

## International Development Committee Inquiry

### The FCDO's approach to value for money:

#### Written evidence submitted by CBM UK

January 2025

[CBM UK \(Global Disability Inclusion\)](#) believes people with disabilities should enjoy their human rights and achieve their full potential by participating in all spheres of society on an equal basis, without discrimination, alongside their non-disabled peers to build a world in which all people are included, valued and respected. Working in partnership with the disability movement in the world's lowest income communities, we advocate for the voices of people with disabilities to be listened to and acted upon. CBM UK seeks to ensure that the most marginalised, which includes people with disabilities, are not left behind or excluded, and that the root causes of poverty and inequality are overcome.

**Questions 1 and 2: How does the FCDO currently define the term Value for Money? Are there any other aspects of Value for Money that the FCDO should be considering in its assessment?**

The current Foreign, Commonwealth, and Development Office (FCDO) "Value for Money" (VfM) definition covers four key aspects 1. economy (appropriate cost of resources for a given output), 2. efficiency (evaluating resources used and outputs achieved), 3. effectiveness (are outputs achieving the intended outcomes), and 4. equity (are the benefits reaching the marginalised, even if harder to reach) – and through this seeks to “aim for the best feasible programme to achieve maximum impact”.<sup>1</sup>

#### **The importance of Equity**

If VFM is to achieve the best possible impact with the resources available, then any approach that leaves behind the most marginalised cannot be classed as “value for money”, however high the numbers achieved. A Bond report in 2016<sup>2</sup> highlighted that “**equity**” is **often overlooked or misunderstood**, as against economy, efficiency, and effectiveness, but it is an **essential consideration**, especially for those hardest to reach and most marginalised.

Unlike direct financial or economic costs, equity is more difficult to quantify, as measuring fairness and inclusion can often appear to be subjective and context-dependent making it harder to create consistent, standardised assessments. This may lead decision makers to prioritise “cost-effectiveness”, even if it means sacrificing inclusivity within interventions, perceiving this to be too expensive to justify.

Recognising the importance of equity in VfM requires implementing equitable practices which, whilst logistically and financially challenging, must

---

<sup>1</sup> [Programme Operating Framework October 2024.pdf](#)

<sup>2</sup> [Leaving no one behind: The value for money of disability-inclusive development](#)

CBM UK, Munro House, 20 Mercers Row, Cambridge CB5 8HY

Contact Mark Barrell, Director of Advocacy: [markb@cbmuk.org.uk](mailto:markb@cbmuk.org.uk)

1. **Address inequalities** rather than perpetuate them.
2. **Ensure that the distribution of benefits is fully inclusive.**
3. **Prioritise funding for those more often overlooked** including people with disabilities and indigenous communities, with **additional resources to that ensure accessibility for all.**
4. **Target interventions that meet the needs of specific stakeholders** with approaches that **are context driven.**

To ensure that equity is properly integrated and central to FCDO VfM, as a core component rather than treating it as a “secondary” issue, it’s crucial to:

1. **Adopt and invest in an intersectional approach** which recognises that those with complex needs or multiple intersecting inequalities are more likely to be excluded and requires proper **investment in the full and meaningful inclusion of the most marginalised including people with disabilities.**
2. **Ensure data collection methods are robust** in measuring not just the overall outcomes, but also how those outcomes are distributed across different groups.
3. **Promote equity-based indicators** that intentionally consider access to and the ability of marginalised communities to benefit from development interventions.

There are additional factors that if fully embraced could enhance the VfM assessment. These build on areas highlighted in the FCDO Prof guide (e.g. Rule 9) <sup>3</sup>:

4. Incorporating **local context and contextual appropriateness** to ensure that projects are culturally appropriate and driven by the needs of everyone.
5. Embedding **local ownership** into VfM criteria to ensure funding is responsive to the needs of everyone within the communities they are intended to help.
6. **Adaptability** in project design with interventions being responsive to changing circumstances and challenges especially of marginalised groups, to enhance long-term effectiveness and resilience.
7. **Environmental sustainability** that minimises environmental harm and supports climate resilience in vulnerable regions and for marginalised groups.

**Examples** of the above include establishing co-designed projects with local stakeholders, such as Organisations of Persons with Disabilities (OPDs) who are experts in understanding the barriers they face and what is needed to overcome them. If embedded within their communities, and managed in cooperation with those stakeholders, projects are more likely to succeed in the long term with sustainable outcomes. This fosters capacity-strengthening which shifts the power to local actors that ensures ownership rather than creating dependency.

### **Question 3: To what extent did the merger of DFID and the FCO affect what the FCDO considers to be Value for Money?**

The merger of the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO) to form the FCDO in 2020 will have had an impact on how VfM is considered within the UK's foreign policy and international funding frameworks but

---

<sup>3</sup> [Programme Operating Framework October 2024.pdf](#)

to what extent is uncertain with little information available. Prior to the merger, DFID had a distinct mandate based on a clear, results-oriented model, involving cost-effectiveness, efficiency, and accountability in development projects, and focusing on development assistance, with a rigorous VfM approach, aimed to ensure that funding was used effectively to achieve sustainable development outcomes.

