is the best use of resources, i.e., effectiveness, quality, and sustainability, as well as striking the right balance between the four "E's" of economy, efficiency, effectiveness, and equity. The Vfm technique has long been used by the private sector commercial and manufacturing industries, and in recent years, there has been a significantly growing tendency among aid agencies and development sector organizations to gradually use the Vfm technique in order to analyze whether aid agencies are getting enough results to justify their spending or simply to reassure us that money is not being thrown away. Vfm helps assistance agencies and development organizations to examine the extent to which their funding supports their strategic aims.

This research study is expected to guide the policy makers, development sector aid agencies and implementing partners in putting in-place a system for developing an on-going and integrated mechanism for assessing the key Vfm metrics. This is an attempt to understand how data is being maintained under a particular livelihood intervention programme by an implementation agency. The study reveals that currently the aid and implementation agencies focus is on the outputs rather than the outcomes. The Vfm approach will provide a more outcome-oriented perspective to these agencies. What needs to be highlighted at the outset though is that the most important aspect of taking a Vfm approach is not in the specific metrics that it will reveal, but in helping put in place a system which asks more relevant questions, makes some of the underlying assumptions of theory of change, helps to generate the evidence base for it and adds to the overall efficiency, cost-effectiveness, and impact of the organization.

The data gathered through the household survey questionnaire was initially analyzed using the summary statistics of the model used for measuring the impact of given assets on the livelihood of beneficiary households, which included the percentage, frequencies, past and current asset values, and increase in income, among other things. Descriptive statistics for explanatory variables such as beneficiary CIs membership, Women Empowerment, and Social Inclusion are also included.

This research study was conducted with the National Poverty Graduation Programme (NPGP) tangible asset transfer beneficiaries. Apart from the Vfm analysis of the target audience, the study will further provide a brief write-up that may lead Project Management Unit (PMU) in the introduction of an on-going and streamlined framework for evaluating the core importance of money indicators for its ongoing work. This is an effort to explain how data should be managed in the context of numerous initiatives under the program. However, the most important part of taking a Vfm strategy is not in the concrete metrics that it can show, but in trying to bring in motion a framework that raises more meaningful questions, making some of the fundamental principles of philosophy of transformation clearer, it helps to build a foundation for facts which contributes to the total performance, cost-effectiveness, and influence of the organization.

According to the survey results of 345 HHs, non-livestock assets have a slightly higher monthly income than livestock assets, assuming the same baseline income. Seventy-eight percent of HHs reported an increase in income, resulting in an average monthly incremental income of PKR. 4,136. Non-livestock beneficiaries saw a 39% monthly increase in income, while livestock saw a 31% increase, with an average income increase of about 16%.

Keywords: *Value for Money , DFID, Livelihood, NPGP, PMU, Poverty Graduation*

CHAPTER 1

1.1 INTRODUCTION

Value for Money is a globally accepted investment return appraisal technique; however, considering the Pakistan's context it is a new terminology for the development sector policy makers, aid agencies and implementing organizations. Although there is no agreed definition of the concept, Vfm in DFID's programme means "we maximize the impact of each pound spent to improve poor people's lives" (DFID, 2011). It can be described as the optimal use of resources i.e., effectiveness, quality, sustainability, and finding the right balance between the four "E's" economy, efficiency, effectiveness, and equity¹. The Vfm technique have long been used by the private sector commercial and manufacturing industries and over the past few years, there has been a significantly growing tendency among the aid agencies and development sector organizations to gradually use the Vfm technique in order to analyze that aid agencies are getting enough outcomes to justify their spending or just reassure us they are not tipping money down the drain. Vfm enables the aid agencies and development sector organizations in assessing to what extent their financing supports their strategic goals.

This research study is expected to guide the policy makers, development sector aid agencies and implementing partners in putting in-place a system for developing an on-going and integrated mechanism for assessing the key Vfm metrics. This is an attempt to understand how data is being maintained under a particular livelihood intervention programme by an implementation agency. The study revealed that currently the aid and implementation agencies are focusing more on the outputs rather than the outcomes. The Vfm will provide them with a more outcome-oriented perspective to these agencies. What needs to be highlighted at the outset though is that the most important aspect of taking a Vfm approach is not in the specific metrics that it will reveal, but in helping put in place a system which asks more relevant questions, makes some of the underlying assumptions of theory of change, helps to

generate the evidence base for it and adds to the overall efficiency, cost-effectiveness, and impact of the organization.

The research study was conducted with the National Poverty Graduation Programme (NPGP) tangible asset transfer beneficiaries. The National Poverty Graduation Programme is a six-year, US\$132.59 million programme funded by the International Fund for Agricultural Development (IFAD) and the Government of Pakistan (GoP). This is a poverty reduction programme that aims to help extremely poor households graduate from poverty. The programme is implemented in twenty-three districts across four provinces of Pakistan. The programme typically includes a comprehensive set of interventions such as livelihood support through asset transfer, skill development, and social empowerment.

The program's goal is to provide a variety of services to ultra-poor households, beginning with direct assistance to meet their most basic HHs needs, such as food, shelter, and healthcare. As the households' financial situation improves, the programme offers further assistance with income-generating activities such as interest-free loans (IFL), technical and vocational training, and business development services. As the households start to generate income, the programme provides additional assistance to help them grow their businesses and develop sustainable livelihoods through market linkages and common interest groups (CIGs).

The National Poverty Graduation Programme is managed by a project management unit (PMU) at the Ministry of Poverty Alleviation and Social Safety, with additional collaboration from non-governmental organizations (NGOs), mostly rural support organizations (RSPNs), and other stakeholders. The programme is based on a successful model of poverty graduation and in many countries, including Bangladesh, Ethiopia, and India, this has been phenomenally successful in reducing poverty and improving the economic conditions of the poorest households.

Key Features of National Poverty Graduation Programme (NPGP):

Holistic Approach: The programme approaches poverty reduction holistically, addressing not only the immediate needs of ultra-poor households, but also their long-term economic and social empowerment.

Targeted Approach: The programme focuses on the poorest and most vulnerable households, who are frequently overlooked by mainstream development programmes.

Multi-Dimensional Interventions: To address the various dimensions of poverty, the programme offers a variety of interventions, including livelihood support through asset transfer, technical and vocational skill development, and social empowerment.

Partnership-Based Implementation: The programme is implemented through collaborations between the government, non-governmental organizations, and other stakeholders, allowing for effective targeting, implementation, and monitoring.

Graduation Focus: The programme is intended to assist households in "Graduating" from poverty by providing assistance in developing sustainable livelihoods that will allow them to become self-sufficient.

Evidence-Based Approach: The programme has been thoroughly evaluated, and the evidence indicates that it has been effective in reducing poverty and improving the economic conditions of ultra-poor households. The National Poverty Graduation Programme is a promising model for poverty reduction that addresses the most vulnerable households' immediate needs while also providing long-term support for their economic and social empowerment.

The primary target group for asset transfers falls between 0-18 on the Poverty Score Card (PSC) and for access to finance a further target group of 19-40 has been identified (with the overall target group of 12-40 for interest free loans). While the initial selection of target households (HHs) is on the basis of Benazir Income Support Programme (BISP) data, it is being further validated through the community institutions (CIs) to address any errors of inclusion or exclusion and account for any other changes which may have affected the community since the time the BISP survey was conducted.

Apart from the Vfm analysis of the target audience, the study will further provide a brief write-up that may lead National Poverty Graduation Programme (NPGP) in the introduction of an on-going and streamlined framework for evaluating the core importance of money indicators for its ongoing work. This is an effort to explain how data should be managed in the context of numerous initiatives and programs. However, the most important part of taking a Vfm strategy is not in the concrete metrics that it can show, but in trying to bring in motion a framework that raises more meaningful questions, making some of the fundamental principles of philosophy of transformation clearer, it helps to build a foundation for facts which contributes to the total performance, cost-effectiveness, and influence of the organization.

Strengthening the in-house capability would help NPGP PMU to focus more on outcomes and change its existing emphasis which is more on outputs. Increased internal ability to consider Vfm will also improve the management capacity of NPGP PMU to oversee and demand greater rigor from the work it undertakes. The system should also be able to trace the investment in each unique beneficiary of the graduation programme in terms of the asset, training, and any other investment made to help assess the cost of graduating each unique beneficiary. This is very feasible because each beneficiary data is available. The benefits that accrue to each beneficiary can be more difficult to track and document owing to the vast number of beneficiaries. However, the record of benefits can be based on composite estimates and averaged for convenience.

1.2 Statement of the Problem (SoP)

The guiding factor behind the selection of Value for Money as my study subject is that I have always been concerned about the expenditure made by the aid agencies on various livelihood interventions programmes without conducting a return-on-investment analysis or calculating the Vfm of each given assets type. It is the right time for aid agencies and development sector organizations to know the return on their investment, which has sadly been overseen so far. The primary objective would be to determine the Vfm invested in the targeted households in the form of the

livelihood asset transfers. The target households are active BISP beneficiaries, since the BISP PSC was conducted way back in 2009 and since then the economic conditions have drastically changed so to avoid any mistake a fresh PSC is conducted with each target HHs, if they fall under the band of 0-18, they are further validated through an extensive community validation exercise called the Poverty Wealth Ranking (PWR), a three way validation means less chances of an error and selection of right and deserving HHs. The objective is to conduct an economic evaluation of those assets by performing the comparative analysis of given assets, simultaneously considering their social return on investment, and to decide that a certain category of assets is worth " Vfm".

