

Resilience Evaluation, Analysis and Learning (REAL) Project Value for Money Technical Meeting

1:00 – 4:00 PM, 899 North Capitol Street
Virginia Conference Room, 9th Floor

March 23, 2017

Summary Notes

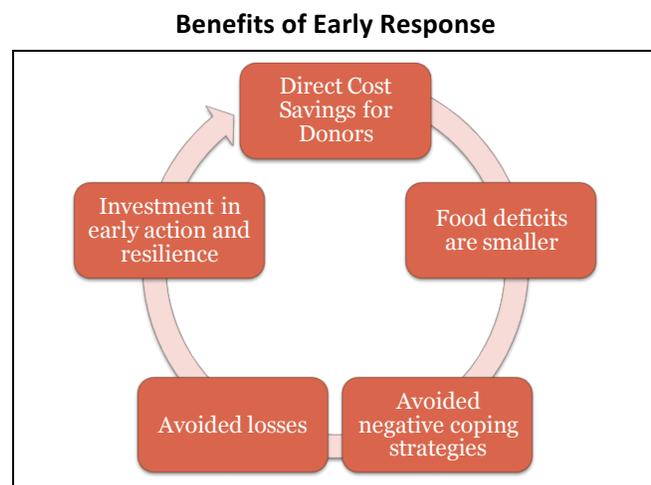
I. Overview

- Resilience agenda within USAID was prompted by repeat large-scale humanitarian crises, and the increasing costs associated:
 - Cost in lives and livelihoods
 - Costs to affected countries in lost or stalled economic growth
 - Costs to governments and donors participating in humanitarian responses
- Need to be able to quantify the costs – in lost economic growth and repeat, large-scale humanitarian responses - averted by resilience programming.
 - VFM analysis is starting to paint a compelling picture
- Need to be daring and innovative in seeking ways to collaborate on this critical analysis
 - Be thoughtful and pragmatic
 - VFM can help inform the case being made for reduced spending, reduced liability and reduced humanitarian need

II. Current Approaches to Capturing Value for Money

(Value for Money discussed as both the value for money of resilience investments and of early response)

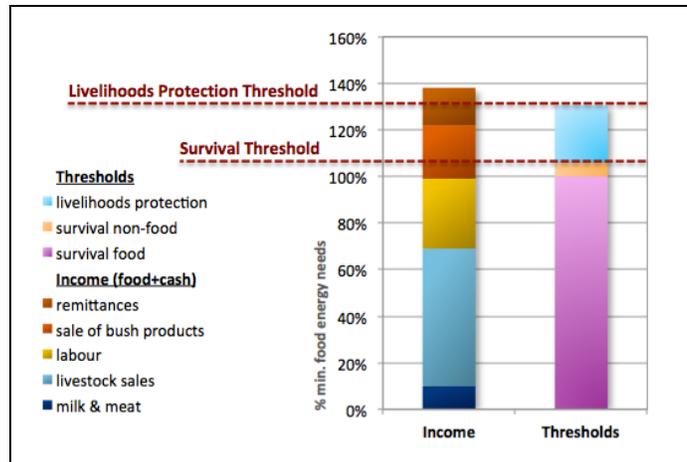
- ***The Economics of Early Response and Resilience*** – Courtenay Cabot Venton
 - Draws primarily from DfID research carried out in Ethiopia and Kenya in 2013. Informed complementary research in Mozambique, Niger, and Bangladesh.
 - Based on Household Economy Approach (HEA) applied to multi-year dynamic modelling to estimate the food deficits.
 - Also being used to inform follow-on research for World Food Programme (WFP).
 - If savings resulting from early response similar to those found in WFP study were applied to the approximate US\$10 billion



that is spent on food aid each year, **cost savings on food aid alone could save over US\$2 billion in donor budgets.**

