

# Cost-effectiveness in humanitarian outcomes and development in fragile and conflict-affected states: An update of Helpdesk reports 457–462

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## Question

*What new evidence is there on cost-effectiveness in humanitarian and development work in FCAS, protracted and recurrent crises, in the following areas:*

- *Resilience programming (incl. (re)building resilience of economies, institutions and essential services, markets, livelihoods and communities), shock responsive social protection and safety nets*
- *Preparedness, anticipatory and early action*
- *Crisis financing*
- *Integration of Displaced Persons into Host Community Services and access to jobs*
- *Cash-based Programming*
- *Humanitarian Protection, specifically compliance with International Humanitarian Law (HIL)*

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*The K4D helpdesk service provides brief summaries of current research, evidence, and lessons learned. Helpdesk reports are not rigorous or systematic reviews; they are intended to provide an introduction to the most important evidence related to a research question. They draw on a rapid desk-based review of published literature and consultation with subject specialists.*

*Helpdesk reports are commissioned by the UK Department for International Development and other Government departments, but the views and opinions expressed do not necessarily reflect those of DFID, the UK Government, K4D or any other contributing organisation. For further information, please contact [helpdesk@k4d.info](mailto:helpdesk@k4d.info).*

# 1. Summary

This annotated bibliography is not intended to provide a comprehensive literature review or a meta-analysis of the cost-effectiveness of different humanitarian interventions; it presents literature that has emerged in the last 18 months (between September 2018 and March 2020) to provide an update to a set of previous helpdesk reports by the Knowledge, Evidence and Learning for Development Programme (K4D) produced between September and October 2018.<sup>1</sup> The current study focuses on the same areas that the previous helpdesks looked at, namely: resilience programming, shock responsive social protection and safety nets; preparedness, anticipatory and early action; crisis financing; integration of displaced persons into host community services and access to jobs; cash-based programming; and humanitarian protection (i.e. compliance with International Humanitarian Law (IHL)). The review focuses largely on fragile and conflict-affected states. However, some documents are more general than this. The literature reviewed was a mixture of academic papers, think tank reports and development agency reports. It is recognised that given the nature of this rapid review, there are limitations in what can be inferred from its findings. Especially as the context is key for many of these interventions.

The documents identified in this report cover an array of methodologies and indicators of cost-effectiveness, cost-efficiency or value for money. Many of the documents reviewed did not make a clear statement about how effectiveness was measured, and whether or not objectives had been achieved or were cost-effective. Establishing any measure of the relationship between specific inputs and specific outputs or results is complicated by the fact that programmes usually produce a variety of outputs, making it more difficult to allocate costs to any specific output (ALNAP, 2018). As discussed in the most recent ‘the State of the Humanitarian System’ 2018 report (ALNAP, 2018: p. 183), “it is more difficult than it should be to say whether humanitarian activities are effective. ...It is also difficult to assess the effectiveness of combined humanitarian activities in response to a particular crisis. ...[T]here is little evidence that humanitarian action in the period 2015–17 was effective at addressing the issues that contribute to vulnerability and need in crises.” Furthermore, the report highlights that (ALNAP, 2018: p. 203):

A shortage of budgetary information and a lack of valid comparisons with other service providers make it difficult to say, overall, whether humanitarian aid is efficient or not. However, the limited information available suggests that the system is not inherently inefficient, particularly when providing goods and services to remote and sparsely populated areas. At the same time, there are numerous areas where efficiency could be improved. The period 2015–17 saw modest progress, largely through the increased use of preparedness and early warning mechanisms, increased integration of humanitarian activities into social safety nets, increased use of technology and cash programming, and moves to establish common procurement mechanisms and supply chains. There was less progress on the systemic and structural barriers to efficiency – such as overlaps

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<sup>1</sup> These helpdesk reports include: (1) HDR 457 Cost-effectiveness in humanitarian work: the promotion of international humanitarian law; (2) HDR 458 Cost-effectiveness in humanitarian work: cash-based programming; (3) HDR 459 Cost-Effectiveness in Humanitarian Work: Integration of Displaced Persons into Host Community Services; (4) HDR 460 Cost-Effectiveness in Humanitarian Aid: Localisation Programming; (5) HDR 461 Cost-Effectiveness in Humanitarian Work: Preparedness, Pre-financing and Early Action; and (6) HDR 462 Cost-Effectiveness in Humanitarian Aid and Development: Resilience Programming.

between agencies and multiple, often duplicatory, reporting requirements to different donors.

Overall, “new” evidence on cost-effectiveness (i.e. in the last 18 months) in the different areas of focus varied greatly. The areas of preparedness, anticipatory and early action (12 papers), resilience programming (including shock responsive social protection and safety nets) (8 papers), and cash-based programming (5 papers) had the largest number of documents published in the time period. This demonstrates that the evidence base for cost-effectiveness in these areas (whilst still limited) is growing and receiving international attention. Two papers were identified related to the cost-efficiency of crisis financing through multi-year humanitarian funding and multi-purpose case assistance. One paper related to the economic benefits around the integration of displaced persons into labour markets was identified, this was a literature review of the existing empirical literature and little information was given on specific cost-effectiveness. The limited number of papers identified in these two areas indicates that they are not well studied. No recent papers could be identified on cost-effectiveness for humanitarian protection (compliance with International Humanitarian Law (IHL)); this reflects the findings from Haider’s review from 2018, which revealed a significant gap in evidence on the cost-effectiveness of efforts to promote compliance with international humanitarian law. This remains understudied. However, limitations in the search strategy (see method outline below), such as narrow keyword combinations given the time constraints of this report, could also contribute to the lack of papers identified in these areas. Furthermore, for ease of access and readability, the annotated bibliography matrix in this report has been split into sections corresponding to each of the specific subjects.<sup>2</sup> However, it is important to note that many of the papers have multiple areas of focus and there is hence crossover between the (arbitrary) subjects under which the papers are placed.

### **Specific findings from this review:**

#### ***Resilience programming, shock responsive social protection and safety nets***

- Shock responsive social protection, safety nets and resilience programming are linked areas of humanitarian practice with the broad objectives of reducing vulnerability and building resilience. This review identified 8 papers on (cost-)effectiveness that broadly fit into these areas.
- **Reardon et al.** (2019) assess the cost-effectiveness of adding hepatitis B birth dose (HepB BD) vaccination among sub-Saharan African refugee populations where the host country’s national immunisation policy includes HepB BD (Djibouti, Algeria & Mauritania). This analysis shows the potential benefit of implementing HepB BD vaccination among other camp-based refugee populations as more sub-Saharan African countries introduce national HepB BD policies.
- **Cardarelli et al.** (2018) investigate the cost-effectiveness in USD per unit of health of a humanitarian intervention consisting of global paediatric cardiac surgery programme building. The study also assessed estimated improvement in the United Nations Human Development Indicators (life expectancy, years of schooling, and gross national income) for each individual survivor, as a proxy for long-term benefits of the intervention. They

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<sup>2</sup> Papers are organised alphabetically according to title; their order does not reflect importance or the strength of evidence.

find that humanitarian paediatric cardiac surgery in LMICs is highly cost-effective. It also leaves behind a lasting humanitarian footprint by potentially improving individual development indices