As mentioned earlier, the target audiences are those National Poverty Graduation Programme beneficiaries who have received their livelihood assets between January 2020 – June 2021. The primary focus is to assess the amount of net income these asset transfer beneficiaries are getting out of their assets and what is the net present value of their existing assets. The analysis will provide an estimate of how much is the average per unit investment and what is the incremental income, employment creation and how contribute to sustainable increase in income.

1.3 Research Problem

On the basis of SoP narrative as set out in the preceding paragraph, I have narrowed my research issue to the "**Value for Money – Comparative Analysis of Livelihood Assets**" with the goal of evaluating the investment incurred and its return on investment of each asset category by performing a comparative analysis and assess which asset type(s) or categories are Vfm in practice, simultaneously looking the impact of same intervention in each geographic location which is divided in to three provinces Khyber Pakhtunkhwa, Punjab & Sindh. I have further operationalized my topic into the following research questions and objectives.

1.4 Research Questions

- (i) What is the per capita cost of providing the different elements of the poverty graduation package?
- (ii) How many poor households are supported by the CIs?

- (iii) How many mothers and children are impacted positively by the health and nutrition interventions?
- (iv) How many children have been given access to education?
- (v) What has the intervention impacted in ensuring gender equality and women empowerment?
- (vi) How many people has the intervention provided access to safe drinking water and sanitation?
- (vii) How many jobs has the intervention created?

1.5 Objectives of the Research

The primary research objectives are,

- (i) Assess the impact of different livelihood assets in terms of their return on investment. Simultaneously considering their social impacts i.e., Social Inclusion, CIs membership, Community involvement in the Procurement Process, & Gender breakup.
- (ii) Analyze whether a particular asset category is worth Vfm in practice.
- (iii) Review of the asset distribution under the National Poverty Graduation Programme
- (iv) Improvement in PSC band of the selected HHs
- (v) Mapping of livelihood assets in terms of incremental income based on the type of assets transferred, list obtained from the concerned authorities/departments along with the statement of expenditure against each asset type.

Category of Assets	No of Beneficiaries	Average Asset Value	Incremental Benefits	Source of Information	Assumption in case of no specific impact
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- (vi) Validation of assumptions through data collected from the field through survey/questionnaire, focus group discussions (FGDs) & key informant interviews (KIIs) and with the targeted households and other relevant stakeholders.

1.6 Explanation of the Key Terms/Concepts

- (i) **Key cost drivers:** Category wise budget divided by total budget and category wise expenditure divided by total expenditure.

- (ii) **Rationale for allocation of funds:** Budget in each output area divided by expected benefits and beneficiaries in each category.
- (iii) **Per capita asset cost:** Total cost/Total beneficiaries
- (iv) **Coverage:** Number of people covered by the project intervention.
- (v) **Equity:** The proportion of women, people from poor or vulnerable households covered by the intervention
- (vi) **Relevance:** The number of people who reported that the programme intervention is relevant and useful for them.
- (vii) **Satisfaction:** The proportion of the participants satisfied with their participation in the project intervention
- (viii) **Sustainability:** The ability of an organization to continue its mission or program far into the future.
- (ix) **Net Present Value (NPV):** A measurement of profit calculated by subtracting the present values (PV) of cash outflows (including initial cost) from the present values of cash inflows over a period of time.

1.7 Units of Data Collection

Using a 95% confidence level and the total number of asset transfer beneficiaries, we calculated a sample size of 379; however, the research study was conducted with 345 asset transfer beneficiaries out of a total asset transfer beneficiaries reported between the January 2020 and June 2021 due to multiple constraints such as time and financial resources, migration of beneficiary HHs from the locale, and or unavailability of the HHs respondents at the time of survey are some of the few to mention. The selected HHs in Khyber Pakhtunkhwa, Punjab, and Sindh provinces included asset categories such as livestock, enterprise, and transportation (further sub-categorized into different trades), among others. The 345 HHs were further classified into provincial and district clusters based on their geographical, demographic, and socioeconomic comparability.

CHAPTER 2

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Literature Review

- *Assessing Vfm in Integrated Development Programmes – The Case of a “Millennium Villages Project in Northern Ghana.”*

This article evaluates the Vfm of a Millennium Villages Project in Northern Ghana, which has aimed to improve the various aspects of community development. The assessment examines the cost-effectiveness of the project's interventions and considers whether the outcomes achieved have justified the resources invested. The Project had mixed results in terms of cost-effectiveness and sustainability, owing to a lack of local ownership and participation.

- *Better_Vfm_Itad_paper*

The paper outlines key principles for evaluating the Vfm, i.e., focusing on the outcomes rather than outputs, adoption of a long-term perspective, and considering the distributional impacts of the interventions. It further provides practical advice on how to incorporate cost-benefit analysis into a project design, implementation, and evaluation. The paper emphasizes the importance of stakeholder engagement and clear communication of Vfm findings in order for decision-makers to make informed decisions about the most effective use of resources. Overall, the article provides useful insights and recommendations for development practitioners seeking to maximize the impact of their interventions in a cost-effective and sustainable manner.

- *CDI - Improving the Practice of Vfm Assessment*

The article investigates the difficulties and opportunities of using Vfm analysis in international development. While Vfm assessment can be a valuable tool for improving the impact and efficiency of development interventions, the article contends that there are limitations and potential pitfalls to be aware of. The article proposes a set of principles for good Vfm assessment practice, including a focus on the outcomes with a long-term perspective, and stakeholder engagement. The article also offers practical suggestions for improving the quality and relevance of Vfm

assessments, such as establishing clear objectives, selecting appropriate methodologies, and ensuring that findings are effectively communicated. Overall, the article provides a useful framework for practitioners looking to integrate Vfm assessment meaningfully and effectively into their development practice.

- *Evaluating methods for assessing Vfm – (Farida Fleming 2013)*

The article evaluates various methods for assessing Vfm in the context of international development. It contrasts three approaches to evaluating Vfm: cost-benefit analysis, cost-effectiveness analysis, and cost-utility analysis. It further examines the advantages and disadvantages of each approach, arguing that the method chosen should be based on the project's specific context and objectives. When assessing Vfm, the article emphasizes the importance of taking a long-term perspective and considering the distributional impacts of interventions. Overall, the article provides a useful overview of various Vfm assessment methods and emphasizes the importance of carefully considering the methodological approach used in Vfm assessment.

- *Measurement Obstacles to Achieving Vfm at the Global Fund: (A Problem Statement by Rachel Silverman and Amanda Glassman, 2014)*

In this article the authors use the case of the Global Fund to Fight AIDS, Tuberculosis, and Malaria to examine the challenges of achieving Vfm in the context of global health financing. While the Global Fund has made considerable progress in increasing access to health services, the authors argue that there are still significant barriers to achieving Vfm. The article identifies a number of measurement challenges that make assessing the cost-effectiveness and sustainability of Global Fund investments difficult, including a lack of reliable data, methodological limitations in costing health interventions, and difficulties in measuring health outcomes. The article makes a number of recommendations for improving Vfm measurement at the Global Fund, including increased standardization of data collection and reporting, improved costing methodologies, and increased use of innovative evaluation methods. Overall, the article sheds light on the measurement challenges and opportunities for improving Vfm in global health financing.

- *MDPI - Public Private Partnerships, a Vfm Solution*

The journal investigates the potential for Public Private Partnerships (PPPs) in order to provide Vfm in public infrastructure projects. According to the article, public-private partnerships (PPPs) have the potential to improve the efficiency and effectiveness of infrastructure investments by leveraging private sector expertise and investment while aligning public and private sector interests. The article reviews the literature on public-private partnerships (PPPs), highlighting the benefits and challenges of this approach, and proposes a framework for evaluating the Vfm of PPP projects. Risk allocation, whole-life costing, and stakeholder engagement are among the quantitative and qualitative criteria included in the framework. The article concludes that public-private partnerships (PPPs) can be a valuable tool for delivering infrastructure investments in a cost-effective and sustainable manner; however, careful planning and implementation are required to ensure that the potential benefits of PPPs are realized. Overall, the article provides a useful overview of the potential and limitations of public-private partnerships as a cost-effective solution for public infrastructure projects.

- *SIDA - Study-How-to-Define-and-Measure-Value-for-Money-in-the-Humanitarian-Sector.*

This report provides guidance on how to ensure that humanitarian assistance is efficient, effective, and delivers Vfm. It identifies four principles for defining and measuring Vfm: focusing on outcomes, taking a whole-of-program approach, taking costs and benefits into account, and promoting accountability and transparency. The report also emphasizes the importance of context-specific approaches, as well as the importance of continuous learning and adaptation.

- *Value-for-Money-Framework – FSDAfrica*

The article emphasizes the importance of assessing Vfm in a holistic manner, which includes considering both the costs and benefits of interventions, as well as the broader economic and social implications. The framework is built around five key principles: defining the program's objectives, identifying the intended beneficiaries and stakeholders, measuring the outcomes and impact, estimating the costs and resources needed, and promoting transparency and accountability.

The article also highlights the importance of assessing Vfm using appropriate methods and tools, such as cost-benefit analysis, cost-effectiveness analysis, and social return on investment. FSDAfrica is able to evaluate the impact and value of its programmes using these methods and make evidence-based decisions on how to allocate its resources to achieve the greatest impact. Overall, the article provides insights into how FSDAfrica is promoting financial sector development in Africa and improving the effectiveness and efficiency of its interventions through the use of a value-for-money framework.