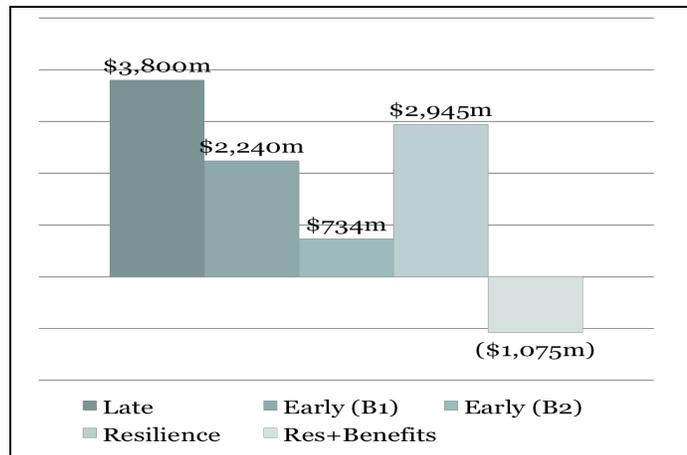
- HEA analysis of income and thresholds quantifies the level of income and food households need to survive and to adequately sustain livelihoods to ensure other basic needs are met.
- Scenario analysis attempts to model the effects of: droughts of different severity; early and late response (e.g. procurement of food commodities); and different intervention packages (e.g. emergency destocking, provision of veterinary services).

HEA Analysis: Income and Thresholds



- Participants engaged in substantive debate about accurate valuation of assets based on herd dynamics modelling in relation to commercial destocking and veterinary services.
- Estimated VFM of “Resilience Packages” can be informed by estimated cost of national resilience investment plans.
- Current research estimates that investments of \$USD 1 in disaster risk reduction activities yields benefits of \$USD 4-13. The projected savings in this model are based on only a \$USD 1.10 (10%) return on investment.

Scenario Analysis: Potential Savings over 20 Years



- Projected VFM of “resilience + benefits” scenario includes estimated values of: averted humanitarian assistance; averted losses (e.g. livestock assets); and development/well-being outcomes (food and livelihood security at household level).
- Need for further empirical evidence of change in humanitarian case load and averted losses:
 - cost savings on other food and non-food commodities;
 - data on actual changes to household food security and animal losses;
 - cost-benefit analysis of resilience investments across multiple contexts

• **Ethiopia PRIME Recurrent Monitoring Survey 2: Value for Money analysis (preliminary results) – Tim Frankenberger, Lisa Smith, Mark Langworthy**

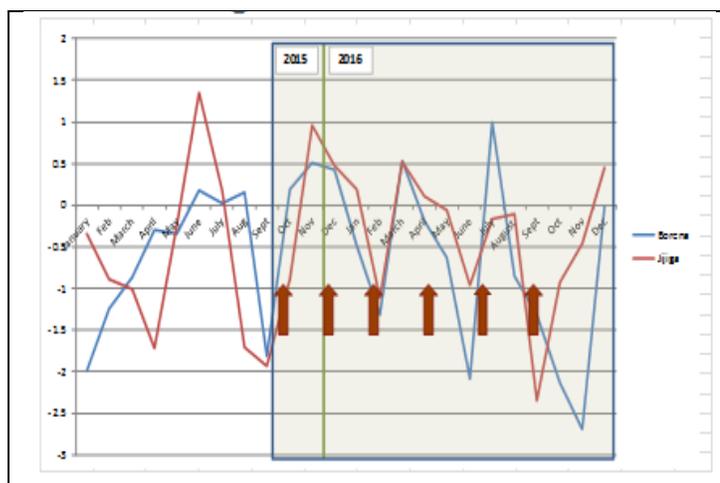
- Preliminary analysis: work is ongoing.

- Six rounds of data collected over one year (Oct 2015-Nov. 2016): reduces survey burden on households and is more reflective of changes at household level through different seasons.
- Aimed at answering three questions:
 - Have PRIME interventions increased households' resilience to drought?
 - Have they helped protect households' assets?
 - Does early humanitarian assistance enhance resilience and prevent asset depletion?
- RMS analysis based on panel data set from a sample of 400 households. Endline sample will be much larger and allow for more robust analysis.

- Severity of drought was monitored at relatively low (*kebele*) level based on secondary data from African Flood and Drought Monitor.

