Technical Brief
Value for Money

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What *is* Value for Money?
Value for Money (VfM) is a concept that defines how to maximize and sustain quality and equitable health outputs, outcomes and impact for a given level of resources.

The Value for Money Technical Brief has been updated for GC7, based on:

- Identified opportunities for increased Value for Money (VfM) following Secretariat-wide VfM effort mapping exercise and consultation.
- Recommendations from the Technical Review Panel (TRP).
- Inputs from external partners.

Critical elements of value for money are also referenced across other funding request materials and guidance available here.
The five dimensions of Value for Money
Five dimensions of value for money

- **Economy**
  - Input
- **Efficiency**
  - Process
- **Effectiveness**
  - Output
- **Impact**
- **Equity**
- **Sustainability**
Value for Money Framework and Definitions

How to maximize and sustain equitable and quality health outputs, outcomes and impact for a given level of resources?

**Effectiveness**
Invest in the most impactful interventions, at an appropriate scale, while strengthening health and community systems and addressing structural barriers to preventive interventions and treatments.

**Efficiency**
Optimally allocate and utilize resources through successful and robust grant management processes.

**Economy**
Using robust procurement systems and resources to purchase the appropriate type of inputs, at the lowest sustainable price, and optimizing program management costs.

**Equity**
Eliminate unnecessary, avoidable, unfair and unjust differences in health between individuals and groups.

**Sustainability**
Enable a health system to maintain and scale up coverage to a level that provides for the continued control of a public health problem, even after Global Fund support comes to an end.
1. **Reduction in the burden of disease**
   *Does the funding request advance disease control, help reduce the burden of AIDS/TB/malaria, and meet global disease targets?*

2. **Structural barriers**
   *Does the funding request clearly outline and address the structural barriers that prevent people accessing services, and does it propose an evidence-based approach to address those barriers?*

3. **Strength of health and community systems**
   *Is the health system strong, and does it deliver high-quality HIV, TB and malaria services for all?*
Efficiency

1. **Allocative efficiency**
   Prioritization of interventions at the right scale in order to achieve the greatest output, outcome, and impact within a specific resource envelope.

2. **Technical efficiency**
   Determination of optimal service delivery modalities and technologies needed to achieve desired outputs and outcomes.

3. **Grant management efficiency**
   Ensuring implementation arrangements are sound and will achieve the desired output, and that governance and management are also sound.
1. **Right price for the right input**
   The lowest sustainable prices for quality inputs that are required to produce preventive or curative health services.

2. **Optimal program management costs**
   Managing expenses that do not directly contribute to service delivery but are important for successful program implementation (HR, travel, IT, indirect/overhead costs)

3. **Robust procurement and financial management systems**
   Ensuring quality products and services are procured through transparent and competitive procedures. Supporting timely and accurate financial reporting.
1. **Spend fairly (input)**
   
   *Does the funding request allocate a fair share of resources to marginalized groups (recognizing that greater resources are needed for greater needs)?*

2. **Leave no one behind (output)**
   
   *Is the funding request based on a sound analysis of the underlying causes of inequities? Are the most marginalized populations reached through high coverage of tailored quality services?*

3. **Equitable health outcome (outcome)**
   
   *Are investments targeting marginalized populations translated into equitable health outcomes?*
1. **Sustainable program and system-level investment**
   Does the funding request appropriately balance near-term efficiency and effectiveness against longer-term sustainability?

2. **Meaningful domestic resource mobilization**
   Are domestic resources allocated to HIV, TB and malaria national responses increasing and improving to sustain historical progress made and ensure that national targets can be effectively achieved in the short and long term?

3. **Successful transition**
   Are funding requests, particularly from middle-income countries, designed with the aim of addressing sustainability challenges and supporting eventual and full transition to domestically funded and managed programs?

**Sustainability**

Enable a health system to maintain and scale up coverage to a level that provides for the continued control of a public health problem, even after Global Fund support comes to an end.
Application of the Value for Money Framework
Value for Money across the Grant Cycle

Before applying

The TRP will assess whether sufficient consideration has been given to value for money in the funding request.