- **Rogers et al.** (2019) evaluate the cost-effectiveness of the treatment of uncomplicated severe acute malnutrition by lady health workers (LHWs) as compared to an outpatient therapeutic feeding programme in Sindh Province, Pakistan. The similarity of costs and effectiveness between models suggests that whether it is appropriate to engage LHWs in substituting or complementing outpatient facilities may depend on population needs, including coverage and accessibility of existing services, rather than be purely a consideration of cost.
- **Makhani et al.** (2019) undertook a systematic review examining the use of economic evaluations in health related humanitarian programmes in low- and -middle-income countries. Overall, there is limited evidence of full economic evaluations of health interventions in humanitarian programmes. From a total of 8127 total studies, 11 full economic evaluations were identified, all of which were cost-effectiveness analyses. The variance in quality between these 11 studies primarily occurred in the data collection and analysis techniques. Seven studies focused on communicable diseases. There were one study on community-based therapeutic care for nutrition, one study on short orthopaedic missions for injury and rehabilitation services, one study on a mental health behavioural intervention and one study on obstetric care. Of the 11 studies, 8 studies noted that the compared health intervention was cost-effective, one study noted that the intervention was not cost-effective, and the conclusions from the remaining two studies were unclear. Greater use of economic evaluation methods and data to enhance the microeconomic understanding of health interventions in humanitarian settings is recommended.
- **Schnitzer** (2019) uses panel data from Niger to simulate the performance of various targeting methods that are widely used by development and humanitarian actors. The methods include proxy-means testing (PMT), household economy analysis (HEA), geographical targeting, and combined methods. Results show that PMT performs more effectively in identifying persistently poor households, while HEA shows superior performance in identifying transiently food-insecure households. Geographical targeting is particularly efficient in responding to food crises, which tend to be largely covariate. Combinations of geographical, PMT, and HEA approaches may be used as part of an efficient and scalable adaptive social protection system.
- **Shen et al.** (2020) explore the impact of stakeholder perspectives on cost-effectiveness estimates of four specialised nutritious foods for preventing stunting and wasting in children 6-23 months in Burkina Faso. The nutritious foods were Corn Soy Blend Plus w/ oil (CSB+ w/oil, reference arm), Corn Soy Whey Blend w/oil (CSWB w/oil), Super Cereal Plus (SC+), and Ready-to-Use Supplementary Food (RUSF). While similar effectiveness was found in three arms (CSWB w/oil was less effective), costs differed. Evaluating cost-effectiveness by incorporating uncompensated stakeholders provided crucial implementation insights around nutrition products and programming.
- **Aurino et al.** (2019) use a unique pre-crisis baseline and five-year follow-up to investigate the effects of emergency school feeding and generalised food distribution (GFD) on children's schooling during the recent conflict in Mali (since 2012). It estimates programme impact on child enrolment, absenteeism, and attainment by using a difference in differences weighted estimator. They find that, while school feeding led to increases in school enrolment and educational attainment, general food distribution led to

declines in school attendance over five years, primarily among boys. These differences are potentially accounted for by adjustments in child labour. The educational implications of food assistance should be considered in planning humanitarian responses to bridge the gap between emergency assistance and development by promoting children's education.

- **Ulrichs and Sabates-Wheeler** (2018) lay out the key arguments for more integration between the humanitarian and social protection sectors, while discussing the potential tensions emerging from conflicting mandates and institutional structures. If designed adequately, well-functioning social protection mechanisms can deliver additional assistance in advance of a shock, and so prevent the shock from climaxing into a humanitarian crisis. In contexts where social protection is already in place, it can deliver ex-post response faster and more cost-effectively than humanitarian emergency aid. More evidence is needed as to whether shock-responsive social protection is more effective in terms of reducing vulnerability to shocks, as well as building long-term resilience. Currently, arguments for shock-response focus largely on the benefits of more efficient systems, rather than on contributions to larger goals on poverty reduction.

### ***Preparedness, anticipatory and early action***

- Increasing attention is focused on the need to prevent and prepare for predictable natural disasters, and assistance for disaster risk reduction (DRR) is steadily increasing (Development Initiatives, 2019: p. 60). As summarised by Pichon (2019: p. 11) "The economic implications of early action have been explored by several studies (Cabot Venton et al., 2013; Cabot Venton, 2018; UNICEF/WFP, 2015), pointing to cost savings in acting before an emergency begins, but there is little evidence of how these reduce human suffering and save lives, compared to ex-post humanitarian response. The timeframes of early action, particularly for rapid-onset events, are not conducive to rapid assessments or robust control studies." However, there is a growing body of evidence around the cost-effectiveness of preparedness, anticipatory and early action, and this is gaining international attention. This subject had the most papers identified in this review (12 papers).
- **Weingartner and Wilkinson** (2019) outline the current state of anticipatory action and discuss some of the existing evidence on its impact. Whilst not a comprehensive review, it presents some examples of different types of the impact associated with a range of anticipatory action in developing countries. Overall, there have been advances in assessing the costs, benefits and returns on investment of anticipatory actions but the results from such studies cannot be easily generalised, compared or transferred.
- **Bartolucci, Walter and Redmond** (2019) undertake a comparative review of cost-effectiveness analysis (CEA) of search and rescue (SAR) and Emergency Medical Team (EMT) deployment. The results show that both deployments are highly expensive, and their success is strongly related to the time they need to be operational; SAR deployments are characterised by limited outcomes in terms of lives saved, and EMTs by insufficient data and lack of detailed assessment. This research highlights that the criteria used to assess the effectiveness need to be explored further, considering different purposes, lengths of stay, and different activities performed.
- **Cabot Venton** (2018) was commissioned by USAID to assess the cost savings that could result from an earlier and more proactive response to drought in Kenya, Ethiopia and Somalia. The study finds that investing in early response and resilience is significantly more cost-effective than providing ongoing humanitarian aid. The study finds that donors could save 30% on humanitarian aid spending through an earlier and more proactive

response (i.e. in the scenario that combines the safety net transfer with an increase in household income). A more proactive response that can help to protect people's income and assets is even more cost-effective and can help households to manage the effects of shocks. When these benefits are incorporated, the overall savings to USAID increase from USD 1.6 billion to USD 4.2 billion over the last 15 years in these three countries alone. For every USD 1 invested in building people's resilience will result in up to USD 3 in reduced humanitarian aid and avoided losses.

- The [World Food Programme \(WFP\)](#) (2019) undertook a humanitarian return on investment analysis of its Forecast-based Financing project (FbF) in Nepal. This project is aimed at bridging the gap between early warnings and anticipatory actions for floods in the 14 most disaster-prone districts of the Terai region in Nepal. The study results confirm the existing evidence on the benefits of early warning and anticipatory action systems. The FbF modality offers a process to limit damages caused by a natural hazard on vulnerable people (75% damage reduction) and assets (50% of damage reduction on crops and cattle) and thus save a significant amount of money in the immediate response (USD 34 per dollar invested). It also decreases long-term recovery needs and costs.
- FAO undertook a number of impact assessments of its Early Warning Early Action programme, which uses risk analysis and forecasts to trigger interventions before a crisis escalates into a humanitarian emergency. Studies were undertaken in the [Horn of Africa](#) (FAO, 2018a), [Madagascar](#) (FAO, 2019a), [Mongolia](#) (FAO, 2018b) and the [Sudan](#) (FAO, 2019b). All four studies calculated return on investment, shown as a benefit-cost ratio. The East African studies' findings complement and reinforce earlier findings in Ethiopia, Kenya, and Somalia which demonstrated that early actions have a significant return on investment and are an effective way to address drought in Africa's agro-pastoralist regions. Positive benefits of early warning action were also reflected in the other studies.
- [Gros et al.](#) (2019) explored household-level effects of providing forecast-based cash in anticipation of extreme weather events, using quasi-experimental evidence from humanitarian interventions in the 2017 floods in Bangladesh. The research assesses the effectiveness of the forecast-based cash distribution in helping beneficiaries to take preparatory early actions and reduce the negative impacts of the flood on their health, well-being, assets and livelihoods. Forecast-based assistance reached households up to seven days before the disaster. The unconditional cash grant contributed to better access to good quality food. Furthermore, the intervention group was 30% less likely to accrue new high-interest debt. Forecast-based finance cash assistance helped to reduce stress and anxiety during and after the flood. There was not enough evidence from the Bangladesh forecast-based finance (FbF) project to conclusively confirm or disprove the effectiveness of FbF cash to prevent destitution sales. There is a need for further research to assess the longer-term effects of forecast-based cash on the socio-economic development and well-being of the most vulnerable. No information was specifically given on the cost-effectiveness of this intervention. However, results from this project fed into [Tanner et al.'s](#) (2019) assessment.
- [Tanner et al.](#) (2019) investigate the technical, economic and institutional challenges to scaling up Forecast-based early action' (FbA) in Bangladesh. Institutional incentives and finance are still skewed towards relief. Post-disaster response is seen as more visible and defensible, forming a barrier to early actions. Scaling up of FbA could help to reform prevailing cliental biases in relief by making targeting and delivery of aid more transparent, equitable and needs-based. The results of the VfM analysis of the pilots in Bangladesh suggest that the forecast-based cash transfer had a statistically significant effect on outcomes, including that FbA-assisted households were less reliant on loans from moneylenders, ate more and better food and reported lower anxiety/depression

among those taking early action before disasters. However, caution must be taken in drawing conclusions from the VfM analysis, as the sample does not compare those with a forecast-based cash transfer to those who received a transfer without a forecast.