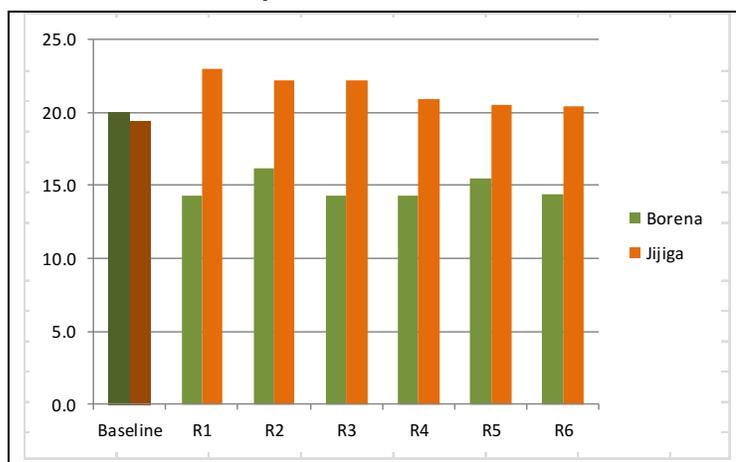
- Analysis Methodology:
 - *Growth regressions*: using project intervention intensity as a predictor of changes in food security and asset ownership over time.
 - *Positive Deviant (PD) analysis*: Analysis of households that fared far better than average over drought episode and whether PRIME interventions contributed.

Rainfall Deviation from Norm over Course of RMS



- Based on the definition of resilience as the ability to maintain or increase food security in the event of a shock (e.g. drought) analysis suggests that households in Borena were more resilient over the course of the RMS (worse than baseline but more resilient for population as a whole), whereas Jijiga populations were less resilient over the same period (better than baseline but falling food security over time).

Food Security at Baseline and RMS 2 Rounds



- Analysis of coefficients on intervention intensity and shock exposure suggests a clear difference among intervention groups. This indicates a **resilience-enhancing impact of PRIME's interventions**.

- **In summary:** the moderating effect of project interventions is pronounced in the face of shock events. The worse the shock, the more pronounced the moderating effect.
- Value for Money analyses based on livestock assets is challenging on several fronts. In response to drought, interventions may actively promote or encourage commercial destocking, pastoral households often migrate across regional and national borders (making herd monitoring difficult), and unit value of animals will vary considerably depending on health, market dynamics, etc.
- Impact of project interventions on household asset ownership appears mixed. While PRIME interventions did assist households in retaining assets during the drought, the protective effect was mainly seen regarding productive agricultural (not livestock) assets.
- In general no relationship between project intervention intensity and asset retention was found.
- Results on the impact of early receipt of humanitarian assistance on household resilience is mixed. In Borena, there was a positive influence of early humanitarian assistance on household resilience, whereas in Jijiga, there was not. Overall, there is little evidence among the small sample of any relationship between early food aid and asset retention using this small data set.

III. Pros and Cons of Different Alternatives

- Participants agreed that while both EERR and RMS approaches employ different methods and generate different analyses, they can be quite complementary for informing discussions on Value for Money. EERR has established a good working model for analyzing donor investments at a national level, whereas the RMS has generated interesting empirical analysis of the effectiveness of project-level investments aimed at achieving specific, household-level resilience outcomes (e.g. household food security and asset ownership).
- The models / analytical approaches to VFM analysis focus on drought as the primary shock. Analysis of complex shock environments (drought, conflict, market shocks, health epidemic) may confound some of these models.
- In order to accurately assess the Value for Money of “early” and “late” response and “high” and “low” intervention packages, data collection efforts must be specifically designed to answer these questions. It’s difficult and sometimes impossible to carry out a robust analysis of these issues based on existing data sets that weren’t aimed at generating this type of empirical evidence.
- ***The Economics of Early Response and Resilience***
 - Most interested in assessing the relative value of some “light” set of resilience interventions versus some more “intense” set. Will vary considerably across different contexts.
 - HEA modelling approach is based on a number of critical assumptions. Can we arrive at some “range” of differing values based on inclusion of different, context-specific assumptions?
 - Could also apply similar modelling to program intervention strategies for “resilience building” that may be quite different (e.g. those that promote migration).
 - Time sensitivity of perceived benefits must consider anticipated discount rates (i.e. the farther away the anticipated benefit, the lower the value ascribed to it).

