

Division:	External Affairs	Ref. No.	EXA-RGH-039
Department:	RACS Global Health		
Title:	Value for Money		

1. PURPOSE AND SCOPE

This policy provides the definition of Value for Money (VFM) and outlines the assessment criteria to effectively demonstrate VFM for the RACS Global Health programs.

The VFM policy is a requirement to attain full accreditation under the Australian Department of Foreign Affairs (DFAT) Australian NGO Cooperation Program (ANCP)¹.

2. KEYWORDS

Value for Money (VFM), Department of Foreign Affairs and Trade (DFAT), Australian NGO Cooperation Program (ANCP)

3. BODY OF POLICY

3.1 Background

Applying VFM principles contr Value for Money as “*the optimal use of resources to achieve the desired outcomes*”. This definition requires meeting the following criteria:

Element of VFM	Definition of Success
Economy	RACS uses reasonable costs to acquire good quality inputs that will enable realisation of the desired changes.

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The foregoing criteria is consistent with the DFAT guiding principles in achieving VFM in its investments under the Public Governance, Performance and Accountability Act (2013) and the Commonwealth Procurement Rules.

3.3 Assessment

The criteria set under Clause 3.2 must be met in order for the program to be labelled as having demonstrated Value for Money.

Where a program is found to not to fully meet the VFM criteria, the program and its activities will be reviewed and amendments made to strengthen VFM.

Ongoing assessments shall be made annually during project implementation, and/or as a part of final project evaluation.

Responsibility: Program Management Staff (Program Officer)

3.4 Reporting

VFM assessment will form part of the reporting requirement to DFAT and to other external funders and donors of RACS Global Health programs as required under their respective funding agreements.

4. ASSOCIATED DOCUMENTS

Agreements with International Project External Services Providers Policy

Agreements with International External Service Providers Policy

Agreements with RACS Global Health Partners Policy

RACS Purchasing of Goods & Services Policy

Development Principles in RACS Global Health Activities Policy

Selection of International Projects -23.1(y)j9 0 Td.7(e)-3.2y