

Caritas Sri Lanka – **SEDEC**

Value for Money Policy



Approved by Board of Directors on 5th December 2018



Value for Money Policy – Caritas Sri Lanka – SEDEC

Caritas Sri Lanka _SEDEC is committed to adhere to the policy of Value for Money. Value for money assessment is to indicate if a project would be more efficiently implemented. This could be achieved by dividing into four main areas of Economy, Efficiency, Effectiveness and Ethics.

1 ECONOMY

1.1 Cost Consciousness

- Look out for reasonable opportunities to reduce costs at every level of operations.
- To pursue on the most cost effective options and not to disregard effectiveness and efficiency.
- It does not mean choosing the lowest cost option of a product.
- Needs to consider the priority of the task and to look for alternative ways of achieving it, taking into consideration the costs and benefits of different approaches.
- To obtain the support of the private sector to cover the costs or collaborate in the organisation who will provide training at their own cost.

EXAMPLES

- a) Consume locally or easily available materials.
- b) To increase the sense of ownership by the beneficiaries and stakeholders by their participation in identifying their needs and possible solutions.
- c) Use of appropriate technologies to reduce costs and increase affordability for the participants.
- d) To implement through established community based organizations and to use their resources to train others.
- e) Parish Volunteers and Communities to be utilized to distribute relief items.
- f) Organisations that are willing to give training at their own cost to our staff members

1.2 Encouraging Competition

- To consider and compare competing methods to select the option that offers the optimal mix of costs and benefits.
- To encourage a culture to contest and compete the ideas and alternative solutions when making decisions on investments.
- To look for competitive selection processes when selecting partners and contractors

Examples

- a) To follow competitive tender and selection process for the recruitment of an external evaluator .
- b) Bid comparisons for purchase of food and non food items systematically analysed to select the best supplier.

2 EFFICIENCY

2.1 Evidence Based Decision Making

- ❖ To strengthen the organisational learning, continuous improvement and overall effectiveness
- ❖ Evidence based decision making requires systematic, structured and rational approaches to decision making, framed around logical arguments informed by accurate analysis.
- ❖ Closer tie ups with partners and contractors are essential to learn from and leverage their experience to deliver out comes to achieve the strategic objectives.
- ❖ To avoid adopting failed methodologies of the past experiences

Examples

- a) Implementing projects on the basis of lessons learnt from the previous projects implemented.
- b) Lessons learnt through the monitoring and evaluation to be incorporated by revising the projects.
- c) To design projects on the evidence provided by baseline and external resources
- d) CBO,s/SHG,s lessons learnt in their projects to be shared at an annual learning event and those lessons learnt to influence the designing of future projects.

2.2 Proportionality

- ❖ Organisational systems are proportional to the capacity needs and to manage outcomes to maximise efficiency.
- ❖ To eliminate inefficiencies and duplications to enhance the capacity of the staff reformity.
- ❖ Policies and systems should be clear to staff to understand transaction costs, measured against the potential benefits.
- ❖ The means for assessing Value for Money need to be proportional to the scope and complexity of the volume of the transaction.

Examples

- a) A dedicated program evaluation and learning team to support the program management on effectiveness and efficiency.
- b) To obtain support from the Caritas Internationalis network including the multi - agency funded position of Protection Mainstreaming Coordination to enhance the experience, skills and knowledge.
- c) Ability to access the CI emergency response team and Start Network for advice, guidance and assets such as emergency relief items.

3 EFFECTIVNESS

3.1 Performance And Risk Management

- Performance and Risk Management is integrated to Value for Money which maximise the effectiveness of Investments.
- Contracts, other Investments and programs to be reviewed throughout for quality and ensuring their objectives and delivering maximum impact.
- Risk Management to be effectively administered to achieve the objectives and effectiveness.
- Integrity risk systems are very important to prevent fraud and corruption and reach the intended targets.
- Risks to be minimised by the decision makers on effective investments and maximise the end result.

EXAMPLES

- a) All projects should have clear goals, objectives, outputs and outcomes which is measurable.
- b) The projects should be adaptable to changes on the lessons learnt.
- c) To indicate the impact of the project it needs to collect qualitative and quantitative data including stories of change
- d) To enhance our learning and promote a culture of continuous improvement across programs by applying indicators and documenting stories of change.

3.2 Experimentation And Innovation

- ❖ Effective delivery of contracts, Investments and programs require impact maximisation, creation and flexible approaches.
- ❖ To foster through the trialling of experimental and innovative mechanisms where there are reasonable grounds to expect better overall outcomes.
- ❖ Require an appetite to trial new ways of delivery and a recalibration of risk tolerance.

Examples

- a) Innovation of Peace Committees in the Villagers from various ethnic and religious back grounds as agents of Peace. The rationale is to change in the out look of authorities and decision makers will eventually follow.
- b) Use of barren land for cultivation using compost manure, prevention of soil erosion and retaining of moisture by using coconut husks and mulching.
- c) Development of rainfall patterns, drought periods to determine agricultural planting time.
- d) Self Help Groups and Community Based Organizations managing funds for their own use by receiving funds, savings and investments by way of loans.

4 ETHICS

4.1 Accountability and Transparency

* Accountability and Transparency are the key to Value for Money as they strengthen responsibility for results. It could contribute to the continuous improvement of the organization.

*We are accountable to our Donors/Partners as well as to the beneficiaries and the intended targets for delivering results. This helps to create appropriate incentives for optimal performance.

*Transparency on the Partner accountability at all levels to facilitate honest dialogue about the overall impact of investments.

EXAMPLES

- a) To adhere to all Policies established by the organisation.
- b) Regular Review meetings with the focus groups during monitoring and evaluation visits.
- c) Scheduled reporting on the progress of programs to relevant stakeholders.
- d) Visibility of the project to all stakeholders to avoid duplication and awareness of the program.
- e) Accounting as per the Finance Manual and proper internal controls to be adhered.
- f) Complaint/Suggestions boxes to be placed at the relevant locations and to work along with the beneficiaries.
- g) Engagement of competent staff and roles and responsibilities clearly defined.

Approved by the Board of Management on 5th December 2018.



Fr. Mahendra Gunathileke
National Director
Caritas Sri Lanka - SEDEC



Rt. Rev. Dr. Joseph Vianney Fernando
Chairman
Caritas Sri Lanka - SEDEC