- *Simon Hunt – Vfm Model*

The Simon Hunt Vfm Model is a method for assessing the effectiveness and efficiency of business operations. It entails analyzing the costs and benefits of various company activities to determine how well they contribute to the overall value of the organization. To achieve the best Vfm, the model emphasizes the importance of balancing costs and benefits.

- *Value-for-Money Analysis – Practices and Challenges. World Bank and PPIAF*

This report provides guidance on how to conduct a Vfm analysis for public-private partnership (PPP) projects. The report explains the key concepts of Vfm analysis and walks you through the process step by step. The report also highlights potential difficulties that may arise during the process, such as a lack of data and difficulties in measuring non-financial benefits. Finally, the report makes recommendations for overcoming these obstacles and improving the effectiveness of Vfm analysis in PPP projects. Overall, the report is a valuable resource for practitioners involved in PPP project planning and implementation.

- *Assessing Vfm_ The APMG Public-Private Partnerships Guide*

This is an especially useful resource for learning about and applying Vfm concepts in public-private partnership (PPP) projects. The guide explains the significance of Vfm in PPPs, as well as the key concepts and principles at work, as well as the process for assessing Vfm. The guide also includes Vfm assessment examples and best practices for conducting Vfm assessments in PPP projects. Overall, the guide is a valuable resource for professionals involved in PPP project planning and implementation.

- *DFID-approach-value-money*

The Vfm approach of the Department for International Development (DFID) is a methodology for assessing the effectiveness and efficiency of international development projects. The approach entails evaluating a project's outcomes in relation to the resources invested and the overall impact on beneficiaries. It emphasizes the importance of cost-effectiveness and evidence-based decision-making. The DFID approach to Vfm is guided by five guiding principles: (i) focusing on outcomes, (ii) optimizing resource use, (iii) ensuring equity and inclusion, (iv) maximizing sustainability, and (v) being transparent and accountable. The approach is used to ensure that development projects are sustainable and equitable, as well as that they deliver the best possible results for the resources invested.

- *DFID's approach to Vfm in programme and portfolio management – ICAI*

The study was conducted by the Independent Commission on Aid Impact (ICAI), they examined the Department for International Development's (DFID) approach to Vfm in programme and portfolio management. The review found that DFID's Vfm framework was comprehensive, with a variety of tools and processes for assessing Vfm across various project types. However, the review identified areas for improvement, such as the need to improve data collection and analysis quality and consistency, to ensure that Vfm assessments are relevant to the context of each project, and to strengthen staff capacity to use Vfm tools effectively.

The review exercise further emphasized the importance of using the Vfm assessments to inform decision-making and incorporating them into the overall programme and portfolio management process. Overall, the review concluded that, while DFID's Vfm approach was sound, its implementation could be improved to ensure that it effectively delivers Vfm in its development projects.

- *Money Well Spent _ Karandaaz Pakistan*

The report "Money Well Spent" was published by Karandaaz Pakistan that examines the impact of various development interventions in Pakistan. The report assesses the efficacy of various development initiatives in terms of their ability to deliver Vfm while also achieving positive social and economic outcomes. The report examines the impact of specific interventions, such as microfinance and cash transfers, on poverty reduction and other key indicators. The report also includes policymakers' and development practitioners' recommendations for improving the effectiveness of development interventions in Pakistan. Overall, the report offers useful insights into the impact of development interventions in Pakistan, as well as the importance of ensuring that resources are used effectively and efficiently to deliver positive outcomes for beneficiaries.

- *Vfm and Risk Allocation Models in Construction PPP Projects – Bing Li, Akintola Akintoye, Cliff Hardcastle*

The article investigates the significance of Vfm and risk allocation in PPP projects, as well as the challenges involved in achieving these goals. The authors propose a risk allocation model that considers the allocation of risk to the party best able to manage it while maintaining Vfm. To demonstrate the application of the proposed risk allocation model, the article includes case studies of PPP projects in China and the United Kingdom. According to the research findings, the proposed model can help to improve the effectiveness of risk allocation in PPP projects, thereby improving VFM and lowering overall project costs. Overall, the article provides valuable insights into the challenges of implementing PPP projects in the construction industry, as well as a framework for improving risk allocation and Vfm in these projects.

2.2 Framework

In order to better grasp the Vfm definition, I have carefully analyzed the literature and secondary evidence available on various platforms. I would be using the following framework during the analysis review,

Importance of Value for Money

Throughout the life cycle of the development activity, Vfm contributes to the enhancement of the planning, monitoring and evaluation processes, the confirmation of established priorities, the reduction of production costs and the increase of impacts and the extension of objectives anticipated to benefit from the activities implemented. Annual reporting and assessment reports for development partners are necessary so they are able to track the utilization of the services offered, in particular the distribution of funding, compliance with administrative and procurement processes and the effects on the target community. Benefit for money acts as a mechanism for the recipients of development funds to properly administer, enhance the process and maximize the effect of their operations on the population, while retaining a comparatively reasonable expense. This results in continuity between operations that are conducted in a nation or territory. This contributes to the elimination of redundancies and thereby reduces the expense of undertaking programs by contrasting them with other activities.

Vfm is a research framework that contributes to the refinement and refining of already used management and assessment methods in the field of production activities. It is used and used in many fields of operation, including assessment of operations. Several methods, especially methods of cost-effectiveness analysis, cost-utility analysis, cost-benefit analysis, cost-impact correlation, social return on investment, and resource performance baseline analysis, are used to achieve Vfm. Based on their needs, various bodies use these strategies.

The importance of Vfm in livelihood programs lies in its ability to ensure that resources invested in these programs are used in the most effective and efficient way possible to achieve their intended outcomes. Livelihood programs are aimed at improving the economic opportunities and income levels of beneficiaries, often in low-income or disadvantaged communities. By applying a Vfm framework to these programs, decision-makers can assess the most effective and efficient way to allocate

resources and design interventions that maximize the impact of these programs on beneficiaries.

For example, a Vfm analysis can help decision-makers assess different options for delivering livelihood programs, such as providing training and skills development, access to finance, or business development services. By comparing the costs and benefits of each option, decision-makers can determine the most cost-effective and impactful way to deliver the program. Additionally, Vfm can help to ensure that program activities are designed to meet the specific needs of the target beneficiaries and that the resources invested are used in a way that aligns with their intended outcomes.

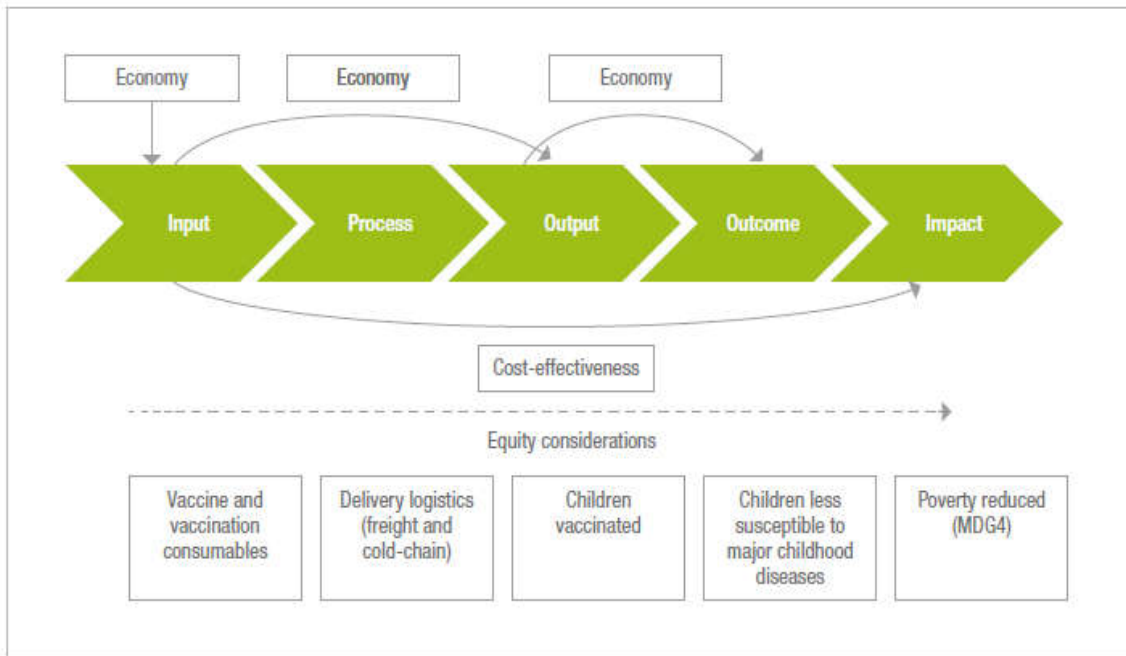
In summary, Vfm is crucial in livelihood programs to ensure that resources are used effectively and efficiently to improve the economic opportunities and well-being of beneficiaries.

2.3 DFID's approach to VFM (VFM)

According to the National Audit Office (NAO) describes Vfm as 'the optimal use of resources to achieve intended outcomes'ⁱⁱ. Tools for achieving the desired outcomes.' The decision to engage in an intervention requires a judgment as to whether an investment is appropriate, and the projected effects of the production warrant the costs. DFID Vfm analytical matrix is based on a 4E's framework, it will help us assessing each asset category/type primarily against the following indicators, (DFID, 2011)

- i. **Economy:** Are we or our implementing partners buying inputs of the appropriate quality at the right price?
- ii. **Efficiency:** How well do we or our implementing partners convert inputs into outputs?
- iii. **Effectiveness:** How much impact on poverty reduction does an intervention achieve relative to the inputs that we or our agents invest in it?

iv. **Equity:** fair distribution of benefits.