- **Hill, Skoufias and Maher (2019)** undertook a review and assessment of the value of acting early on household welfare. The study considers two different types of disasters: slow-onset disasters in eastern and southern Africa, and fast onset-disasters in Asia and small island states. It estimates that the cost of not getting a response in place in time to meet the consumption needs of those suffering from drought is 3.9% lower income (GDP) per capita in the long-run. The gain from an emergency response that is one month quicker is 0.8% of income per capita in the long run. The study underscores that the data used for the review is limited.
- Weingärtner, Pforr and Wilkinson (2020) undertook a review of existing evidence on anticipatory action (A-A), reviewing 25 published and unpublished documents and conducting 15 key informant interviews. Many of the studies reviewed are included in this annotated bibliography. They found that the existing evidence indicates that the effects of A-A at household level are mainly positive. However, not all expected benefits are observed in all cases and findings should be considered in relation to context and the kind of action that was taken. The range of counterfactuals used is also limited, so although acting early can be better than doing nothing, it is less clear whether it is also better than doing other things at different points in time. The evidence base is thin but growing. Early studies have focused on the monetary benefits; greater attention now needs to be paid to producing evidence in a way that can lead to improvement in the design and delivery of A-A programmes.

### ***Crisis financing***

- According to the *Global Humanitarian Assistance Report 2019* (Development Initiatives, 2019: p. 61), channelling funding to local and national actors is recognised as an important way of providing responsive and effective humanitarian assistance. Although localised funding has grown since 2016 it still only accounts for a small percentage of total humanitarian assistance. Pooled funds play an important role in humanitarian response, allowing for flexible and collective responses. The predictability and flexibility offered by unearmarked and multi-year funding can enable more efficient and effective delivery of assistance in complex and protracted crises. However, reporting of this funding is currently limited. Despite this widening of crisis financing, this review could only identify two recent papers specifically on cost-effectiveness.
- A paper by **Betzler and Westerman (2018)** explores the value for money of the DFID funded Cash Consortium for Iraq (CCI), which was formed to better meet the needs of conflict-affected households by enhancing the impact of Multi-purpose cash assistance (MPCA) through harmonisation, operational coordination, and expanded reach. The CCI is a consortium model of inter-agency collaboration, with a formal relationship between partners and a shared funding stream, both bilaterally to member agencies and through the lead agency. The evaluation was the first attempt to analyse the full VfM of a multi-agency model delivering both MPCA and legal assistance. The initial, prospective, CCI-wide cost-transfer ratio (CTR) was £0.64. This means that for every £1 delivered to a beneficiary, it would cost the CCI £0.64. After 10 months of spending, the CTR was £0.48, or £0.16 (25%) less than budgeted. The key effectiveness finding is that the four drivers of effectiveness have enabled the CCI to deliver MPCA quickly, at scale, and with a targeting methodology that ensures the most vulnerable households receive assistance, while achieving effective referrals to legal and non-legal assistance.

- [Sida, Levine, Gray and Cabot Venton \(2019\)](#) undertook an evaluation of DFID's multi-year humanitarian funding (MYHF) approach in Ethiopia. The evaluation found that economic and institutional policy interventions and investments at the meso level are likely to have the greatest impact on resilience. The extent to which MYHF was genuinely used differently was questionable. Principally this was because DFID partners did not pass on the gains of MYHF to their downstream partners, meaning that at the point of delivery MY humanitarian funds were little different to annualised funding. Nevertheless, the predictability of MYHF and the reduced burden of bureaucracy led to some modest, quantifiable gains, which were mostly administration- and purchase-related. DFID's partners also reported 'qualitative' gains, where they felt their programmes had improved because of the greater predictability and flexibility.

### **Cash-based Programming**

- 5 studies on the cost-effectiveness of cash-based programming were identified. This is an expanding field and reflects the growing popularity of cash-based assistance. An increasing proportion of cash and voucher assistance has been transferred to beneficiaries in the form of cash since 2015, compared with vouchers (e.g. in 2018 cash accounted for 78% of assistance transfers (55% in 2015) compared to 22% for vouchers) (Development Initiatives, 2019: p. 72).
- Traditional humanitarian water and sanitation (WaSH) programming approaches often involve distribution of non-food items including buckets and point of use water treatment technologies. An alternative approach is to give disaster affected populations cash or vouchers to procure the WaSH commodities/services they need in local markets, whilst providing direct support to local market actors to meet supply and demand. [Martin-Simpson, Parkinson and Katsoua \(2018\)](#) identify parameters to monitor, evaluate and determine the added value of utilising cash transfers and market-based programming (CT/MBP) to achieve WaSH objectives in humanitarian response. Parameters of efficiency, effectiveness, appropriateness and equity, and sustainability were most relevant. Efficiency of the CT/MBP modality was found to encompass measurements of both cost and speed. Key determinants of cost applicable to the case of point of use water treatment technology were found to include; cost of the supply chain, transport, service transaction fees charged by banks and price fixing of technology and other key WaSH commodities with local market actors. Approaches to *cost-effectiveness* analysis were inconsistent in the literature. Recognised the need for peer review of the parameters and indicators and pilot measurement in humanitarian contexts.
- [Nobre et al. \(2019\)](#) explore financing agricultural drought risk through ex-ante cash transfers. They evaluate the potential cost-effectiveness of cash transfer responses, comparing the relative costs of ex-ante cash transfers during the maize growing season to ex-post cash transfers after harvesting in Kenya. They show that ex-ante cash transfers can often be more cost-effective than ex-post cash transfers, especially for the more extreme yield deficits. The findings suggest that early response can yield significant cost savings, and can potentially increase the effectiveness of existing cash transfer systems. *This study is a primary step towards the adoption and use of climate information in disaster risk financing and humanitarian early action.*
- [Quattrochi et al. \(2019\)](#) explored the effects of vouchers for essential household items (EHIs) on child health, mental health, resilience, and social cohesion among internally displaced persons in the Democratic Republic of Congo (DRC). The study provides

credible evidence, due to random assignment, that the provision of EHI via vouchers and fairs causes substantial improvements in adults' mental health, and moderate improvements in resilience and social cohesion.

- Schwab (2019) contrasts the effects of humanitarian transfer modalities, comparing the effects of cash transfers and the effects of food distribution among households in rural Yemen over the lean season during a period of tension that led to the current civil war. Findings indicate potential for both liquidity and price risk mechanisms, with both aid modalities producing modest impacts. However, cash transfer recipients invest relatively more in livestock (with higher liquidity requirements), while food recipients increased production of higher-return crops. The size of the effects measured were relatively modest.
- Commissioned by the WFP Country Office for Kenya, Tirivayi (2018) undertook an evaluation of the effects and a cost-benefit analysis of the General Food Distribution Cash Modality scale up for refugees and host communities in Kenya from 2015 to 2017. The evaluation was commissioned to assess the effects of scaling up the substitution of the cereal ration in in-kind assistance with Cash-Based Transfers (CBT). Overall, it found that the CBT was more cost efficient than food transfers. There are several limitations, including the lack of a counterfactual and the use of cross-sectional data instead, which prohibits rigorous impact evaluation and cost-benefit analysis.

### ***Integration of Displaced Persons into Host Community Services and access to jobs***

- This review found no “new” evidence of specific cost-effectiveness implications of integrated approaches to refugee management. However, a general literature review by Clemens, Huang and Graham (2018) provides a summary of the existing empirical literature on the economic and fiscal effects of granting refugees formal labour market access. They argue that granting refugees formal labour market access has the potential to create substantial benefits for refugees and their hosts, including reduced vulnerability and higher incomes for refugees, improved labour market outcomes and higher incomes for natives, and positive fiscal effects for the host governments.

