

WYG's collaboration with VNG International (VNG) and Democracy Reporting International (DRI) is structured to deliver maximum Value for Money (VfM) benefit to the FCO, ensuring that direct spend on technical and managerial support is maximised and that payments are clearly linked to output delivery. We set out our approach to VfM based on the 3 E's approach¹, to which a fourth "E" is added to cover equity.

Operational Set-Up and Ongoing Platform Costs: Our partnership with VNG and DRI is central to our VfM approach, which will drive considerable VfM savings to FCO over the contract term. Both organizations have an established presence in Lebanon, derived from implementing the LOGOReP (VNG; completed March 2019), MASAR (VNG; 2019- 2021), Local Governance In Lebanon - Phases I & II (DRI; 2016-2019) and RESLOG (DRI; 2018-2020) programmes. We draw on the political networks and experience already in place for these programmes, enabling us to deliver the following added value:

- VNG's office is located in Badaro in Beirut and is fully equipped with printers, internet, meeting facilities and local administrative staff. This again facilitates rapid deployment of our team at inception. This also generates **significantly reduced travel and security costs**, and, by apportioning office costs across the CSSF Lebanon assignment and other VNG programmes/projects, **economies of scale can be achieved**, delivering exceptional VfM. *(Economy);*
- This established presence in-country gives access to local consultants with a proven track record of delivery in Lebanon. **Use of such established staffing networks means that locally sourced consultants are less likely to require replacement which can be time consuming, expensive, and disruptive to the programme.** *(Economy);*
- VNG and DRI have established political networks in all selected FoMs and working relationships through recent local governance projects in Minnieh, Dannieh, and Jebel el-Sheikh FoMs. This has already led **to the written commitment from FoM presidents** to support the programme's implementation in their FoMs and will allow for quick and effective political support and **significantly decrease the risk of lost investments** towards unwilling beneficiaries *(Economy);*
- An institutionalisation approach that favours **light-weight, low-cost upkeep of Youth Councils and the L-CYC**, with the formula for Youth Councils directly derived from an already **successfully tried and tested model and example of Jebel el-Sheikh**. This will allow for quick implementation of Youth Council activities and lend overall credibility to the proposed intervention vis-à-vis beneficiaries. *(Efficiency, Economy);*
- Our innovative SharePoint-based MIS offers transparent live-time programme monitoring and management capability. This will **enhance delivery** by allowing for **progress tracking** and **smooth workflow management**. *(Efficiency);*
- **WYG's tried and tested project and financial management systems** include integrated systems for contract management, staff recruitment and tracking of forecast expenditure against actual expenditure. *(Efficiency);*
- **Well-structured DoC procedures**, tried and tested in FCAS, and developed for implementation in Lebanon. *(Efficiency);*
- A **strong understanding of programme risk** allowing us to identify and mitigate risk at both tactical and strategic levels through live-time monitoring using our risk register and MIS software. *(Effectiveness);*
- **Integration of cross-cutting issues** across work programme components to ensure systematic treatment and mainstreaming of gender, social inclusion, and conflict/ safeguarding into PSWM delivery. *(Effectiveness);*
- We will **comply with ILO standards on labour, social and human rights**. For instance, our methodology has been designed to ensure that political, conflict, and gender sensitivities are embedded within our programme design. *(Equity).*

Salaries: We are confident that our fees are (a) competitively priced in order to provide VfM to cover our costs of providing you with a quality service. We offer the FCO competitive fee rates as a result of the following key factors:

- Extensive fee rate benchmarking which allows us to realise a **significant discount against WYG's agreed CSSF Framework rates** (see Commercial tender). *(Economy);*
- **Low margins** in our business model, which is focused on cost recovery, including direct costs of service delivery (such as sub-contracted labour, reimbursable expenses and in-house labour). *(Economy);*
- **Lower (central) overheads** due to a highly decentralised operating model. It covers such costs as insurances, office premises, company management and administration costs, depreciation and finance costs. *(Economy);*
- **Delivering most inputs internally, with only minimal requirements to source external skills**, and a very strong local presence, allowing **more use of regional/national experts and WYG/VNG office infrastructure**. This, combined with fielding **project teams blended with junior and mid-level staff**, with field staff who live and work in the target areas, and who work closely with senior staff, will ensure high quality services while reducing costs *(Economy) (Efficiency) (Effectiveness).*

Concentrated, **long-term utilisation of external industry** experts enables us to negotiate more competitive fee rates. This should not only provide FCO with reassurance that the delivery team will remain stable and reliable over the contract duration, but also strongly mitigates any future potential requirement to replace team members, **saving on costs which may have otherwise been incurred by staff replacement procedures.** *(Economy) (Efficiency).*

¹ Measuring the Impact and Value for Money of Governance & Conflict Programmes Final Report December 2010, ITAD (for DFID)