Source: DFID approach to Value for Money (2011) & African Development Bank

According to another study the various applications of VFM are as under,

2.4 Value for Money as a tool to mobilize resources with development partners.

Benefit for money can be used in the planning of construction programs and initiatives. Indeed, a well-prepared project or program document, in which production costs and potential benefits are well described and calculated, and a cost-benefit analysis explained on the basis of the different alternatives selected, it has a better probability of securing support for its introduction. The "economic" part of the term has its full sense since economic appraisal is always an ex-ante activity (*CDI, 2015*).

Vfm is a concept that refers to maximizing the benefits of a project or investment while minimizing costs. It is a useful tool for mobilizing resources with development partners by demonstrating the efficiency and effectiveness of a project or investment. By highlighting the Vfm of a particular initiative, development partners may be more willing to provide resources and support, as they can see the potential impact and the

prudent use of resources. However, it is important to ensure that the VFM assessment is rigorous and transparent to build trust with partners and stakeholders.

2.5 Value for Money as a management tool for development activities

The Vfm will also be seen in the implementation process of development activities. It is used to assess and track the success of development activities and is part of the periodic review and monitoring/evaluation of development activities. The 'efficiency' and 'effectiveness' aspects of Vfm allow managers to make decisions during the implementation processes. When making choices on resource distribution, they help to verify the models or alternatives selected in the context of construction activities (Flemming et al. 2013).

2.6 Value for Money as an evaluation tool of development activities:

Vfm is also an appraisal metric for development activities. It may be extended to the ex-ante evaluation during the implementation process of the activity and to the ex-post evaluation. Indicators for measuring Vfm are in both instances linked to a chain of results, namely, resources outcomes, outputs, impacts, and analyzed according to the four criteria that are: “economy,” “efficiency,” “effectiveness,” and “equity.” Within the context of monitoring and evaluation, the Vfm metrics is classified according to the expense and evaluated according to the aforementioned four parameters (4E’s).

2.7 Value for Money as a good governance tool:

Since it promotes open assets management, a Vfm approach is also synonymous with good governance. This strategy reinforces accountability for the achievement of outcomes and leads to the ongoing development of the organization's processes. Practicing this principle in development projects contributes to accountability and efficiency at all stages. The public and other stakeholders are more confident about the preparation and execution of public development policies. As applicable to sourcing and recruiting of workers, Vfm not only decreases expenses, but also promotes more transparency and the participation of all sectors in the operations. Hence, the fourth dimension of Vfm, that is, equity.

2.8 Limitations and constraints of Value for Money:

Reliable evidence is required to apply Vfm and stick to this definition in development activity assessment. Indeed, like any other metric, the Vfm measure needs accurate data in order to estimate values properly. The issue of expertise shortage in institutions and countries benefiting from the development funds is also resolved by its contribution to the assessment of development activities. This is in a sense in which development partners are increasingly requiring appraisal results to show examples of the optimum usage of resources. The recipient also lacks human resources skills and even proficiency in cash for money processes. Finally, the lack of a consistent structure and harmonized standards and procedures is a real barrier to the successful execution and Vfm adherence to development activities, including their assessment.

CHAPTER 3

3.1 Research Methodology

The nature of my research study design and the type of data collection and assessment tools & techniques that I utilized portray that my research is based on a mix methodology where both qualitative and quantitative techniques have been used. This approach has allowed me to gather data from multiple sources and perspectives, providing a more comprehensive understanding of the research topic. It has involved collecting and analyzing both numerical and textual data, such as surveys, interviews, and observations. By using multiple research methods, I have triangulated their findings and validated their conclusions. This approach has led me to a deeper understanding of the research topic and produce more robust and reliable results.

3.2 Research Strategy

The secondary data is obtained from the relevant departments and partner organizations i.e., beneficiary details, the type of asset given, the total expenditure incurred during the intervention (that includes all type of costs i.e., Programme cost, operational cost etc.). The primary data collection was completed through survey questionnaire further triangulated by conducting KIIs and FGDs with the target beneficiaries, community institutions representatives and other relevant stakeholders i.e., line department, local administration etc. The categorization and scoring of each asset type is based on the data triangulation. The analysis has enabled me to draw a conclusion about the following points,

- (i) Assess the impact of different livelihood assets in terms of its return on capital and social investment, considering sustainability, gender, and inclusive development as spillover effects.
- (ii) Analyze whether a particular asset type is worth a Vfm in practice.
- (iii) Compare diverse types of assets by conducting a cost-benefit analysis.
- (iv) Development of an assets menu that donor organizations may consult with while designing their livelihood intervention programmes.

- (v) Assess different value chain opportunities around the livestock, enterprise and agriculture sector and see its impact in terms of an increase in earning simultaneously considering the sustainability factor.

3.3 Research Design

3.3.1 Descriptive research design: The design of my research consists of data collection, analysis, and presentation. This has helped me a lot to present the issue statement explicitly in order to help the audience better understand the need for this study.

3.3.2 Methods of Data Collection

The primary data was collected through the following data collection tools and techniques,

(i) Household Surveys/Questionnaire

In order to pursue the study's objective, a household survey was conducted. A survey is actually used to collect information from a large group of people in a standardized form. Questionnaires and structured interviews are the two most common survey methods (Thompson, 2016). However, for this study, the researcher collected information from Asset transfer beneficiaries via questionnaire. Furthermore, renowned research and development organizations employ this method of data collection to assess the household socioeconomic status i.e., an increase in livelihood income on a sustainable basis. That is the reason we used the same methodology (household survey) for data collection about income generation and poverty graduation across the three provinces of Pakistan. The majority of our information in the findings section is based on household surveys i.e., collecting information about socioeconomic factors influencing increases in asset value and household earnings via questionnaires, however, to further validate findings of the survey questionnaire the researcher also utilized FGDs and KIIs.

(ii) FGDs & KIIs

In addition to the household survey, information for the research study was gathered through semi-structured interviews consisting of focus group discussions and key informants. Interviews (Dunn, 2005) are a conversational exchange in which the interviewer attempts to elicit information from the respondent. In fact, a semi-

structured interview is one in which the researcher does not follow a predetermined set of questions. The interviewer will instead ask open-ended questions. It also encourages two-way communication in order to find a solution to the problem. As a result, the researcher conducted semi-structured interviews with key informants such the CIs representatives, the local administration, line departments and other notables.

3.4 Sampling¹

Considering that the total of number of population is known and using a 95% confidence level I have selected a sample size of 379, however, the actual research study was conducted with 345 asset transfer beneficiaries out of a total asset transfer beneficiaries reported during the period January 2020 – June 2021 due to multiple constraints such as time and financial resources, migration of beneficiary HHs from the locale, and or unavailability of the HHs respondents at the time of survey etc. are some of the few to mention. The HHs for each district were selected with the goal of providing an equitable share to each district and analyzing the impact of transferred assets in that particular district. The selected HHs consisted of asset categories such as livestock, enterprise, and transportation (further sub-categorized into different trades) etc., in Khyber Pakhtunkhwa, Punjab & Sindh provinces. The limited asset categories were selected because the assets distributed under the National Poverty Graduation Programme solely consisted of these categories. The selected 345 HHs were further divided in to provincial and district wise clusters considering the

¹ The following formula was used to calculate the sample size.

$$Z^2 * (p) * (1-p)$$

$$\text{Sample Size} = \frac{\text{Sample Size}}{c^2}$$

Where:

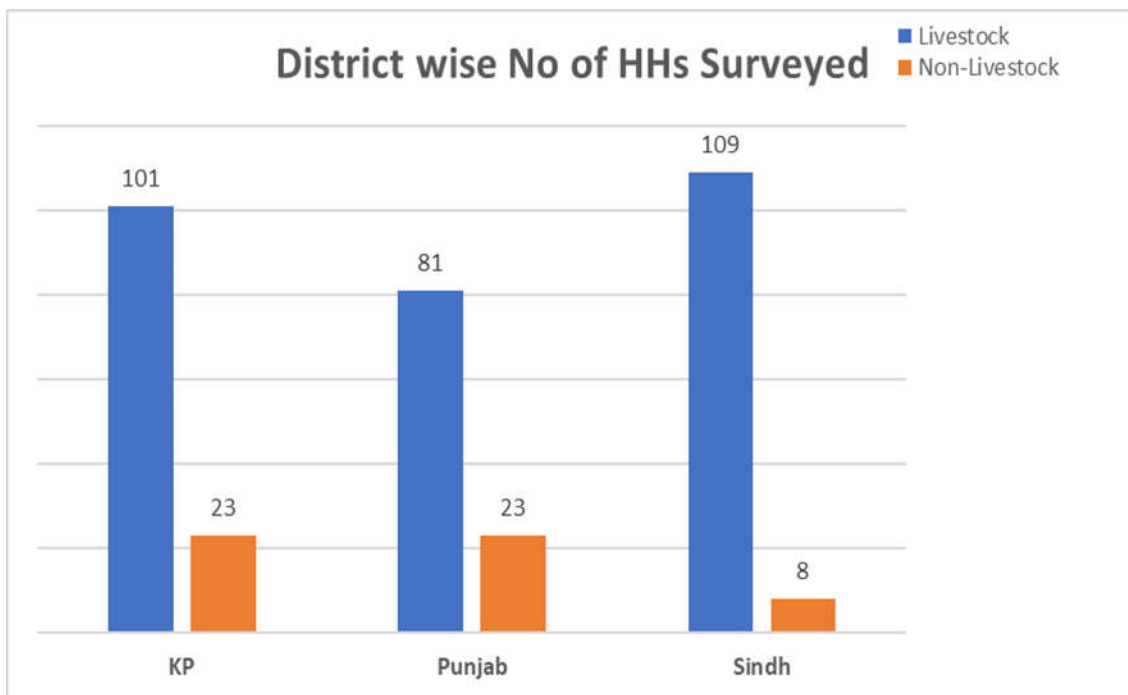
Z = Z value (1.96 for a 95% confidence level)

p = Percentage of the category (as decimal)

c = Confidence interval (as decimal)