### ***Humanitarian Protection (compliance with International Humanitarian Law (HIL))***

- No relevant papers were identified. This review found a lack of information on the cost-effectiveness of compliance with international humanitarian law, and humanitarian protection more broadly. This reveals a significant gap in the literature.

### ***Gender and disability***

- Issues of gender and disability are important considerations in humanitarian interventions. These should play a part in cost-effectiveness analyses, but it was not clear in the majority of the papers whether these had been considered or not.

## 2. Method outline

This literature review is a result of 12 days of desk research into the available recent evidence about cost-effectiveness in humanitarian outcomes and development in fragile and conflict-affected states (FCAS). This helpdesk focused searches in several databases: the ALNAP Humanitarian Evaluation, Learning and Performance (HELP) database; World Bank Open Knowledge Repository; Science Direct; and Scopus. Evidence and analysis were further identified by searching in general search engines (e.g. Google and Google Scholar), and through reference tracking and reviewing the citations of relevant studies (“snowballing”). A variety of keywords were used, limiting the search to publications from September 2018 to present, in English and available online. Given the breadth of subjects (resilience programming; preparedness, anticipatory and early action; crisis financing; integration of displaced persons into host community services and access to jobs; cash-based programming; and humanitarian protection, specifically compliance with International Humanitarian Law (IHL)), the search strategy evolved as it was discovered which terms were most productive. Given the limited time and scope of the study, it was not possible to manually review all of the results that the search process returned, so quick scanning of titles and abstracts, keyword searches within documents and good judgement were utilised. Using this combination of approaches is an efficient and effective way of covering the broadest range of materials quickly and helps mitigate the risks of any single approach failing.

The review aims to examine the efficiency and effectiveness of interventions, and materials that discuss either or both of these aspects have been included. It is understood that cost efficiency is distinct from cost-effectiveness, which, broadly stating DFID 3Es approach, is in relation to expected outcomes from inputs (such as decreasing malnutrition in a population). The “value for money” criterion is here understood as bringing the two aspects together. The ALNAP database was searched with the keyword “cost-effectiveness” and date published limited to documents since September 2018, and the search returned 76 results, of which only 8 were deemed relevant to include. Further relevant studies were identified through keyword searches in Google and Google Scholar, keywords included “cost effectiveness” “humanitarian” and then more specific search terms, such as “cash-based”, “resilience”, “early action”, with a search date restricted to 2018 and after. These brought up a number of results; given time and access constraints, the results were scanned through for the most relevant titles and descriptions with the criterion for inclusion being their focus on cost effectiveness and efficiency. Many of the available sources on humanitarian interventions lack details on cost-efficiency and/or cost-effectiveness; this was also the finding from the previous helpdesks. A total of 28 documents form the basis of this paper, although it is recognised that there is a larger body of literature on the impact of humanitarian interventions more broadly.

### 3. Annotated bibliography: Extraction matrix

#### Resilience programming, shock responsive social protection and safety nets

No.	Title & Link	Author(s) & date	Link	Sector	Setting	Methodology & indicator of cost effectiveness	Core Findings	Comments
1.	<b>Cost-effectiveness of birth-dose hepatitis B vaccination among refugee populations in the African region: a series of case studies</b>	Reardon, J.M., O'Connor, S.M., Njau, J.D. <i>et al.</i> (2019). <i>Confl Health</i> 13(5).	<a href="#">Link</a>	Health	Djibouti, Algeria & Mauritania	<p>Performed a cost-effectiveness analysis of three hepatitis B vaccination strategy scenarios for camp-based refugee populations: routine immunisation (RI), RI plus universal HepB BD, and RI plus HepB BD only for newborns of hepatitis B surface antigen-positive mothers identified through rapid diagnostic testing (RDT).</p> <p>They used a decision tree model to estimate costs of vaccination and testing, and costs of life-years lost due to</p>	<p>Compared with RI alone, addition of HepB BD among displaced Somali refugees in Djibouti camps would save 9807 life-years/year, with an incremental cost-effectiveness ratio (ICER) of 0.15 USD per life-year saved.</p> <p>The RI plus HepB BD strategy among Western Saharan refugees in Algerian camps and Malian refugees in Mauritania camps would save 27,108 life-years/year with an ICER of 0.11 USD and 18,417 life-years/year with an ICER of 0.16 USD, respectively.</p>	<p>The objective of this analysis was to assess the cost-effectiveness of adding hepatitis B birth dose (HepB BD) vaccination among sub-Saharan African refugee populations where the host country's national immunisation policy includes HepB BD.</p> <p>This analysis shows the potential benefit of implementing HepB BD vaccination among other camp-based refugee populations as more sub-Saharan African countries introduce national HepB BD policies.</p>

					complications of chronic hepatitis B.			The RI plus RDT-directed HepB BD was less cost-effective than RI plus delivery of universal HepB BD vaccination or RI alone.	
2.	<b>Cost-effectiveness of Humanitarian Pediatric Cardiac Surgery Programs in Low- and Middle-Income Countries.</b>	Cardarelli, M., Vaikunth, S., Mills, K., Di Sessa, T., Molloy, F., et al. (2018). <i>JAMA network open</i> , 1(7).	Link	Health	Various	International, multicentre cost-effectiveness analysis of a cohort of children (aged <16 years) undergoing surgical treatment of congenital heart disease during 2015 in LMICs, including China, Macedonia, Honduras, Iran, Iraq, Libya, Nigeria, Pakistan, Russia, and Ukraine. The study also assessed estimated improvement in the United Nations Human Development Indicators (life expectancy, years of schooling, and gross national income) for each individual survivor, as a proxy for		During 2015, 446 patients (192 [43%] female; mean [SD] age, 3.7 [5.4] years) were served in 10 LMICs at an overall cost of USD 3,210,873. Of them, 424 were children. The cost-effectiveness of the intervention was USD 171 per disability-adjusted life-year averted. Each survivor in the cohort (390 of 424) potentially gained 39.9 disability-adjusted life-years averted, 3.5 years of schooling, and USD 159,533 in gross national income per capita during his or her extended lifetime at purchasing power parity and 3% discounting.	Objective was to investigate the cost-effectiveness in USD per unit of health of a humanitarian intervention consisting of global paediatric cardiac surgery programme building. The secondary goal of the study was to produce an enhanced quantifier of the impact of global health care humanitarian efforts by considering what we refer to as the <i>humanitarian footprint</i> .  Humanitarian paediatric cardiac surgery in LMICs is highly cost-effective. It also leaves behind a lasting humanitarian footprint by potentially improving individual development indices.

						long-term benefits of the intervention.
3.	<b>Evaluation of the cost-effectiveness of the treatment of uncomplicated severe acute malnutrition by lady health workers as compared to an outpatient therapeutic feeding programme in Sindh Province, Pakistan</b>	Rogers, E., Guerrero, S., Kumar, D. <i>et al.</i> (2019). <i>BMC Public Health</i> , 19(84).	<a href="#">Link</a>	Nutrition	Pakistan	<p>An activity-based cost model was used, employing a societal perspective to include costs incurred by beneficiaries and the wider community. Costs were estimated through accounting records, interviews and informal group discussions. Cost-effectiveness was assessed for each arm relative to no intervention, and incrementally between the two interventions, providing information on both absolute and relative costs and effects.</p> <p>The cost to the beneficiary household of outpatient facility-based care was double that of LHW-delivered care. Outpatient facility-based care was found to be slightly more cost-effective compared to LHW-delivered care, despite the potential for the cost-effectiveness of Community Health Workers (CHWs) managing severe acute malnutrition (SAM) being demonstrated in other settings.</p> <p>The cost per child recovered in outpatient facility-based care was similar to Lady Health Workers (LHW)-delivered care, at 363 USD and 382 USD respectively. An additional 146 USD was spent per additional child recovered by outpatient</p>

						facilities compared to LHWs.		
						Results of sensitivity analyses indicated considerable uncertainty in which strategy was most cost-effective due to small differences in cost and recovery rates between arms.		
4.	<b>Examining the Use of Economic Evaluations in Health related Humanitarian Programs in Low- and - Middle-Income Countries: A Systematic Review.</b>	Makhani, L., Moran, V., Sadique, Z. et al. (2019). <i>Health Policy and Planning.</i>	<a href="#">Link</a>	Health	Various	Systematic review – peer-reviewed, full economic evaluations published between January 1980 and June 2018,	Overall, there is limited evidence of full economic evaluations of health interventions in humanitarian programmes. From a total of 8127 studies, 11 full economic evaluations were identified. All economic evaluations were cost-effectiveness analyses. Three of the 11 studies used a provider perspective, 2 studies used a healthcare system perspective, 3 studies used a societal perspective and 3 studies did not specify the perspective used. There	A systematic review examining the use of economic evaluations in health-related humanitarian programmes in low- and middle-income countries.

