



Value For Money Statement

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This statement outlines the International Institute for Environment and Development's (IIED) commitment to achieving value for money (VfM).

IIED follows VfM guidelines set by the Fundraising Regulator¹ and the Independent Commission for Aid Impact (ICAI)². As an organisation in receipt of public funds, IIED uses the UK government's VfM framework which sets out to 'improve the Value for Money for all aid'³ using an economy, efficiency, effectiveness, and equity (4E) approach:

- Economy: minimising input costs
- Efficiency: optimising processes
- Effectiveness: achieving intended outcomes and impact
- Equity: ensuring outcomes are targeted at the poorest and include targeting of women and girls

IIED's mission is to build a fairer, more sustainable world, using evidence, action, and influence, working in partnership with others. We work in collaboration with partners and marginalised communities across Africa, Asia, the Middle East, and Latin America, to bring lived experience, expertise, and research evidence to global attention, to help reshape policies, funding mechanisms and governance at all levels.

¹ Fundraising Regulator, <https://www.fundraisingregulator.org.uk/>

² ICAI's Approach to Effectiveness and Value for Money, 2012, <https://icai.independent.gov.uk/wp-content/uploads/ICAI-Approach-to-Effectiveness-and-VFM2.pdf>

³ DFID's Approach to Value for Money, 2011,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49551/DFID-approach-value-money.pdf

As IIED works in complex, interconnected and rapidly evolving contexts, we incorporate adaptive management principles in our VfM approach. When producing research evidence, we strive to take a locally-led approach - testing, learning and adapting, in collaboration with partners. Achieving locally-led impact with robust resource management, produces the best measures and demonstration of VfM, as recommended by ICAI⁴.

Economy

As part of our efforts towards VfM, IIED uses income and resources as effectively as possible to achieve scaled, transformative, and sustained impact. IIED has robust processes and policies on resourcing and expenditure, whilst delivering effectiveness and quality, to ensure an economic approach is achieved. Driving down costs and minimising inputs includes:

- ⇒ A suite of business-critical policies, including: Due Diligence of Partners; Procurement; Reserves; Recruitment and Selection; Salary; Expenses; Travel; IT Operations; Risk Management and Environmental. IIED's policies are mandatory for all staff, centrally stored in the policy library, accessible to all staff, and subject to routine review to ensure ongoing fitness for purpose.
- ⇒ A target to reduce carbon emissions from air travel by 2.5% per year. IIED's Travel Policy outlines the actions staff should take to economically manage emissions and travel as responsibly as possible, including reducing travel costs by using charity and cancellable fares, and participation via Zoom and Microsoft Teams instead of flying.
- ⇒ A tiered and proportionate Procurement Policy which ensures the cost of procurement does not outweigh the value of procurement. While competitive procurement is IIED's default, where justified we avoid over processing low-value procurements to minimise administrative overheads and maximise allocation of resources to delivery. The tiered and proportionate approach includes: informal (for micro and small procurements), simplified tendering, selective tendering, open tendering, pre-selected, sole sourcing and preferred supplier status. Underpinning the procurement processes are clear evaluation criteria and compulsory training. Supplier selection also considers the best long-term outcomes, not just the lowest initial cost, to achieve sustainable VfM.
- ⇒ A tiered and proportionate Due Diligence of Partners Policy. The process includes reviewing policies, conducting risk assessments and a contextual scorecard to assess partner's operating conditions. This ensures both IIED and partner inputs are commensurate with the sub-grant value. Due diligence of Partner reviews are valid for three years.

⁴ ICAI, DFID's approach to value for money in programme and portfolio management, 2018, [ICAI-VFM-report.pdf](#)

- ⇒ Passporting due diligence of partners undertaken by reputable third parties (multilaterals and governments) in the last three years. This reduces administration costs for IIED and partners.

Efficiency

To maximise efficiency, IIED has robust controls in place including:

- ⇒ A Finance Manual to ensure financial accountability, proactive financial management, regulatory compliance and effective use of funds across IIED's operations. The manual is complemented by internal authorisation thresholds; established budget and forecast processes and policies covering Anti-Fraud, Bribery and Corruption Policy; Expenses Policy; Reserves Policy and VAT guidance.
- ⇒ Templates and checklists to streamline and ease implementation of policies, annexed to relevant policies and accessible to all staff.
- ⇒ A Proposal Development Process which includes budget review and assessments to ensure VfM at the proposal stage.
- ⇒ Continued monitoring of project budgets throughout delivery through to exit.
- ⇒ Following Charity Commission guidance and regularly monitoring performance against expectations on financial controls, charitable expenditure and investment.

Accountability and transparency are key elements of VfM and efficiency and we detail the use of funds and resources in our statutory [annual report](#) and report to [IATI](#) as part of our commitment to open data.