Post-merger, the integration of DFID's development expertise with the FCO's diplomatic priorities may have introduced new complexities in the way VfM is evaluated. While the FCDO continues to emphasise the importance of delivering results, the inclusion of broader foreign policy objectives - for example geopolitical strategy and soft power diplomacy – will blend development goals with UK national interests, incorporating not only cost-effectiveness and results but also strategic alignment with global diplomacy, trade interests, and security concerns.

As a result, the focus on achieving the best development outcomes may sometimes be understated or seen as “less important” so as to align with the UK's foreign policy objectives. This shift may influence the prioritisation of certain projects and the methods of assessing impact, and ultimately, while the principles of VfM might remain central, its interpretation may now be more aligned with broader political and diplomatic considerations.

#### **Questions 4: How effective is the FCDO at monitoring the delivery and outputs of its programming to ensure its achieving Value for Money?**

It is appreciated that the current process of Monitoring and Evaluation (M&E) includes the use of detailed project appraisals and performance assessments throughout the lifecycle of projects, as well as regular progress reviews, audits, and evaluations, alongside transparency processes (e.g. publishing annual reports and evaluation findings), as well as independent external evaluations, including the Independent Commission for Aid Impact (ICAI).

Despite these mechanisms, the FCDO's ability to ensure VfM is potentially challenged by the complexity of projects, unpredictability of some environments where it operates, as well as the lack of capacity and data to ensure more marginalised groups are being included. The speed at which some programmes are implemented can limit the depth of monitoring, leading to higher possibilities of gaps in assessing long-term impact.

Continued investment in monitoring tools, internal training and external capacity building, alongside wider external scrutiny - with clear objectives, indicators for success and measurable targets that ensures everyone, including the most marginalised benefit - will help to ensure the FCDO remains fully accountable and improve achieving VfM that secures long term lasting impact.

#### **Question 6: How could the FCDO improve its oversight mechanisms to ensure Value for Money of its ODA budget?**

Ensuring VfM in ODA spending is a persistent challenge but is critical if the priorities of reducing poverty and promoting sustainable development globally is to be achieved.

## **Value for Money (VfM) in FCDO ODA budget from the perspective of disability inclusion.**

This is especially relevant when looked at in the light of the global prevalence of disability. 1 in 6 people are impacted by disability, with 80% (1 billion) living in low to middle income countries, but disability is often overlooked with only a third of FCDO ODA marked as Disability Inclusive and less than 1% targeted at people with disabilities. This has recently been documented by the IDC in their disability inclusive development report (para 34)<sup>4</sup>.

### **FCDO can enhance its oversight mechanisms in several ways to ensure VfM and that policies and programmes are disability-inclusive and adequately funded by:**

#### **1. Improving Disability Inclusion within VfM Metrics.**

To improve disability inclusive approaches, FCDO should ensure that efficiency, effectiveness, economy and equity are disability-sensitive and measured as such. This means properly assessing how programmes reach people with disabilities and considers factors such as accessibility, participation, and reasonable accommodation. For example, when evaluating the efficiency of a health programme, the FCDO could measure the programme's ability to provide accessible healthcare to individuals with disabilities. This requires clear guidelines on the inclusion of disability data in monitoring and evaluation (M&E) frameworks, which not only assess the final outcomes but also tracks progress during the project, ensuring that resources are being used equitably throughout.

#### **2. Enhancing transparency to foster greater accountability for Disability Inclusion within Monitoring and Evaluation Systems.**

M&E systems must track disability inclusion outcomes to ensure the ambition of the FCDO Disability Inclusion and Rights Strategy is being met<sup>5</sup>, going beyond counting the number of people with disabilities involved in projects and instead fully assess how well their specific needs are addressed. Regular audits and reviews, which allow external stakeholders such as Organisations of Persons with Disabilities (OPDs), to scrutinise ODA allocation and impact, should focus on whether programmes are designed and implemented with disability-inclusive strategies and should encourage the full participation of people with disabilities and their representative organisations. Intentionally incorporating feedback from people with disabilities and OPDs through participatory evaluation methods would allow beneficiaries to report on the effectiveness of services and interventions.

#### **3. Disability Inclusion in Procurement and Contracting.**

To ensure VfM includes disability-inclusive development requires embedding disability inclusion approaches in the procurement process. FCDO should promote clear guidelines for contractors and NGOs, requiring them to integrate disability inclusion into their project proposals. This could include ensuring facilities are

---

<sup>4</sup> [FCDO and disability-inclusive development](#)

<sup>5</sup> [Disability-Inclusion-and-Rights-Strategy-2022.pdf](#)

accessible, that materials are available in accessible formats, and that staff are trained to support people with disabilities. Contractor performance in terms of disability inclusion should be monitored, with a particular focus on whether projects meet agreed-upon accessibility and participation standards.