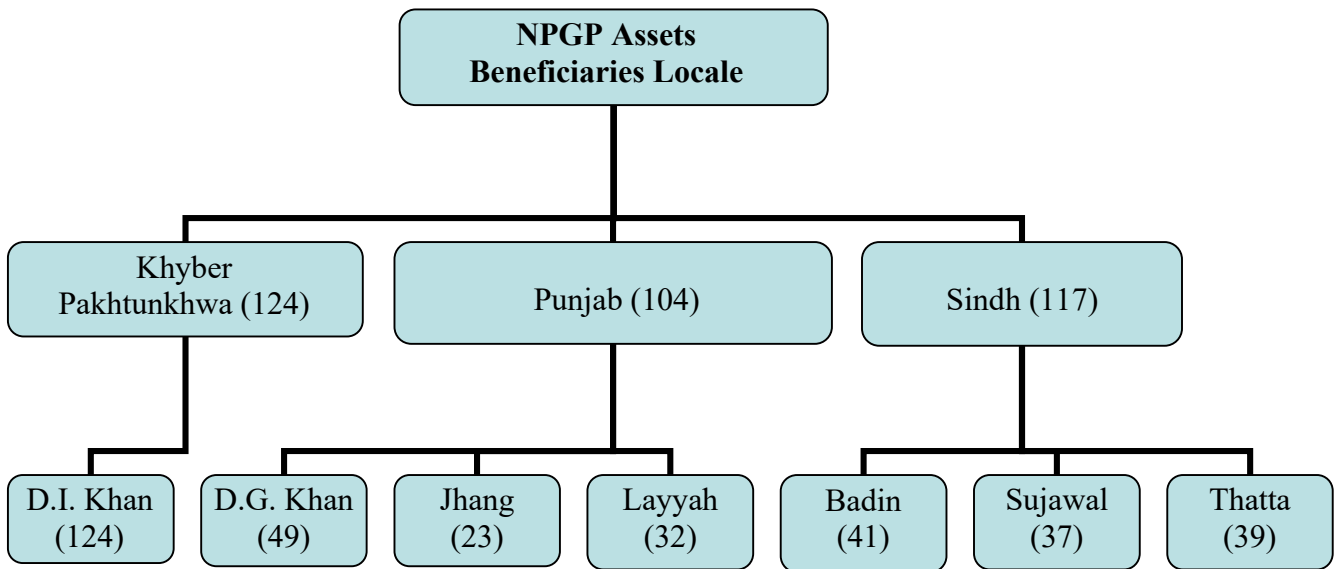
geographical, demographic, and socioeconomic comparability. The geographical spread of selected beneficiary HHs is presented in the following table.

S. No	Province	District	Sample Size
1	Khyber Pakhtunkhwa	D.I. Khan	124
2	Punjab	D.G. Khan	49
3		Jhang	23
4		Layyah	32
5	Sindh	Badin	41
6		Sujawal	37
7		Thatta	39
8	Total		345



3.5 LOCALE

The research study was conducted in three provinces Kyber Pakhtunkhwa, Punjab and Sindh, covering various mapped asset categories, i.e., livestock, enterprise, transportation etc. Primary data was obtained through the survey questionnaire further triangulated through the KIIs (Key informant interviews) and FGDs (Focus group discussion) with the targeted beneficiaries, community institutions and other relevant stakeholders i.e., line departments etc. A complete list of revenue villages and union councils is obtained by the approval of competent authority and thus, the beneficiaries mapping, and clustering was completed on the basis of given data considering the geographical, demographic, and socioeconomic comparability.



3.6 SIGNIFICANCE OF RESEARCH

This brief write-up is expected to guide the NPGP in putting in-place a mechanism for developing an on-going and integrated system for assessing key Vfm metrics for its work on an on-going basis. What needs to be highlighted at the outset though is that the most important aspect of taking a Vfm approach is not in the specific metrics that it will reveal, but in helping put in place a system which asks more relevant questions, makes some of the underlying assumptions of NPGP's theory of change more explicit, helps generate the evidence base for it and adds to the overall efficiency, cost-effectiveness, and impact of the organization.

The research study can further provide policy makers, aid agencies, and development sector organizations a brief Vfm focused informed choices of various livelihood asset menu that they can consult with while planning and designing their future asset transfer livelihood intervention programme.

3.7 DATA ANALYSIS TECHNIQUE

The data gathered through household survey questionnaire was initially analyzed using the summary statistics of the model used for measuring the impact of given assets on the livelihood of beneficiary household, which included the percentage, frequencies, past and current values of the asset, and increase in income etc. Also included are the descriptive statistics for explanatory variables such as beneficiaries CIs membership, Women Empowerment, and Social Inclusion are a few to mention.

3.7.1 Summary Statistics

The summary or descriptive statistics summarizes or describes the features of the data set. The first technique used for the data analysis in this study is the summary or descriptive statistics. This includes the summary statistics of the model used for the measurement of given assets on the livelihood of beneficiary household, which explain the observations, mean, and the assets past and current value. Similarly, the descriptive analysis technique is adopted for the independent variables used in the study such as the CIs membership, Women Empowerment, and Social Inclusion.

3.7.2 Tables and Charts

Along with the summary statistics the study has been presented and analyzed further through the data tables and charts. The tables and charts used in the study indicate the comparative relationship amongst different variables.

CHAPTER 4

DESCRIPTIVE ANALYSIS

4.1 SUMMARY OF ASSETS

Khyber Pakhtunkhwa.

From January 01, 2020 to June 30, 2021, the total number of livelihood assets transferred under the NPGP in Khyber Pakhtunkhwa were 2,652. In total, 86% of transferred assets were livestock, 8% enterprise, and another 6% were transportation-related assets. The information in the table below is broken down by district, gender, and asset category.

Coverage of HH Interviews				
Name of Districts	Total Number of Assets Transferred	Number of Beneficiaries /HH members Interviewed		
		Female	Male	Total
D.I. Khan	2,654	104	20	124
Total	2,652	104	20	124

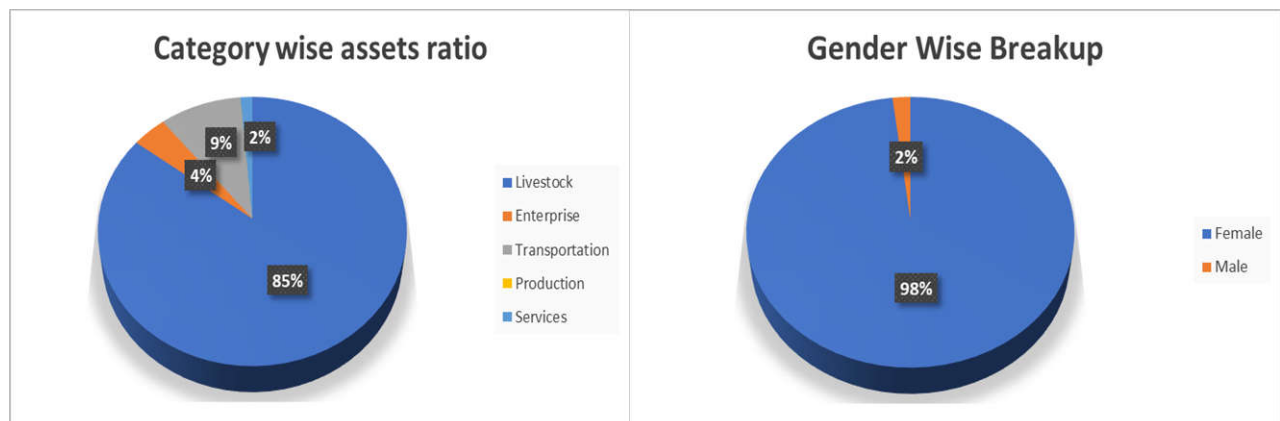


Punjab.

A total of 12,058 assets were transferred from project inception on January 01, 2020 till June 30, 2021, 68% of the total assets were transferred in district DG Khan and

the rest 32% of assets distributed in Jhang and Layyah. A total of 104 households were interviewed through a household survey questionnaire. These beneficiaries were selected from different Union Councils and villages of the said districts, and they were thoroughly interviewed. The gender wise ratio is mentioned below.