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was a limited geographic range of the studies, with 9 of the 11 studies conducted in Africa, 1 in Haiti and 1 in Pakistan. The variance in quality between studies primarily occurred in the data collection and analysis techniques.

Seven studies focused on communicable diseases. There were one study on community-based therapeutic care for nutrition, one study on short orthopaedic missions for injury and rehabilitation services, one study on a mental health behavioural intervention and one study on obstetric care. Of the 11 studies, 8 studies noted that the compared health intervention was cost-effective, one study noted that the intervention was not cost-effective, and the conclusions from the remaining two studies were unclear.

						Recommendations include greater use of economic evaluation methods and data to enhance the microeconomic understanding of health interventions in humanitarian settings.
5.	<b>How to Target Households in Adaptive Social Protection Systems? Evidence from Humanitarian and Development Approaches in Niger</b>	Schnitzer, P. (2019). <i>The Journal of Development Studies</i> , 55:sup1.	<a href="#">Link</a>	Shock responsive social protection	Niger	<p>Relying on panel data from Niger, this report simulates the performance of various targeting methods that are widely used by development and humanitarian actors. The methods include proxy-means testing (PMT), household economy analysis (HEA), geographical targeting, and combined methods.</p> <p>The study relies on inclusion errors to measure targeting efficiency. Inclusion errors are measured as the share of beneficiaries selected by the targeting</p> <p>Results show that PMT performs more effectively in identifying persistently poor households, while HEA shows superior performance in identifying transiently food-insecure households. Geographical targeting is particularly efficient in responding to food crises, which tend to be largely covariate.</p> <p>Combinations of geographical, PMT, and HEA approaches may be used as part of an efficient and scalable adaptive social protection system.</p> <p>If one considers the cost of inclusion errors as the full amount spent on ineligible beneficiaries, geographical</p> <p>The cost estimates are based on an oversimplified scenario and limited data, the estimates provide an idea about the potential trade-offs among methods.</p>

methodology who are ineligible to participate in the programme.

Cost estimates associated with the targeting methods are based on these inclusion errors and are briefly discussed for the data available.

poverty targeting would result in inclusion error-related costs that are 11.0 percentage points higher relative to PMT. Assuming that the administrative costs of the PMT method are 5.5 percentage points higher than the corresponding costs of geographical targeting (resulting from the administration of the PMT questionnaire), the net benefits of applying PMT relative to a geographical approach would be 5.5 percentage points (11.0 minus 5.5) of any given budget. In the case of HEA and assuming that administrative costs will be at least the same as the costs of PMT (5.5% of total transfers), the net benefits of the application HEA relative to geographical food insecurity targeting approach would actually be negative, given that there are no differences in

						the inclusion errors of the two approaches.
6.	<b>Impact of stakeholder perspectives on cost-effectiveness estimates of four specialized nutritious foods for preventing stunting and wasting in children 6-23 months in Burkina Faso</b>	Shen, Y., Cliffer, I.R., Suri, D.J., Langlois, B.K., Vosti, S.A., et al. (2020) <i>Nutrition journal</i> , 19 (1).	Link	Nutrition	Burkina Faso	<p>An activity-based costing with ingredients approach was used to summarise the cost of the 18-month-long blanket supplementary feeding for each enrolled child (in 2018 USD). Cost-effectiveness relative to CSB+ w/oil assessed incremental cost per enrolled child against incremental outcomes: prevalence of stunting at 23 months of age and number of months of wasting. Two combined perspectives were compared: programme (donor, implementer, and volunteer) versus programme and caregiver (adding caregiver).</p> <p>A total of 6112 children were enrolled. While similar effectiveness was found in three arms (CSWB w/oil was less effective), costs differed. Product cost and caregiver time to prepare study foods were major drivers of cross-arm cost differences from the respective combined perspective.</p> <p>CSB+ w/oil was most cost-effective in reducing stunting and wasting, and this main finding was robust to changing perspectives and all corresponding sensitivity analyses when the uncompensated time was valued at minimum wage (USD 0.36/h).</p> <p>The break-even point for uncompensated time valuation is &gt;USD 0.84/h, where RUSF became the</p>
						<p>A Burkina Faso trial evaluated the cost-effectiveness of Corn Soy Blend Plus w/ oil (CSB+ w/oil, reference arm), Corn Soy Whey Blend w/oil (CSWB w/oil), Super Cereal Plus (SC+), and Ready-to-Use Supplementary Food (RUSF) in reducing stunting and wasting among children 6–23 months old.</p> <p>Evaluating cost-effectiveness by incorporating uncompensated stakeholders provided crucial implementation insights around nutrition products and programming.</p>

						<p>most cost-effective from the programme and caregiver perspective.</p> <p>Relative cost-effectiveness rankings among the other three arms depended on choice of perspectives, and were sensitive to values assigned to product cost, international freight cost, the opportunity cost of time, and outcomes of a hypothetical control.</p> <p>Volunteer opportunity cost did not affect arm comparisons, but lack of compensation resulted in negative financial consequences for caregivers.</p>		
7.	<p><b>School feeding or general food distribution? Quasi-experimental evidence on the educational impacts of emergency food assistance</b></p>	<p>Aurino, E., Tranchant, J.-P., Diallo, A. S., &amp; Gelli, A. (2019). <i>Journal of Development Studies</i>, 55(S1).</p>	<p>Link</p>	<p>Social protection, Nutrition &amp; Education</p>	<p>Mali</p>	<p>This study relies on a unique pre-crisis baseline and five-year follow-up to investigate the effects of emergency school feeding and generalised food distribution (GFD) on children’s schooling</p>	<p>They find that, while school feeding led to increases in school enrolment (by 10 percentage points) and educational attainment (around an additional half-year of completed schooling), general food distribution led to declines</p>	<p>The educational implications of food assistance should be considered in planning humanitarian responses to bridge the gap between emergency assistance and development by promoting children’s education.</p>

**during conflict  
in Mali.**

during the recent conflict in Mali (since 2012). It estimates programme impact on child enrolment, absenteeism, and attainment by using a difference in differences weighted estimator.

There are no available cost data to specifically assess cost-benefit and cost-effectiveness ratios. Also, given that both programmes affect multiple domains of child and household well-being, including education and food security, cost-benefit and cost-effectiveness exercises should address all these aspects in the calculation of benefits.

in school attendance over five years, primarily among boys (by about 20% relative to the comparison group). These differences are potentially accounted for by adjustments in child labour. School feeding is de facto conditional on school attendance and hence less compatible with child engagement in work. General food distribution, in contrast, resulted in greater labour supply among boys, particularly in high-intensity conflict areas.

Disaggregating by conflict intensity showed that receipt of any food assistance led to a rise in enrolment mostly in high-intensity conflict areas and that the negative effects of GFD on attendance were also concentrated in the most affected areas. School feeding mostly raised attainment among children in areas not near conflict.

