

**Arab Partnership Programme Fund (APPF) and
Arab Partnership Economic Facility – Country Impact Fund (CIF)**

Short Subject Matter Guidance Note

Ensuring Value for Money

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Make sure that:

1. Unit costs and quantities are included and are clear (Unit, Unit Cost, Qty, Total)
2. Format is optimised: Use excel and align with Logframe outputs as much as possible (this will enable easier measurement of efficiency unit cost);
3. Personnel time allocation is backed by evidence of their contribution and role. Ask if the organisation uses time sheets, but do not require them to;
4. Personnel benefits are in line with organisation standards;
5. HQ personnel if charged (usually in percentages) actually provide direct labour to the project. Otherwise they are already covered in Org Management cost (Indirect cost);
6. Expatriate staff are well justified and cannot be replaced with local staff;
7. Travel is related to relocation or justified business – where, who, how much each – economy class!;
8. Management or HQ fees are consistent with policy and office practice. Can be up to 15% but we rarely should give above 9-10% (check with others);
9. Budget is in British Pounds only – can allow for “exchange differential” budget line item to share the cost of currency devaluation;
10. There is a “budget narrative” that explains each and every line item – linked to project outputs and activities;
11. There is budget provision for external evaluation and independent audit;
12. Quarterly financial reports reflect the agreed budget;
13. All variances above 15% for major line items are explained (Flexibility!);

Beware of:

1. Year to year increased cost beyond inflation rate;

2. General and un-detailed line items such as: “travel, training, staff, etc”;
3. Critical budget line-items that may affect the project outputs;

Remember

- **FLEXIBILITY IS FINE, BUT DETAILED BUDGETING MEANS BETTER PLANNING = BETTER VALUE FOR MONEY = EASIER FORECASTING & REPORTING.**
- **THERE IS A WEALTH OF EXPERIENCE WITHIN THE OFFICE – ASK!**