Coverage of HH Interviews				
Name of Districts	Total Number of Assets Transferred	Number of Beneficiaries /HH members Interviewed		
		Female	Male	Total
DG Khan	8,047	49	0	49
Layyah	2,320	32	0	32
Jhang	1,689	21	2	23
Total	12,056	102	2	104

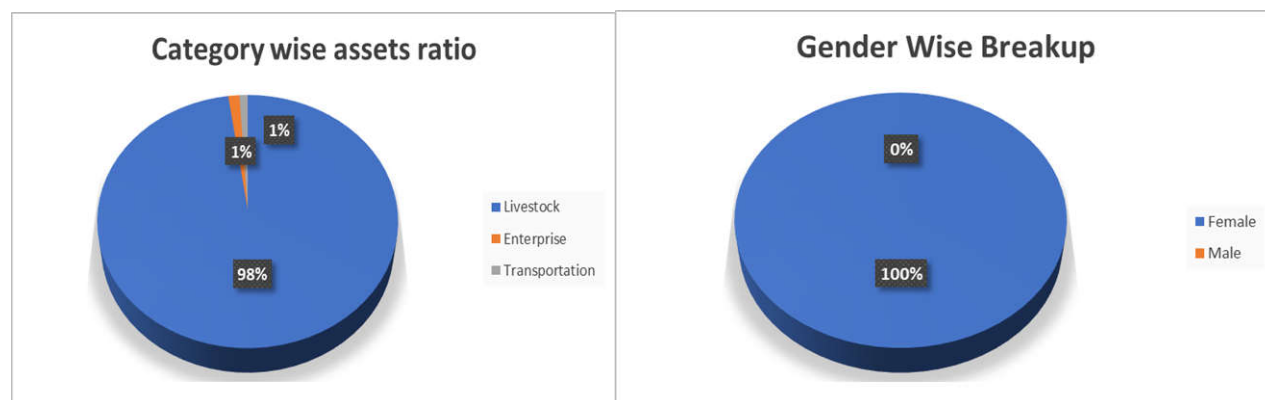


Sindh.

The asset transfer in Sindh under NPGP was 15,907 during the reported period assets including 17 Intangible assets in the category of Community Livestock Extension Workers (CLEWS). The major portion of tangible assets are comprised of livestock.

The following table contains district, gender, and asset category wise progress update.

Coverage of HH Interviews				
Name of Districts	Total Number of Assets Transferred	Number of Beneficiaries /HH members Interviewed		
		Female	Male	Total
Badin	5,277	41	0	41
Sujawal	5,355	37	0	37
Thatta	5,275	39	0	39
Total	15,907	117	0	117



The primary goal and scope of this research is to assess the utilization and productivity of the given assets through direct interviews with beneficiary households. As part of its brief, the researcher met with CRPs to assess and analyze their understanding of their roles and responsibilities, as well as meetings with members of CIs and the executive bodies of Village Organizations. This aided in determining how the community perceived the roles of village organizations and procurement committees in determining eligibility of households, asset procurement and distribution, and the role of CRPs in capacity building of target households.

30,617 assets have been transferred in three provinces, with 9% transferred in Kyber Pakhtunkhwa, 39% transferred in Punjab, and 52% transferred in Sindh. Considering the women empowerment component, more than 95% of the assets has been transferred to the women making them financially independent. Attempts were made to reach out to and assess asset beneficiaries using systematic random selection methods.

A detailed structured questionnaire was used to interview 345 asset beneficiary households. These interviewees were chosen at random from seven different districts (D.I. Khan, D.G. Khan, Jhang, Layyah, Badin, Sujawal, and Thatta). The households chosen for interviews were those who received assets between January 2020 and June 2021. Because livestock accounted for the majority of the assets, 291 interviews were conducted with those who received livestock-related assets. The remaining fifty-four interviews focused on non-livestock asset beneficiaries, such as business and transportation-related trades.

4.2 STATUS OF LIVESTOCK ASSETS.

The status of livestock assets given to ultrapoor beneficiary households is shown in the tables below. According to this data, among the livestock, buffalo have the highest net value increase, followed by cows and heifers, and sheep and goats have the lowest net value increase. As a whole the livestock assets have gained 50% of their principal amount in net value in a span of a year or so, which is quite significant considering they have gained income from the given assets in terms of selling milk and its byproducts.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Buffalo	60	21%	3,692,800	61,547	5,700,000	95,000	2,007,200	33,453
Buffalo Calf	5	2%	300,000	60,000	385,000	77,000	85,000	17,000
Cow	179	62%	10,429,000	58,263	16,026,000	89,531	5,597,000	31,268

Goat	30	10%	1,654,000	55,133	2,127,000	70,900	473,000	15,767
Heifer - Cow Calf	13	4%	755,000	58,077	1,140,000	87,692	385,000	29,615
Sheep	4	1%	201,000	50,250	290,000	72,500	89,000	22,250
Grand Total	291	100%	17,031,800	58,529	25,668,000	88,206	8,636,200	29,678

The following table shows that 45% of the given livestock assets are currently in milking condition, while another 27% are pregnant and in the process of getting in to the milking condition, which combines for a total of 72% livestock assets in productive states. The remaining 27% have been acquired for fattening purposes. However, the study found that milking animals gained more net value increase than those acquired for fattening.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Milking	132	45.4%	7,593,000	57,523	12,079,000	91,508	4,486,000	33,985
Non Pregnant	80	27.5%	4,697,000	58,713	6,171,000	77,138	1,474,000	18,425
Pregnant	79	27.1%	4,741,800	60,023	7,418,000	93,899	2,676,200	33,876
Grand Total	291	100.0%	17,031,800	58,529	25,668,000	88,206	8,636,200	29,678

4.2.1 PROVINCE WISE STATUS OF LIVESTOCK ASSETS.

Khyber Pakhtunkhwa.

According to the Khyber Pakhtunkhwa data, livestock has gained a net value of around 60%. The results prove that cows have a higher net value increase than goats.

Assets Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Cow	87	86%	5,039,000	57,920	8,055,000	92,586	3,016,000	34,667
Goat	14	14%	710,000	50,714	1,042,000	74,429	332,000	23,714
Grand Total	101	100%	5,749,000	56,921	9,097,000	90,069	3,348,000	33,149

The following table shows that 84% of the given livestock assets in Khyber Pakhtunkhwa are currently in milking condition, while another 15% are pregnant and in the process of getting in to the milking condition, which combines for a total of 99% livestock assets in a productive state. The remaining 1% has been acquired for fattening purposes. However, the study found that milking animals gained more net value increase than those acquired for fattening.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Milking	85	84.2%	4,849,000	57,047	7,601,000	89,424	2,752,000	32,376
Non Pregnant	1	1.0%	50,000	50,000	36,000	36,000	-14,000	-14,000
Pregnant	15	14.9%	850,000	56,667	1,460,000	97,333	610,000	40,667
Grand Total	101	100.0%	5,749,000	56,921	9,097,000	90,069	3,348,000	33,149

Punjab.

In comparison to Khyber Pakhtunkhwa and Sindh, the net value gain in Punjab is slightly lower, with livestock assets increasing its net value by around 32% overall. Cow heifers have the highest net value gain among livestock assets, while goats have the lowest.

Assets Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Buffalo Calf	5	6%	300,000	60,000	385,000	77,000	85,000	17,000
Cow	52	64%	3,130,000	60,192	4,161,000	80,019	1,031,000	19,827
Goat	11	14%	668,000	60,727	735,000	66,818	67,000	6,091
Heifer - Cow Calf	13	16%	755,000	58,077	1,140,000	87,692	385,000	29,615
Grand Total	81	100%	4,853,000	59,914	6,421,000	79,272	1,568,000	19,358

The following table shows that 18% of the given livestock assets in Punjab are currently in milking condition, while another 48% are pregnant and in the process of getting in to the milking condition, which combines for a total of almost 67% livestock assets in a productive state. The remaining 33% has been acquired for fattening purposes. However, the study revealed that milking animals has gained more net value compared to those acquired for the fattening purpose.

Assets Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Milking	15	18.5%	883,000	58,867	1,273,000	84,867	390,000	26,000
Non Pregnant	27	33.3%	1,620,000	60,000	1,930,000	71,481	310,000	11,481

Pregnant	39	48.1%	2,350,000	60,256	3,218,000	82,513	868,000	22,256
Grand Total	81	100.0%	4,853,000	59,914	6,421,000	79,272	1,568,000	19,358

Sindh.

The results are identical to those obtained in Khyber Pakhtunkhwa. Livestock has increased in value by 57%, with cows and buffalo leading the way in terms of net gains, followed by sheep and goats.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Buffalo	60	55%	3,692,800	61,547	5,700,000	95,000	2,007,200	33,453
Cow	40	37%	2,260,000	56,500	3,810,000	95,250	1,550,000	38,750
Goat	5	5%	276,000	55,200	350,000	70,000	74,000	14,800
Sheep	4	4%	201,000	50,250	290,000	72,500	89,000	22,250
Grand Total	109	100%	6,429,800	58,989	10,150,000	93,119	3,720,200	34,130

The following table shows that 29% of the given livestock assets in Sindh are currently in milking condition, while another 23% are pregnant and in the process of getting in to the milking condition, which combines for a total of almost 52% livestock assets in a productive state. The remaining 48% have been acquired for fattening purposes. However, the study revealed that milking animals has gained more net value compared to those acquired for the fattening purpose.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Milking	32	29.4%	1,861,000	58,156	3,205,000	100,156	1,344,000	42,000

Non Pregnant	52	47.7%	3,027,000	58,212	4,205,000	80,865	1,178,000	22,654
Pregnant	25	22.9%	1,541,800	61,672	2,740,000	109,600	1,198,200	47,928
Grand Total	109	100.0%	6,429,800	58,989	10,150,000	93,119	3,720,200	34,130

4.3 STATUS OF NON-LIVESTOCK ASSETS.

Looking at non-livestock assets menu, it yields even better results in terms of net value gain, for example, twenty-one grocery stores have a net increase of more than 200%, which is quite significant given the time and cost. The results show that non-livestock returns on investment are faster than livestock returns, making it a viable choice for quick economic gains. However, the table displays that some of the assets that perished are slightly less sustainable than livestock. Overall, the assets in this section have gained 61% on their principal amount.

