



# **UNIVERSAL INTERVENTION AND DEVELOPMENT ORGANIZATION**

## **UNIDOR VALUE FOR MONEY STATEMENT REVISED 2021**



## **Universal Intervention and Development Organization (UNIDOR)**

### **UNIDOR VALUE FOR MONEY STATEMENT REVISED 2021**

**UNIDOR - SOUTH SUDAN**

**P.O. BOX 48719-00100 GPO NAIROBI**

**TEL: +211 917088006 | +211 927394926 | +254 722304348**

**Juba, Nabari Kololo Road**

**Email: [ed@unidorss.org](mailto:ed@unidorss.org)**

**[www.unidorss.org](http://www.unidorss.org)**

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## 1. INTRODUCTION

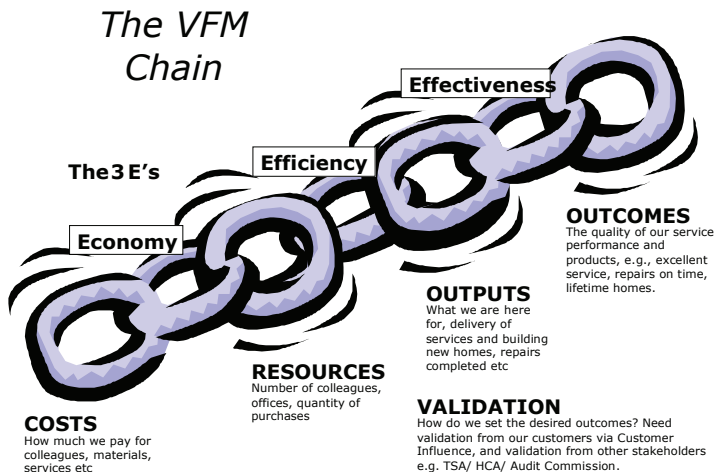
This policy is intended to provide an overarching framework to guide work within UNIDOR on value for money, efficiency, procurement and related areas. It is intended to have country wide application.

## 2. EQUALITY & DIVERSITY

The Value for Money policy, like all entity policies, needs to be interpreted in the context of policies relating to the organisation's approach to wider corporate responsibility. The implementation of this policy will be consistent with the organisation's policies on equality and diversity.

## 3. WHAT IS VALUE FOR MONEY (VFM)?

VFM is the relationship between economy, efficiency and effectiveness, sometimes known as the 'value chain'. It is illustrated below:



To ensure that VFM is achieved, it is necessary to address each of its three components:

## **ECONOMY**

Have we minimised the costs of procurement or service provision **consistent** with achieving the desired outcomes in terms of quality of service?

## **EFFICIENCY**

How close are we to having organised ourselves as far as possible to achieve

- The maximum outputs from the given inputs?

or

- The minimum inputs for a desired output?

## **EFFECTIVENESS**

Are we sustainably achieving the desired outcomes in terms of service provision?

VFM has to be considered on a holistic basis – it is emphatically not about reducing costs with no regard to service objectives and outcomes.

## **VALIDATION**

How are our customers validating our planned and delivered outcomes in terms of service provision? How are customers' views on service and VFM taken into account in our processes?

VFM has to be considered on a holistic basis – it is emphatically not about reducing costs with no regard to service objectives and outcomes.

The simple example of a car journey illustrates the principles. The objective is to arrive on time at the destination. How do we assess VFM?

## **ECONOMY**

How much did we pay for the car?

How much did we spend on petrol?

## **EFFICIENCY**

How long did the journey take?

How many miles per gallon did we achieve?

## **EFFECTIVENESS**

Did we get where we were going?

Did we get there on time?

## **VALIDATION**

Did we really need to go?

### **4. POLICY STATEMENT**

UNIDOR is committed to providing services that represent VFM for our stakeholders.

UNIDOR is committed to embedding a common approach and understanding of VFM throughout the programs and ensuring that partners at all levels understand, participate in and feel empowered to initiate and engage with VFM activity.

At the heart of VFM is consideration of the questions:

Are the stakeholders getting what they want?

Is it delivered in an appropriate manner?

Is it to agreed quality and cost?

Is it consistent with the requirements of wider corporate responsibility?

The entity and its partners are committed to engaging with customers and others in the design and implementation of its VFM activities and processes.

It is recognised that the nature of this involvement will vary depending upon the service or activity being considered

UNIDOR and its Members exist to “be a centre of excellence for the creation and nurturing of a globally competitive civil society sector in South Sudan”. Financial strength and viability are therefore pursued with an entrepreneurial purpose – not as an end in themselves. There is therefore a presumption that where improvements in VFM lead to a release of cash or other resources these resources will be used to help the entity achieve its major objectives:

- To create general entrepreneurial awareness, enhance ingenious entrepreneurship skills and develop

an effective entrepreneurial and management training capacity in South Sudan.

- To develop bankable proposals for business expansion, new ventures and assist negotiate for financing.
- To enhance the operational efficiency and competitiveness of civil society into new programs.
- To develop subcontracting linkages between SMEs and large local private companies as well as government procurement agencies.
- To promote and develop productive, stable and equitable linkages between SMEs in South Sudan and foreign Companies.

## **5. VFM APPROACH**

There are 4 principle approaches which will be adopted.

### **5.1 Service Reviews**

The entity and its partners will

- Conduct regular reviews of the VFM achieved by their activities
- Consider the outcomes of these reviews
- Where appropriate take such action as is indicated to improve VFM

These reviews will include the provision of central as well as customer facing services. They will consider the three distinct elements of VFM including amongst other things

- The comparison of costs compared to those of others, allowing for local context, performance and policy choices
- Where appropriate the views of customers and stakeholders on the desired service outcomes and the VFM objective. So far as is possible, customer consultation will focus on planning and principles rather than detail.

## 5.2 Benchmarking

UNIDOR will undertake and report on benchmarking activity, primarily but not exclusively under the auspices of RRC, to better understand its comparative costs and to provide a 'can opener' for service reviews and related VFM / efficiency activity.

## 5.3 Procurement

For all procurement exercises UNIDOR and its partners will

- Adopt as the normal approach to general procurement the principle that we first determine the quality threshold that has to be achieved and then seek the lowest cost provider who satisfies the quality requirement.
- Explicitly consider and report on VFM

In general the UNIDOR will

- Look to maximise the benefits of the purchasing power
- Actively consider approaches such as joint procurement, e auctions, buying clubs / consortia etc.
- Seek appropriate professional advice when required

## 5.4 Monitoring and Review

UNIDO will produce a three year VFM strategy and action plan incorporated in its strategic plan document, which will be reviewed annually, incorporating any actions emerging from the strategic planning round, and will monitor progress against this.

Progress will be reported on at both Executive and Board level.

## 6. LEAD EXECUTIVE

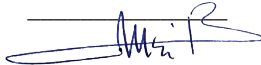
The lead executive for this policy is the Executive Director.



Dr. Makena Kaburu  
**Chairperson BOD**



Robert Bother  
**Treasury**



James Keah  
**Secretary/ED**



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