8.	<b>Social Protection and Humanitarian Response: What is the Scope for Integration?</b>	Ulrichs, M. & Sabates-Wheeler, R. (2018). IDS Working Paper 516.	Link	Shock responsive social protection	Various	Literature review of the existing evidence	<p>Whether or not more integration will provide more efficient and effective responses to crises depends on the type of shocks and the crisis context, as well as the capacity and coverage of the social protection programme to deliver to additional caseloads.</p> <p>If designed adequately, well-functioning social protection mechanisms can deliver additional assistance in advance of a shock, and so prevent the shock from climaxing into a humanitarian crisis.</p> <p>In contexts where social protection is already in place, it can deliver ex-post response faster and more cost-effectively than humanitarian emergency aid.</p>	<p>Lays out the key arguments for more integration between the humanitarian and social protection sectors, while discussing the potential tensions emerging from conflicting mandates and institutional structures.</p> <p>More evidence is needed as to whether shock-responsive social protection is more effective in terms of reducing vulnerability to shocks, as well as building long-term resilience. Currently, arguments for shock-response focus largely on the benefits of more efficient systems, rather than on contributions to larger goals on poverty reduction.</p> <p>Important gaps need to be filled with regard to the technicalities of linking short- and longer-term interventions in humanitarian contexts,</p>
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particularly in relation to mobile populations and refugees, and understanding better the political economy factors that facilitate bridging the humanitarian-development divide.

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## Preparedness, anticipatory and early action

No.	Title	Author(s) & date	Link	Sector	Setting	Methodology & indicator of cost-effectiveness	Core Findings	Comments
9.	<b>Anticipatory crisis financing and action: concepts, initiatives and evidence</b>	Weingartner, L. & Wilkinson, E. (2019). ODI.	<a href="#">Link</a>	Anticipatory action	Various	Literature review	<p>The evidence base on anticipatory action in low and middle-income countries is slowly building but the number of studies remains low, the quality is varied, and most are produced by implementing agencies.</p> <p>Independent and peer-reviewed evidence is (still) scarce. This is partly because anticipatory action mechanisms are relatively new—but there are also significant challenges to conducting rigorous research in emergency contexts.</p> <p>Of the 22 studies considered in the paper: 6 are impact evaluations; 6 are return on investment studies; 3 are VfM and cost-effectiveness studies;</p>	<p>Forecast-based financing, forecast-based action, early warning early action and other anticipatory action approaches are gaining increasing traction.</p> <p>Commissioned by the Centre for Disaster Protection, outlines the current state of anticipatory action and discusses some of the existing evidence on its impact.</p> <p>Not a comprehensive review but presents some examples of different types of the impact associated with a range of anticipatory action in developing countries.</p> <p>There have been advances in assessing</p>

						6 are cost-benefit analyses; 1 is an ex-ante impact study; and the remaining 5 are general monitoring, evaluation and learning studies.	the costs, benefits and returns on investment of anticipatory actions but the results from such studies cannot be easily generalised, compared or transferred.	
10.	<b>Comparative Review on the Cost-Effectiveness Analysis of Relief Teams' Deployment to Sudden-Onset Disasters</b>	Bartolucci, A.; Walter, D.; & Redmond, T. (2019). <i>Prehospital and disaster medicine</i> , 34(4).	Link	Disaster preparedness	Various	A comparative review of cost-effectiveness analysis (CEA) of search and rescue (SAR) and Emergency Medical Team (EMT) deployment.	<p>Both deployments are highly expensive, and their success is strongly related to the time they need to be operational; SAR deployments are characterised by limited outcomes in terms of lives saved, and EMTs by insufficient data and lack of detailed assessment.</p> <p>Increasing local adaptive and absorptive capacity is perhaps the most cost-effective way for the affected government to meet their responsibility.</p>	<p>The cost of international relief and the belief that such deployment is cost-effective has been questioned by the international community, but there is still little informed debate and few detailed data are available.</p> <p>The criteria for SAR and EMT cost-effectiveness assessment need to be improved to consider all the outcomes of the two deployments.</p>
11.	<b>Economics of Resilience to Drought in Ethiopia, Kenya and Somalia</b>	Cabot Venton, C. (2018). USAID.	Link	Disaster preparedness, Early warning & Resilience	Kenya, Ethiopia & Somalia	Methodological complexities in measuring the effectiveness of resilience prompted the use of statistical	<p>The study finds that donors could save 30% on humanitarian aid spending through an earlier and more proactive response (i.e. the</p> <p>Commissioned by USAID assessed the cost savings that could result from an earlier and more proactive response to</p>	

modelling to capture the economic returns of resilience building, estimated as reduced humanitarian assistance needs and avoided household losses (income and livestock).

The specific economic model developed for this series leveraged Household Economy Analysis (HEA) modelling to predict household food deficits, income and livestock value, under each of four scenarios over 15 years. This was combined with data on the cost of response, as well as evidence on the impact of different types of safety net and resilience-building interventions, to create an economic model that can estimate the net cost of each of the four scenarios modelled. The model

**scenario that combines the safety net transfer with an increase in household income);** this is equivalent to savings of USD 1.6 billion when applied to U.S. Government spending over the last 15 years in these three countries alone.

A more proactive response that can help to protect people's income and assets is even more cost-effective and can help households to manage the effects of shocks. When these benefits are incorporated, the overall savings increase to USD 4.2 billion. For every USD 1 invested in building people's resilience will result in up to USD 3 in reduced humanitarian aid and avoided losses.

Other specific results for the scenarios were:

An **early humanitarian response** would save an

drought in Kenya, Ethiopia and Somalia.

Measuring the effectiveness of resilience requires long time horizons to truly capture its cost-effectiveness. There are several limitations to the analysis that are discussed.

Investing in early response and resilience is significantly more cost-effective than providing ongoing humanitarian aid. Investing in resilience is a win-win – it not only reduces human suffering, but it also reduces the cost to donors, allowing humanitarian aid dollars to go further and help more people.

estimates the overall cost of implementing each of the four scenarios. These costs and avoided losses/benefits were modelled over 15 years at a discount rate of 10% to estimate the net present cost of each of the four scenarios.

estimated USD 1.6 billion in humanitarian aid costs over 15 years on the cost of humanitarian response alone. When avoided losses are incorporated, an early humanitarian response could save USD 2.5 billion, or an average of USD 163 million per year.

**Safety net programming,** at a transfer-level tailored to the actual amounts used in each country, would save an estimated USD 1.5 billion in humanitarian aid costs over 15 years over the cost of a late response. When this figure is adjusted to account for the benefits of the transfer beyond filling the food deficit, a safety net scenario saves USD 2.1 billion over the cost of a late response. When avoided losses are incorporated, a safety net transfer could save USD 3.5 billion, or an average

							of USD 231 million per year.
<b>12. Forecast-based Financing in Nepal: A Return on Investment Study</b>	WFP (2019). Rome: WFP.	<a href="#">Link</a>	Anticipatory action & Early warning	Nepal	<p>Modelled. Humanitarian-return on investment analysis</p> <p>The methodology includes standard indicators for some criteria; for example, financial savings is an indicator for the efficiency criteria. These standard indicators are complemented by other indicators that are developed on a case-by-case basis.</p>	<p>The study results find that the FbF modality offers a process to limit damages caused by a natural hazard on vulnerable people (75% damage reduction) and assets (50% of damage reduction on crops and cattle) and thus save a significant amount of money in the immediate response (USD 34 per dollar invested). It also further decreases long-term recovery needs and costs.</p>	<p>The WFP and the Government of Nepal are implementing a Forecast-based Financing project (FbF) aimed at bridging the gap between early warnings and anticipatory actions for floods in the 14 most disaster-prone districts of the Terai region in Nepal.</p> <p>Additional H-ROI studies would help corroborate the results in other contexts. It would also be useful to undertake ex-post analysis to validate the anticipated FbF benefits assessed by the H-ROI model used in the study.</p> <p>The study lists a number of key assumptions of the analysis.</p>
<b>13. Horn of Africa: Impact of Early Warning Early</b>	FAO. (2018a). Rome: FAO.	<a href="#">Link</a>	Livelihoods, Disaster preparedness	Kenya	<p>Return on investment and benefit-cost ratio. Empirical with control</p>	<p>FAO's outlay in northern Kenya was USD 90 per family. When extra milk,</p>	<p>FAO's Early Warning Early Action uses risk analysis and forecasts to</p>