**4. Investing in Capacity Strengthening and Technical Assistance to improve stakeholder engagement**

FCDO should invest greater levels of capacity building for all staff and partners, ensuring they have the technical knowledge to implement disability-inclusive programmes. This includes providing training on the rights of people with disabilities, the UN Convention on the Rights of Persons with Disabilities (CRPD), and best practices in inclusive development. Strengthening the capacity of and consulting with local organisations, particularly OPDs, is also important to ensure that inclusion is prioritised at all stages of programme implementation. Consulting more regularly with local communities and stakeholders to understand their needs and ensure that projects are aligned with their priorities, will contribute to better oversight and greater trust.

**5. Ensure data disaggregation reporting and collection is disability inclusive**

Improved data collection is essential to understanding how disability is addressed within ODA projects. The FCDO should ensure that disability-disaggregated data is systematically collected, reported on and used to inform decision-making. This would involve working in genuine partnership with countries to improve national disability data systems, as well as working with local OPDs to make it easier to properly assess the impact and sustainability of ODA projects for people with disabilities. Transparent reporting on how funds are allocated and spent in all programmes as well as specific disability-inclusive programmes would also improve accountability.

By addressing these areas (and others that the Bond 2016 report highlights<sup>6</sup>), FCDO can better align its ODA budget with its commitments to disability inclusion and ensure that resources effectively reach marginalised populations and maximise VfM in the budget.

**Question 8: Does the FCDO's funding model impact the cost effectiveness of its aid budget?**

FCDO's strategic funding approach aims to deliver results across sectors, but there are concerns about its impact and the challenges when funding is not specifically allocated or prioritised for marginalised groups, including people with disabilities. This is especially true when funding is being cut. The IDC heard from a number of organisations that the UK cuts to ODA disproportionately impacted the most marginalised communities and projects that sought to support vulnerable groups.<sup>7</sup>

Cost-effectiveness often emphasises measurable outcomes, such as the number of people served or the speed of project completion, which may not always account for the unique

---

<sup>6</sup> [Leaving no one behind: The value for money of disability-inclusive development](#)

<sup>7</sup> [International Development Committee Inquiry Submission On FCDO and Disability Inclusive Development 2023](#) and [FCDO and disability-inclusive development](#)

barriers faced by people with disabilities. Adequate safeguards are required to ensure that disability inclusion and a twin track approach is a central consideration, to ensure mainstreaming across all development programmes as well as ensuring that targeted interventions are equally prioritised.

Disability inclusion often requires tailored interventions, accessible infrastructure, and specialised services, which may be more costly and resource-intensive. If these factors are not explicitly integrated into funding strategies, their omission can inadvertently undermine the long-term impact of aid. Such gaps in understanding and processes may often mean that people with disabilities are effectively excluded resulting in less targeted interventions or inefficiencies in the use of funds. For example the use of Assisted Devices (to ensure accessibility for people with disabilities) will involve extra costs which may be labelled as “unjustified” but if not funded will ultimately result in both exclusion and a lack of long term VfM. FCDO should prioritise disability inclusion in its funding allocations, ensuring that interventions are designed to be universally accessible from the outset.

A boarder concern relates to an emphasis in the current funding model of the prioritisation of high-cost commercial contracts over lower costs INGO contracts which creates a contradiction in terms of economic justification of VfM, especially in relation to the extra costs attributable to these. Even when INGOs and agencies can bid the current model is framed in such a way that agencies spend thousands in vying for highly competitive funding bids with miniscule chance of success.

### **Question 9: To what extent does the philosophy of aid at the FCDO align with its finance delivery partners, including British International Investment, and other Multilateral Development Banks?**

The FCDO Disability Inclusion and Rights Strategy<sup>8</sup> promotes disability as a critical factor in securing equitable development, that aligns to an overall FCDO commitment to inclusive development, reducing poverty, promote human rights, and fostering sustainable growth. In the DIRS the FCDO restates a commitment “to our ‘Leave No One Behind’ (LNOB) promise to prioritise the furthest behind and most excluded”.

There has however been a noticeable drop of referencing to the LNOB principle more broadly, and the extent to which this commitment and overall philosophy is being promoted and fully aligns with its finance delivery partners, such as British International Investment (BII) and Multilateral Development Banks (MDBs) varies.

BII, as the UK’s development finance institution, plays a significant role in promoting private sector-led development in low and middle-income countries. While BII has made strides in considering environmental, social, and governance (ESG) criteria, a focus on the most marginalised is still not a primary focus in its financial investments. It is also recognised that, Multilateral Development Banks, including the World Bank, have increasingly recognised disability inclusion, but they may prioritise other dimensions of development, such as

---

<sup>8</sup> [Disability-Inclusion-and-Rights-Strategy-2022.pdf](#)

economic growth, in their financing models, and so exclude the most marginalised within this.

Overall, while there is a shared commitment to reaching the most marginalised and Leaving No One Behind at the strategic level, the alignment between FCDO and its finance partners, especially in terms of practical implementation, remains inconsistent. Stronger integration of these aims and commitments in financial mechanisms is necessary for more coherent and impactful outcomes.