- While “resilience building” activities can be seen as distinct from “humanitarian assistance” and standard “development” interventions, USAID is not interested in creating a third category of assistance. Rather, to assess Value for Money, emphasis should be placed on analyzing different “buckets” of interventions: **expanding economic opportunity, strengthening governance** (e.g. conflict management, disaster risk management, natural resource management) and **enhancing human capital**.
- Need to be deliberate in describing the importance of timing of humanitarian assistance. Couch evidence as: “Look how much you saved by responding earlier than usual, and then, how much could be saved if we had responded even earlier.”
- ***Ethiopia PRIME Recurrent Monitoring Survey 2***
 - RMS dataset, drawn from a limited sample and missing some detailed information, is not best suited for actual estimates of Value for Money.
 - Some opportunity to use cost-per-beneficiary analysis of different sectors to assess the VFM in terms of various resilience outcomes. Not yet able to use these costs of “high” intensity versus “low” intensity packages to fully explain differences in outcomes at the community or household levels.
 - There was a substantive debate about the ability to accurately attribute changes in food security (and resilience capacities) to specific combinations of project interventions in PRIME areas. This is relevant to VFM in terms of the comparative effectiveness of “high intensity” versus “low intensity” intervention packages (and associated costs).
 - For USAID’s (Center for Resilience) purposes, the analysis of VFM will look at program intensity in relation to global investment (as opposed to project-specific) to accurately characterize intensity level. This is consistent with FFP’s requirements of implementing partners to gather information on complementary interventions in target areas. Appropriate guidance will be given to USAID Missions to track this information for use in VFM analysis.
 - Previous efforts to incorporate information on complementary investments for DfID’s VFM/Averted Losses analysis have been made difficult by the fact that agencies often can’t provide accurate, up to date information on “who’s doing what, and where.”
 - There were discussions among group regarding differing conceptual and empirical definitions of, and data collection and analysis methods for, Positive Deviant Analysis. This led to an acknowledgement of the importance of complementing quantitative “classifications” of households with context-specific analysis of qualitative data.

IV. Priority Steps in Assessing Value for Money Going Forward

- ***The Economics of Early Response and Resilience***
 - Need some sort of articulation of the assumptions of HEA modelling (e.g. as applied in Kenya). This will help external audiences interpret the details of the results.
 - Should provide greater clarity on the dynamics of household choice regarding coping strategies (which tend to be adopted and when, with respect to a specific shock, among a specific population).
 - Even though they have the same capacities doesn’t mean that households will employ the same responses. An important step in addressing this (e.g. with HEA) will be to achieve some consistency

in ensuring use of representative samples. Courtenay can provide estimation models used in Economics of Early Response and Resilience Studies.

- **Ethiopia PRIME Recurrent Monitoring Survey 2**
- Need to try to take a close look at impacts of shock and intervention packages on household assets, especially livestock. This needs to accommodate nuance of household decision making regarding livestock assets to ensure that interpretation of quantitative analysis is accurate.
- Need to look further into accurately assigning costs to and assessing relative value of “high intensity” versus “low intensity” intervention packages. How can we cost food security outcomes?
- There is great opportunity to integrate an “iterative” qualitative component into the quantitative approach to RMS in order to address current gaps in interpretation.

Participants

Name	Title, Affiliation
Greg Collins	Director, USAID Center for Resilience, USAID Resilience Coordinator
Karine Garnier	Knowledge Management and Learning Advisor, USAID Center for Resilience
Tiffany Griffin	Monitoring, Evaluation, and Strategic Analysis Advisor, USAID Center for Resilience
Arif Rashid	Monitoring and Evaluation Team Lead, USAID Office of Food for Peace
Janina Mera	Monitoring and Evaluation Advisor, USAID Bureau for Food Security
Courtenay Cabot Venton	Independent International Development Economist
Tim Frankenberger	President, TANGO
Lisa Smith	Senior Economist, TANGO
Mark Langworthy	Vice-President – Economist, TANGO
Karyn Fox	Senior Research Specialist, TANGO
Jon Kurtz	Director for Research and Learning , Mercy Corps
Nancy Mock	Professor of International Health and International Development, Co-founder of Tulane Disaster Resilience Leadership Academy, Tulane University
Karen Tincknell	Senior Director, Hunger and Livelihoods, Save the Children USA
Tom Spangler	Director, Resilience and Livelihoods, Save the Children USA
Claire Boswell	Specialist for Social and Behavioral Change, Food for the Hungry
Mike Christopher	Senior Knowledge Management Specialist, CORE Group