Effectiveness

To assess if we are achieving desired impacts and outcomes, IIED significantly invests in Monitoring, Evaluation and Learning (MEL) systems and practices. The MEL framework facilitates adaptation and continual learning. Impact is measured in relation to best use of resources to achieve both effectiveness and efficiency. IIED's MEL framework has enabled us to develop and share outcomes, hold ourselves accountable and become a trusted convenor in policy action research. The MEL framework includes:

- ⇒ [Learning and Impact Framework \(LIF\)](#): The LIF tracks how change happens and if we have achieved desired impacts and outcomes. Unlike traditional frameworks that focus narrowly on outputs, IIED's LIF captures real-time feedback, learning and monitoring which supports us to adapt in real time.
- ⇒ LIF Annual Plan: The LIF Plan captures planned activities and research for the year ahead, how they map onto IIED's [Theory of Change](#) and contribute to our [manifesto](#).
- ⇒ Learning Festivals: Our six-monthly Learning Festivals bring together IIED colleagues to reflect on how different areas of work connect, where IIED is

making a difference and what is needed next. This allows IIED to build a clearer collective view of where our work is creating change, where we need to adapt and which new ideas should be taken forward with partners.

- ⇒ Stakeholder surveys: Annual stakeholder surveys track partners' perceptions and captures evidence of IIED's effectiveness in collaborative working.

IIED produces high-quality, evidence-based research with informed analysis and recommendations. Research findings inform decision makers when bringing about change. We assess the effectiveness of our research and recommendations by analysing levels of local actor and community engagement, whether evidence contributes to policy change and reviewing our academic impact through citations of journal articles. We strive for **research excellence** and effectiveness through being:

- ⇒ Informed: We engage critically in both qualitative and quantitative approaches to data collection, drawing on both theory and data-based approaches. Our research is context sensitive, representative and innovative, driven by the voice of local communities and governments. We triangulate research to maintain rigour and use multiple forms of data, methods and perspectives. When compiling research, we test theories and explanations, exploring the variety of experiences to be represented.
- ⇒ Engaged: We engage with partners, communities and governments, drawing on their experience as an ecosystem of knowledge and practice. We specifically focus on the inclusion of marginalised groups and communities, and aim to be locally-led. This ensures local needs and voices are brought to the national, regional and international arenas.

IIED centres VfM on achieving and demonstrating **scaled impact** and long-term positive outcomes for those most affected by climate change, nature loss and social injustice, in parallel with the best use of resources.

Equity

For IIED 'equity' acknowledges that people have different backgrounds and contexts, and varying levels of access to power and privilege. We actively participate, learn, re-design and embed systems and processes that aim to tackle inequity, achieve just transition, bring about social justice and secure equity.

We do this in alliance and collaboration with partners to actively challenge colonialist development and environment constructions. We also embrace diverse epistemologies and models based on different knowledge systems and world views. We recognise there can be no social justice or sustainable development without an equitable approach throughout our work. IIED applies equity as both a value and an approach to the work we do and in how we operate. We achieve this through the following:

- ⇒ Embedding a **set of values** focusing on transformative change; care; respect and dignity; justice and fairness; ethical partnership; and inclusion and equity.

- ⇒ Complementing our values with a suite of **commitments**, policies and processes to enhance the delivery of our values and ethical partnerships approach. The policies are reviewed regularly to ensure they are fit for purpose, and are held in our central policy library. Relevant policies and guidelines cover Environment; Equitable Representation on Panels; Equity, Inclusion and Justice; Ethical Research; and Equitable Partnerships.
- ⇒ Building **equitable partnerships** that maximise benefits for participants and communities. This entails meaningfully engaging partner organisations at all stages of project and research cycles, fair distribution of resources, acknowledging all parties' contributions and enabling spaces for mutual learning.
- ⇒ A **Partnership Statement (PDF)** encapsulating a mutual commitment to making change happen and working towards common goals with the organisations we partner with.
- ⇒ Incorporating equity and inclusion in evidence and research through engaging women, low-income households and marginalised community members whose experience and knowledge are often overlooked by decision makers.
- ⇒ Engaging with diverse communities using a range of context-sensitive research methods and communications strategies for targeted impact across audiences, ranging from academic communities to practitioners and policymakers.

IIED has a deep understanding of power and politics. We recognise the effect that our position and way of interacting can have on research approaches. Through practicing and implementing commitments to equity, IIED produces actionable knowledge that helps reduce power imbalances and achieves equity as part of our approach to VfM.

Embedding VfM across IIED

Improving efficiency and robustly managing costs, while ensuring effectiveness and quality is a long-standing and ongoing priority at IIED.

IIED's management team, the Strategy and Leadership Council, is responsible for strategic oversight of VfM. Our Operations Committee is responsible for embedding VfM across our activities and operations, and our Research and Learning Committee leads on ethical standards, research quality, innovation and impact. These combined responsibilities ensure IIED upholds VfM throughout all of our work.