<b>Action: Protecting pastoralist livelihoods ahead of drought</b>	& Early warning	group, representing no action as counterfactual  Household survey in July 2017. Villages were selected that had received no other external help.	the cost of the animal saved and the value of its improved physical condition were calculated, the benefit-cost ratio was 3.5.  This return on investment was measured against a control group of pastoralist families who didn't get assistance. These families sold double the number of animals and killed nearly triple the number, both to eat and to lessen the burden of feeding them. When the cost of avoided additional assistance and the expense of restocking herds are added into the return on investment calculation, the ratio increases to 8.9.	trigger interventions before a crisis escalates into a humanitarian emergency.  The project in Kenya focused on saving the livestock of the most at- risk pastoralists in Marsabit, Wajir, Kilifi and Kwale.  The Kenya household survey and analysis proved that targeted early action in response to an early warning can be very good value for money. It also highlighted that action must be taken on a large enough scale to have the proper impact.		
<b>14. Household-level effects of providing forecast-based cash in anticipation of extreme weather events:</b>	Gros, C., Bailey, M., Schwager, S., Hassan, A., Zingg, R., Uddin, M. M., ... & de Perez, E. C. (2019).	Link Disaster preparedness & Early action	Bangladesh	Empirical with control group, representing no action as counterfactual  Mixed-methods, quasi- experimental study, based on a post-	Forecast-based assistance reached households up to seven days before the disaster.  The unconditional cash grant contributed to better	In 2017, Bangladesh experienced the worst floods in recent decades. Based on a forecast and pre-defined trigger level, a Red Cross Red Crescent project distributed an unconditional cash grant

<p><b>Quasi-experimental evidence from humanitarian interventions in the 2017 floods in Bangladesh</b></p>	<p><i>International Journal of Disaster Risk Reduction</i>, 41.</p>	<p>disaster household survey. Compared to a control group of similarly vulnerable and flood-affected communities that did not receive the forecast-based cash assistance.</p> <p>No specific cost-effectiveness or VfM analysis of intervention.</p>	<p>access to good quality food.</p> <p>The intervention group was 30% less likely to accrue new high-interest debt.</p> <p>Forecast-based finance (FbF) cash assistance helped to reduce stress and anxiety during and after the flood.</p> <p>The intervention may also have prevented households from being forced to make destitution sales of valuable assets, as indicated by qualitative data collected in July, but they did not see these benefits sustained after a second flood peak in August 2017.</p>	<p>of BDT 5000 (USD 60 equivalent) to 1039 poor households in highly vulnerable, flood-prone communities in the Brahmaputra river basin before an early flood peak.</p> <p>There is a need for further research to assess the longer-term effects of forecast-based cash on the socio-economic development and well-being of the most vulnerable.</p>		
<p><b>15. Madagascar: Impact of Early Warning Early Action: Protecting farming livelihoods from</b></p>	<p>FAO. (2019a). Rome: FAO.</p>	<p><a href="#">Link</a></p> <p>Livelihoods, Disaster preparedness &amp; Early warning</p>	<p>Madagascar</p>	<p>Return on investment and benefit-cost ratio. Empirical with control group, representing no action as counterfactual</p>	<p>A Return on Investment analysis showed that a beneficiary household gained USD 78 on average in increased vegetable production and avoided the loss of staple crops. The cost of running</p>	<p>The lack of effective water management systems has made the impact of recurrent droughts much worse in southern Madagascar over recent years. FAO's early actions of distributing water</p>

**drought and food insecurity**

Impact analysis carried out in June 2018, asking both beneficiary and non-beneficiary households about the impact of FAO interventions (distribution of quality seeds to support rain-fed staple crops and the combined installation of water pumps and drip irrigation systems with the distribution of vegetable seeds). The difference in agricultural output between the beneficiary and non-beneficiary households was then assessed, taking into account differences in input costs and the cost of maintaining water equipment.

the intervention and buying seeds and equipment was USD 31.8 for each household. This produced a benefit-cost ratio of 2.5.

If the annual income of vulnerable households is also considered, it is clear how strong the impact of the early actions was – USD 78 is almost half their annual income.

The benefits of irrigation and vegetable seeds together were by far the most significant to vulnerable farmers. Using irrigation equipment allowed them to grow up to three times the usual crop. The major rain-fed crops did not do so well, despite the better seeds given to farmers, as the drought was so severe. Yet, yields were generally higher in households that received FAO support, possibly due to the better quality of the

pumps and small irrigation systems have proved successful beyond their initial goal of mitigating a current drought, moving towards broader disaster risk reduction.

The analysis only accounted for project and support costs directly related to input purchase and distribution.

						seeds which were distributed.	
<p><b>16. Mongolia: Impact of Early Warning Early Action. Protecting the livelihoods of herders from a dzud winter</b></p>	<p>FAO. (2018b). Rome: FAO.</p>	<p><a href="#">Link</a></p>	<p>Livelihoods, Disaster preparedness &amp; Early warning</p>	<p>Mongolia</p>	<p>Return on investment and benefit-cost ratio. Empirical with control group, representing no action as counterfactual</p> <p>The analysis focused on two key FAO interventions – reducing herds in return for cash and distributing feed early when a localised dzud was forecast.</p> <p>The study measured the ratio between the direct benefits of the early actions and how much the actions cost to implement on the ground.</p> <p>In May 2018, FAO and representatives of local authorities interviewed rural herders who had taken part in early action, as</p>	<p>The overall cost of the livestock interventions came to USD 285 for each household involved. In return, each one benefitted by USD 2,008, which gives a 7.1 benefit to cost ratio. When broken down, the figures show that by itself the value of animals saved at USD 778 was enough to buy almost 4 cows or 33 goats. Avoiding the decline in the value of herds was calculated at USD 1,110, or almost 4 times the cost of FAO's intervention in each participating household.</p> <p>What proved to be key was the timing of FAO's action. The early distribution of feed from early February 2018 – ahead of the peak of the dzud – meant herders could maintain the condition of their animals and sell their goat</p>	<p>FAO's Early Warning Early Action uses risk analysis and forecasts to trigger interventions before a crisis escalates into a humanitarian emergency.</p> <p>Raising livestock remains the most important livelihood in Mongolia and is the sole source of income for 35% of households. Mongolia's climate is challenging with very hot and dry summers and very cold winters. But climate change has made what is known as a dzud (a very harsh winter, during which the ground is so solidly frozen that animals cannot reach pasture) more severe and more frequent. The cumulative effect of recurrent dzuds have trapped many herders in a relentless cycle of loans.</p>

					well as some who had not.	cashmere in early spring, for higher prices.	
<b>17. Scaling up early action: Lessons, challenges and future potential in Bangladesh</b>	Tanner, T., Gray, B., Guigma, K., Iqbal, J., Levine, S., MacLeod, D., Nahar, K., Rejve, K. & Cabot Venton, C. (2019). ODI Working Paper 547.	<a href="#">Link</a>	Disaster preparedness & Early action	Bangladesh	Value for Money (VfM) aspects based on core findings of the ongoing BDRCS evaluation of the 'Forecast-based early action' (FbA) pilot in Bogura (found in Gros et al., 2019). The evaluation assesses the impact of the cash transfer, comparing a sample of 390 responses from people who received the cash transfer ahead of the flood, and a control group who did not, including propensity score matching to ensure that people of similar conditions are compared to each other.	<p>Institutional incentives and finance are still skewed towards relief. Post-disaster response is seen as more visible and defensible, forming a barrier to early actions. Scaling up of FbA could help to reform prevailing cliental biases in relief by making targeting and delivery of aid more transparent, equitable and needs-based.</p> <p>The results of the VfM analysis of the pilots in Bangladesh suggest that the forecast-based cash transfer had a statistically significant effect on outcomes, including that FbA-assisted households were less reliant on loans from moneylenders, ate more and better food (i.e. improved food security) and reported lower anxiety/depression among</p>	<p>This paper investigates the technical, economic and institutional challenges to scaling up FbA in Bangladesh.</p> <p>The concept of FbA is not new to Bangladesh but triggers for action are often unclear.</p> <p>The risk of 'acting in vain' is a major perceived barrier to scaling up FbA.</p> <p>Forecasting is limited but has future potential.</p> <p>Conclusions cannot be drawn about the benefits of the forecast from the VfM analysis, as the sample does not compare those with a forecast-based cash transfer to those who received a transfer without a forecast, but useful in illustrating the types of benefits that can arise, how they might be</p>