Assets Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Barbar Shop	1	2%	60,000	60,000	80,000	80,000	20,000	20,000
Carpentry Tools	1	2%	55,000	55,000	0	0	-55,000	-55,000
Chawal Choulay Cart	1	2%	60,000	60,000	70,000	70,000	10,000	10,000
Cloth Shop	4	7%	243,000	60,750	600,000	600,000	357,000	89,250
Electric Shop	2	4%	95,000	47,500	100,000	100,000	5,000	2,500
Karyana/ Grocery Shop	21	39%	1,118,000	55,900	3,660,000	610,000	2,542,000	121,048
Mobile Shop	1	2%	65,000	65,000	0	0	-65,000	-65,000
Shoe Shop	1	2%	50,000	50,000	0	0	-50,000	-50,000

Tailoring Shop	1	2%	60,000	60,000	70,000	70,000	10,000	10,000
Transportation	18	33%	1,037,000	57,611	240,000	80,000	-797,000	-44,278
Welding Shop	1	2%	60,000	60,000	70,000	70,000	10,000	10,000
Grand Total	54	100%	3,009,000	56,774	4,890,000	326,000	1,881,000	34,833

4.3.1 PROVINCE WISE STATUS OF NON-LIVESTOCK ASSETS.

Khyber Pakhtunkhwa.

The non-livestock asset results are not very promising, with an overall net value gain of only 6%, with electric shops and grocery stores performing slightly better, while mobile shops and transportation-related assets have lost their value. The results show that in Khyber Pakhtunkhwa livestock is a clear winner compared to the non-livestock assets.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Carpentry Tools	1	4%	55,000	55,000	60,000	60,000	5,000	5,000
Cloth Shop	3	13%	183,000	61,000	201,000	67,000	18,000	6,000
Crockery Shop	2	9%	106,000	53,000	106,000	53,000	0	0
Electric Shop	1	4%	55,000	55,000	75,000	75,000	20,000	20,000
Karyana/ Grocery Shop	8	35%	378,000	54,000	480,000	60,000	48,000	6,000
Mobile Shop	1	4%	65,000	65,000	56,000	56,000	-9,000	-9,000
Shoe Shop	1	4%	50,000	50,000	55,000	55,000	5,000	5,000
Transportation	6	26%	277,000	46,167	240,000	40,000	-37,002	-6,167
Grand Total	23	100%	1,169,000	53,136	1,273,000	58,250	49,998	3,354

Punjab.

The results for non-livestock assets in Punjab are remarkable, with an overall gain in net value of around 260%. When different trades are compared, the cloth shop has increased in value by 900%, followed by grocery stores and electric shops. The only asset that has lost its value is the transportation-related, which is understandable given the asset depreciation. In Punjab, the non-livestock assets have performed much better compared to the livestock, and it is worth investing in the non-livestock assets rather than the livestock.

Assets Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Barbar Shop	1	4%	60,000	60,000	80,000	80,000	20,000	20,000
Chawal Choulay Cart	1	4%	60,000	60,000	70,000	70,000	10,000	10,000
Cloth Shop	1	4%	60,000	60,000	600,000	600,000	540,000	540,000
Electric Shop	1	4%	40,000	40,000	100,000	100,000	60,000	60,000
Karyana/ Grocery Shop	9	39%	540,000	60,000	3,660,000	610,000	3,120,000	346,667
Tailoring Shop	1	4%	60,000	60,000	70,000	70,000	10,000	10,000
Transportation	8	35%	480,000	60,000	240,000	80,000	-240,000	-30,000
Welding Shop	1	4%	60,000	60,000	70,000	70,000	10,000	10,000
Grand Total	23	100%	1,360,000	59,130	4,890,000	326,000	3,530,000	153,478

Sindh.

The results of non-livestock assets in Sindh province are not promising. The grocery store has gained slightly in value while transportation has lost the same amount of value due to a depreciable item, resulting in a net value gain of 0%. As a result, it has been demonstrated that livestock assets outperformed non-livestock assets in Sindh.

Asset Type	No of Assets	%age	Total Original Cost	Avg Original Cost	Total Current Cost	Avg Current Cost	Total Value Increase	Avg Value Increase
Karyana/ Grocery Shop	4	50%	200,000	50,000	260,000	65,000	60,000	15,000
Transportation	4	50%	280,000	70,000	220,000	55,000	-60,000	-15,000
Grand Total	8	100%	480,000	60,000	480,000	60,000	0	0

4.4 Gender breakup:

The gender breakup of the selected HHs is provided in the self-explanatory tables below. Ninety-eight percent of the survey respondents were women, and the overall asset situation shows that more than 95% of the productive livelihood assets have been transferred to the women. The study further reveals that women have gained social and financial empowerment as a result of the provision of livelihood assets and asset management and financial literacy training. Furthermore, they have been educated on topics such as health and nutrition, child and maternal health, education (particularly for girls), and climate change and mitigation, to name a few.

Province and District	Women		Men		Total No of HHs	Total %age
	No of HHs	%age	No of HHs	%age		
Khyber Pakhtunkhwa	104	81%	20	19%	124	100%
D. I. Khan	104	81%	20	19%	124	100%
Punjab	102	99%	2	1%	104	100%
D. G. Khan	49	100%	0	0%	49	100%
Jhang	21	91%	2	9%	23	100%

Layyah	32	100%	0	0%	32	100%
Sindh	117	100%	0	0%	117	100%
Badin	41	100%	0	0%	41	100%
Sujawal	37	100%	0	0%	37	100%
Thatta	39	100%	0	0%	39	100%
Grand Total	323	98%	22	2%	345	100%

4.5 Social Inclusion.

CIs membership.

According to the study, 89% of the asset beneficiaries have been registered as members with their local community institutions (CO/VO/LSO), and the remaining are in the process of obtaining their membership. This will allow them to participate a play a pivotal role in community development initiatives and ensure their social inclusion.

CI Membership	345	100%
Members	307	89%
Non-Members	38	11%

Involvement in the Procurement Process.

By including them in the asset procurement process, the asset beneficiaries were trained in the community procurement process. This is done not only to build their capacity of the subject, but also to ensure a transparent procurement process by involving direct beneficiaries. In total, 68% of the assets beneficiaries were involved in the procurement process.

Involvement in Procurement Process	345	100%
Involved	235	68%
Not Involved	110	32%

Asset Management.

According to the study, all beneficiaries were trained in asset management; however, 88% of them are manage their assets personally, while the remaining 12% have their assets managed by someone in their HHs; they are mostly non-livestock assets where a cloth shop, a grocery store, and a rickshaw, among other things, are operated by the male member of that HH, despite the female ownership.

Management of Assets	375	100%
Others	45	12%
Self	330	88%

CHAPTER 5

5.1 Summary of the findings.

Assessment of whether a particular asset category is worth Vfm in practice

According to the survey results of 345 HHs, non-livestock assets have a slightly higher monthly income than livestock assets, assuming the same baseline income. Seventy-eight percent of HHs reported an increase in income, resulting in an average monthly incremental income of PKR. 4,136. Non-livestock beneficiaries saw a 39% monthly increase in income, while livestock saw a 31% increase, with an average income increase of about 16%.

Description	Non-Livestock	Livestock	Net Values
Average Current Monthly Income	17,708	16,740	34,448
Baseline Income as Per LIP Report	12,740	12,740	25,480
Average Monthly Income Increase	4,968	4,000	4,484
Total No of HHs Surveyed	54	291	345
No of HHs Reported Increase in Income	38	232	270
Total Income Increase	188,784	928,000	1,116,784
Average Monthly Increase	4,968	4,000	4,136
Monthly Income Increase (%)	39%	31%	16%

5.2 CONCLUSION

The study reveals that overall the non-livestock assets have performed better compared to the livestock. However, the nature of both assets' categories, it is quite clear that enterprises (grocery shops, cloth store, barber shop etc.) and transportation (chingchi and loader rickshaw) related assets are going to have a more instant return on investment compared to the livestock. However, in the long term the livestock may prove more sustainable and worthier. The results of asset categories are also different in each geographical location, i.e., in Khyber Pakhtunkhwa and Sindh the non-livestock assets did not yield the required results while in Punjab it was a vice versa. So it proves that the NPGP and donor agencies must consider the geographical characteristics while deciding on the menu of assets for a particular area.

Moreover, the analysis of the data of household interviews has demonstrated a significant increase in productivity, utilization, and asset value. The findings of the data analysis illustrate that majority of the given livestock were either in milking or were pregnant (with an expectation of breeding and milking in next couple of months) and a small portion of the livestock assets were non pregnant due to being kept for the fattening purpose. Livestock for the fattening purpose were also showing an increase in its current net value due to good health, thanks to the livestock management training.

The overall impact of asset management training is quite encouraging, and all asset types and categories have a positive return on investment. The asset management training courses have contributed a lot to the efficient management and operationalization of given assets (both Livestock and non-livestock). The inclusion and empowerment of women is another positive of the programme intervention, more than 90% of the assets beneficiaries are women, which means the financial and social empowerment. Furthermore, the beneficiaries and communities have been trained in different thematic areas which have added to community development in general.

Review of the asset distribution under the NPGP

A quick review of the asset distribution under the National Poverty Graduation Programme shows that 30,617 have been distributed to the beneficiaries under the programme by the end of June 2021 in three provinces (Khyber Pakhtunkhwa, Punjab, and Sindh) of Pakistan. The various livestock enterprises include breeding cows and buffalo for dairy production, breeding of dairy goats and fattening of small and large ruminants for meat production. The overall proportion of the different type of enterprise is given in the table below which shows that almost 90% of the funds have been used for investment in the livestock sector, 7.06% for enterprise such as grocery stores and 2.4% in the transport sector for the purchase of the three-wheeler Ching chi.