When applying

Define which strategic questions must be answered

During grant-making

Strengthen value for money when preparing detailed budgets, disaggregating targets, or confirming implementation arrangements.

During grant implementation

Monitor progress to see if the concept of value for money materializes and delivers on the expected output, outcome and impact.
Interdependencies and trade-offs

VfM must be considered through the totality of all five dimensions; they cannot be assessed independently or in isolation.

This does not mean that there must be an equal balance across each dimension. Applicants will need to find the appropriate balance between dimensions and in some cases, consider trade-offs.

Finding the appropriate balance requires inclusive and transparent processes. The dialogue and decision-making should be technically focused, evidence based and tailored to national context.

The process, evidence or rational used, as well as results of the policy dialogue aimed to strike the balance of VfM dimensions of the funding request need to be explicitly explained and provided in the narrative of the funding request.
**VfM in Challenging Operating Environments (COEs)**

**Effectiveness and equity dimensions** are the core elements and constitute the greatest focus.

Need innovative, tailored approaches to make quality services accessible, acceptable to those in need.

Dedicated effort to maximize equity, even at higher costs, with differentiated implementation modalities to leave no-one behind.

**Sustainability** dimension remains an objective with the vision to move from emergency to RSSH/sustainability. Applicants should consider an appropriate mix of humanitarian and systems strengthening approaches that focus on building resilience.

**Efficiency** and **Economy** remain important but the cost of doing business in such contexts can be higher. Programs in COE countries may necessitate more costly and comprehensive service delivery modalities, while economy will need to be considered against increased flexibilities and differentiated implementation arrangements.

However, efficiency in program management and implementation should still be strengthened.

**Key principles to COE countries:**

- **Flexibility**: tailored to country contexts with reduced administrative burden.
- **Partnerships**: optimized partnerships to address implementation weaknesses and strengthen performance.
- **Innovations**: new approaches to maximize results.
Key Messages

VfM is one of Technical Review Panel (TRP) review criteria. VfM messages are harmonized across application materials and guidance documents. VfM needs to be strengthened from design to operationalization, throughout the grant life cycle.

Since VfM is multidimensional, there is no “VFM” section in FRs, Rather, each VfM dimension is covered in different places and needs to be articulated throughout the application forms (see the table on the right).

Efficiency dimension, core to VfM, can be easily overlooked. Special focus is expected around: Prioritization of both program and system interventions for greatest impact; Optimal geographic distribution; Strategic choice of platforms, modalities and inputs for efficient service delivery, leveraging people-centered integrated approach; and Lean yet effective implementation arrangements.

Applicants are encouraged to:

- Use VfM concept/principles for FR preparation
- Provide better evidence to rationalize the asks, including that for resource allocation (program design) and utilization (program implementation).
- Articulate overall VfM effort including well balancing all VfM dimensions, given country setting and through inclusive and evidence-supported deliberation.
- Plan corresponding effort/investment in the grant to address key VfM gaps, including generating evidence and build the capability of countries to maximize efficiency and make broader VfM tradeoffs, ensuring impact not just on GF grants.

### Mapping VfM Across the Funding Request Form

(Full Review Application Form)

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<thead>
<tr>
<th>Question</th>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>Economy</th>
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<td>Section 2: Maximizing Impact</td>
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<td>2.2 Resilient and sustainable systems for health</td>
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<td>2.3 Engagement and leadership of most affected communities</td>
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<td>2.4 Health equity, gender equality and human rights</td>
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<td>2.5 Sustainability, Domestic Financing and Resource Mobilization</td>
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<td>2.6 Pandemic preparedness</td>
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<td>Section 3: Implementation</td>
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**Annexes**

- Detailed budget
- Health Product Management Template
- Performance Framework
- Programmatic Gap Tables
- Financial Landscape Table
- Implementation arrangement map
- National strategic plans

Note: Guiding questions for VfM by dimension and sub-elements can be found in the Annex 1 of the **Value for Money Technical Brief**
For more information access the Global Fund website:

Value for Money Resources for Applicants