Type	Number	%Age
Livestock	27,524	89.9%
Enterprise	2,162	7.06%
Transport	802	2.62%
Services	122	0.40%
Production'	7	0.02%
Total	30,617	100%

A review of the economic analysis being undertaken at NPGP showed that some livestock models had been developed to show the incremental benefits that were expected to accrue to the recipients of the assets. However, these models were rudimentary, lacked rigor and omitted some key costs such as family labour, cost of supplementary feed, veterinarian costs and the low productivity in the sector that was often apparent in terms of calving interval and low yields. It was considered critical for the Vfm analysis to develop proper livestock models to show the IRR and NPV from investments in livestock and some of the other key assets. This was considered

central given that there appeared to be such overwhelming reliance on livestock as the panacea for poverty alleviation in the asset distribution programme under NPGP.

For a proper analysis of the assets under the graduation programme, a simple template is developed and shared with the NPGP team and asked to prepare models on the format provided. The team responded admirably with much more detailed models for all key investment areas focusing on the most important enterprises namely, livestock, several types of shops and Chingchi. Proper livestock models were developed to assess the incremental benefits and costs for the lifetime of the asset presumed to be for a nine-year period. The models were prepared using a mixture of based on field experience and partly on assumptions. The results in terms of the Internal Rate of Return (IRR) and the Net Present Value (NPV) are shown in the table below. The discount rates used were 7% and 10%. Assuming that the current opportunity cost of capital is around 9% to 10% each of these investments would be recommended as the IRR in the case of each of the enterprises is higher than the opportunity cost of capital. The NPV of all enterprises were positive at both the 7% and 10% discount rates indicating that all the selected asset investment areas are profitable based on the assumptions made. The enterprise with the highest IRR is the cloth shop (33%) followed by cows and the Chingchi. The enterprise with the highest NPV given that the level of investment is more or less the same is the investments in dairy cows followed by dairy buffalos.

Assets Type	IRR	NPV (Discount Rate of 7%) Pak Rs.	NPV (Discount Rate of 10%) Pak Rs.
Buffalo Heifer	25%	101,572	74,278
Cow Heifer	28%	115,371	86,746
Dairy Goats	25%	45,084	33,797
Cabin Shop	19%	56,536	37,482
Cloth Shop	33%	91,485	71,645

Grocery Shop	23%	71,962	51,312
Ching Chi	28%	87,166	66,147

The next recommendation for the NPGP team is to verify and validate these assumptions from data in the field and refine these models based on the proportion of recipients for whom these models hold. Variants of these models should be developed to reflect the situation on the ground and the proportion for whom the various models hold. NPGP should therefore conduct case studies and over time provide compelling evidence for each of the figures. NPGP should also begin to collect data on the employment generation potential of each type of enterprise by gender and age to show the additional benefits that accrue. A qualitative analysis of the increase in income on food intake, health and education benefits that are generated in terms of reduction in drop-out rates or enrolment in school can also be used to supplement the quantitative analysis. In case NPGP has the appetite for deeper analysis, it could also attempt to construct a more in-depth analysis on incomes of women, social benefits such as reduction in gender-based violence, empowerment of members from vulnerable households and gender equity, etc.

Improvement in PSC band of the selected HHs

In order to assess the HHs graduation on PSC band, a fresh PSC was conducted for the selected HHs, they survey revealed the following results,

Objective	Survey Findings (%)
Households falling between 0 – 11 in PSC have graduated out of this band	60
Households in PSC 12 – 18 receiving assets, move to a higher PSC band	32.9
Beneficiaries who have not moved out of their respective band or have moved from a higher to a lower band	7.1
Total	100
Households in PSC 0-18 move to a PSC band of higher than 23 (= out of poverty)	29.4

In terms of band-wise household graduation trends, the table above shows detail on the graduation across PSC bands. In the PSC band 0 – 11, 60% have graduated to a higher PSC band. For the PSC band 12 – 18, 32.9% have been graduated to a higher band, while a mere 7.1% reported either no improvement or a decrease in their PSC band. Furthermore, 29.4% of the HHs falling between 0 – 18 PSC band have graduated out of poverty.

The above findings are based on the sample of beneficiaries selected for the study and subsequently extrapolated to the overall population for arriving at the above results.

Mapping of livelihood assets in terms of incremental benefits

Category of Assets	No of Beneficiaries	Average Asset Value	Incremental Benefits	Source of Information	Assumption in case of no specific impact
Livestock	291	60,000	29,678	LIP Summary Sheet, SOEs	N/A
Enterprise	31	60,000	37,798	LIP Summary Sheet, SOEs	N/A
Transport	18	60,000	22,389	LIP Summary Sheet, SOEs	N/A
Services	4	60,000	13,333	LIP Summary Sheet, SOEs	N/A
Production	1	60,000	10,000	LIP Summary Sheet, SOEs	N/A
Total	345	60,000	22,640	LIP Summary Sheet, SOEs	N/A

The preceding tables demonstrate that each category has a positive impact on the livelihood of selected HHs. The beneficiary HHs gained a net benefit of PKR 29,678 in livestock, PKR 37,798 in enterprise, PKR 22,389 in transportation, PKR 13,333 in services, and PKR 10,000 in production, respectively. The total incremental benefit calculated is PKR 22,640.

Vocational and Technical Training

The study has assessed the benefits from the skills imparted by the various trainings undertaken by NPGP. The data collected through interviews and FGDs shows the tremendous impact on trainees, specifically on their professional abilities, business strategies, market awareness and on dairy farming practice. Since the project invested

in skills improvement, it improved prospects of sustainable livelihoods, and created business linkages. The result of this was business expansion, which translated into a better standard of living.”

The entire record of training provided by NPGP was examined. NPGP has been very meticulous in collecting the data on the several types of training that it has delivered. It records the type of training, duration, cost, trainee name, gender, ID, contact number, location, etc. NPGP conducts a vast array of training programmes which include vocational and technical skills (motorbike repair, plumbing, welding, electrician, computer, mobile repair, beautician, embroidery, tailoring) as well as a few days training on asset and business management, livestock management, natural resource management, community institution management, common interest group, youth centers, and linkages and marketing etc.

The first task for NPGP is to separate the training which imparts a specific skill or vocation from the management type of training which do not yield any monetary benefit in terms of increment in income. The training of a short duration of a few days also needs to be separated from the long training of a few months. The second task is to present the data in terms of the type of training under vocational training by disaggregating it by type, gender, and age. The third task is to summarize the management types of trainings by gender, and age. The fourth task is to provide the total cost of the two types of training and the per capita cost of the training separately.

One of the core areas of investment of NPGP at the community level is in the three-tiered organizational structure starting from the hamlet or settlement level to the village and the Union Council level in COs, VOs, and LSOs. A detailed analysis of the costs and benefits of these structures was made for each of the tiers based on the functions that they serve. A detailed excel template was developed for the analysis at the time of the preparation of the Project Completion Report of NPGP. The efficiency of the institutional development approach was assessed by examining unit costs, fund management ratio and community contribution ratio. At the time of the earlier analysis in 2016, it was assumed that the unit cost of establishing a community organization and sustaining it under NPGP III for six years was USD 515 per CO.

The same template can be updated and used to track some key Vfm metrics on an on-going basis.

Institutional Development

Under NPGP, it was assessed that one of the key benefits of the institutional investments was that it enabled NPGP and its POs to implement the livelihood, community infrastructure and social sector programmes. Thus, it was calculated that the community capacity to manage funds under NPGP was worth appreciating as specific funds have been allocated for the capacity building of these Community Institutions which is the backbone of NPGPs interventions. However, as every area always has room for improvement, the community institution should be trained in the latest tools in terms of financial management, stakeholders management, book keeping are a few to mention.

The NPGP has contributed a lot to the development of social institutions. It has helped in building the capacity of local organizations and communities to manage the program, thus strengthening the social fabric. It has further contributed to the empowerment of marginalized groups such as women and minorities, thus the community has fostered greater social cohesion and resilience by promoting collective action and cooperation. This has helped address social exclusion, reduce social tensions, and build more inclusive and resilient communities.

Key assumptions.

Some of the most common expected outcomes of successful NPGPs implementation may include:

1. Reduction of poverty:

NPGPs will aid in poverty reduction by providing targeted assistance to the poorest households, such as livelihood support through asset transfer, skill development, and social empowerment.

2. Improved household well-being:

The NPGP will help to improve the overall well-being of participating households by providing access to basic needs such as food, healthcare, and education.

3. Increased income and economic empowerment:

NPGPs will help participating households increase their income by providing them with skills training, credit, and productive assets such as livestock, seeds, or tools. This will help them gain economic power and improve their long-term prospects.

4. Women's empowerment:

NPGPs will assist in the empowerment of women by providing them with skill training, leadership development, and opportunities to participate in income-generating activities.

5. Improved social cohesion and community resilience:

NPGPs will help to build social cohesion and community resilience by encouraging collective action and cooperation, which will help to encourage social exclusion, reduce social tensions, and build more inclusive and resilient communities.

The programme design is a promising one and if successfully implemented, it will certainly help in reducing poverty, improving household well-being, increasing income and economic empowerment, empower women, and improve social cohesion and community resilience.

PICTURES



Marian village Haji Misri Kaloi UC Bohara , District Thatta



Razia , Village Shedu kaloi, UC Bohara , District Thatta



Cow of Farooq Ahmad from UC Prova

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