						those taking early action before disasters.	measured and how a VfM analysis could be applied.
<b>18. The Chronology of a Disaster : A Review and Assessment of the Value of Acting Early on Household Welfare</b>	Hill, R., Skoufias, E., Maher, B. (2019). World Bank, Washington, DC.	<a href="#">Link</a>	Disaster preparedness & Early action	Various	<p>Desk-based review of post-disaster needs assessments (PDNAs), food security assessments and vulnerability analysis and mapping reports. Food Security and Nutrition Analysis Unit (FSNAU) data on admissions to feeding programmes were also used.</p> <p>They also calculated the financial cost of engaging in negative coping mechanisms. They use the framework and parameters in Galasso and Wagstaff (2018 - Galasso and Wagstaff (2018 – who estimate the cost of childhood stunting to be 9–10% of GDP per capita for countries in Africa and Asia.) to calculate the cost of increases in</p>	<p>Estimate that the cost of not getting a response in place in time to meet the consumption needs of those suffering from drought is 3.9% lower income (GDP) per capita in the long-run. The gain from an emergency response that is one month quicker is 0.8% of income per capita in the long run.</p>	<p>The study considers two different types of disasters: slow-onset disasters in eastern and southern Africa, and fast onset-disasters in Asia and small island states.</p> <p>The study underscores that the data used for the review is limited.</p> <p>Highlights that there are three broad mechanisms by which early action brings economic benefits to households:</p> <p>One mechanism is the benefit that arises from replacing assets more quickly. Estimating this benefit requires an estimate of the economic return to the asset lost within a given time frame.</p> <p>A second mechanism is the benefit from avoiding costly coping strategies associated with lost</p>

					malnutrition that are likely to result from a delay in response.		income and assets. Estimating the gains from avoiding costly coping strategies requires an estimate of the probability that each strategy is used in each month post-disaster and an estimate of the economic cost of engaging in the coping strategy.  A third mechanism is the benefit from ameliorating any price impacts of a disaster. Estimating the effect of acting early on reducing the negative price effects requires an assessment of when knock-on price impacts occur and how large they are.
<b>19. The evidence base on anticipatory action</b>	Weingärtner, L., Pforr, T. & Wilkinson, E. (2020). Rome: WFP.	Anticipatory action & Early warning	Various	Review of existing evidence. Many of the studies reviewed are included in this annotated bibliography.  25 published and unpublished	Existing evidence indicates that the effects of A-A at household level are mainly positive. However, not all expected benefits are observed in all cases and findings should be considered in relation to	With strong monitoring, evaluation and learning frameworks built into the design of A-A initiatives, and as these initiatives grow in an attempt to reach 1 billion people, more substantial evidence will soon be available for	

documents were reviewed. 15 key informant interviews were conducted.

context and the kind of action that was taken.

assessing the benefits of acting early before disasters.

The range of counterfactuals used is also limited, so although acting early can be better than doing nothing, it is less clear whether it is also better than doing other things at different points in time.

The evidence base is thin but growing. The focus to-date has been largely on producing evidence for advocacy to encourage further investment in A-A. Early studies have therefore focused on the monetary benefits. These studies help make the general case for A-A, but greater attention now needs to be paid to producing evidence in a way that can lead to improvement in the design and delivery of A-A programmes.

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<p><b>20. The Sudan: Impact of Early Warning Early Action: Protecting pastoralist livelihoods ahead of drought</b></p>	<p>FAO. (2019b).</p>	<p><a href="#">Link</a></p>	<p>Livelihoods, Disaster preparedness &amp; Early warning</p>	<p>Sudan</p>	<p>Return on investment and benefit-cost ratio. Empirical with control group, representing no action as counterfactual</p> <p>Household survey In May 2018. To isolate the impact of FAO's early action intervention, the families chosen had not received any other outside assistance for their livestock.</p>	<p>The overall cost of the livestock interventions was USD 64 per family, who in turn benefitted by USD 431 – this produced a benefit-cost ratio of 6.7. This included the value of animals saved, the avoided drop in their value because of poor condition and the extra milk they produced.</p>	<p>This study analyses the outcomes of FAO's Early Warning Early Action (EWEA) approach in the Sudan in response to the onset of a drought in Kassala in 2017. The findings complement and reinforce earlier findings in Ethiopia, Kenya, and Somalia which demonstrated that early actions have a significant return on investment and are an effective way to address drought in Africa's agro-pastoralist regions.</p>
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## Crisis financing

No.	Title	Author(s) & date	Link	Sector	Setting	Methodology & indicator of cost effectiveness	Core Findings	Comments
21.	<b>Evidencing the value for money of the CCI's cash and legal programmes</b>	Betzler, I. & Westerman, O. (2018).	<a href="#">Link</a>	Multi-purpose cash assistance	Iraq	<p>The Systematic Cost Analysis (SCAN) tool was developed by the International Rescue Committee's Best use of Resources (BUR) to assess cost-efficiency, which allows for comparable cost analysis of humanitarian programmes by analysing budgets or expenditure reports and calculating a cost-transfer ratio (CTR). Two SCAN analyses were conducted, first in February then August 2018.</p> <p>Multiple steps were taken to evaluate the CCI's <b>effectiveness</b>. Following a second desk review, the initial</p>	<p>For cost-efficiency: The initial, prospective, Cash Consortium for Iraq (CCI)-wide CTR was £0.64. This means that <i>for every</i> £1 delivered to a beneficiary, it would cost the CCI £0.64.</p> <p>After 10 months of spending, the CTR was £0.48, or £0.16 less than budgeted. The activity breakdown then shows what percentage of the £0.48 goes to different programme activities, such as preparing for distributions, distributions, and post-distribution monitoring (PDM). If the savings found after 10 months of spending are realigned to programmes, the final CTR by the end of</p>	<p>DFID have funded the Cash Consortium for Iraq (CCI) to respond in Iraq with multi-purpose cash assistance (MPCA), and to demonstrate VfM in their response. The CCI was formed to better meet the needs of conflict-affected households by enhancing the impact of MPCA through harmonisation, operational coordination, and expanded reach. The CCI is a consortium model of inter-agency collaboration for MPCA, with a formal relationship between partners and a shared funding stream, both bilaterally to member agencies and through the lead agency.</p>

effectiveness work was reframed to align with the Cash Learning Partnership's (CaLP) Operational Models (OM) Analytical Framework. Four OM drivers of effectiveness were selected (*Strength of Inter-Agency Collaboration and Coordination Mechanisms, Targeting (Quality and Timing), Linkages to other forms of Assistance/ Programmes, and Speed of Delivery*).

the programme would be **£0.53**.

The key effectiveness finding is that the four drivers of effectiveness have enabled the CCI to deliver MPCA quickly, at scale, and with a targeting methodology that ensures the most vulnerable households receive assistance, while achieving effective referrals to legal and non-legal assistance.

The cost of providing legal assistance per case is £137, while the original cost-efficiency projection estimated it would cost the CCI an average of £298 per client over the life of the grant. This can be explained partly by the heterogeneity of assistance provided by partners. At both £298 and £137, this is well below the average cost per case of prior legal assistance programmes analysed in Iraq. This suggests that

The evaluation has been the first attempt to analyse the full VFM of a multi-agency model – a consortium – delivering both MPCA and legal assistance.

						using the CCI's vulnerability assessments to refer for legal assistance is a driver of cost-efficiency, because the dedicated costs of targeting for legal assistance are absorbed into the MPCA beneficiary targeting process, thus reducing the overall cost of provision.	
<b>22. Multi-year humanitarian funding in Ethiopia</b>	Sida, L., Levine, S., Gray, W. and Cabot Venton, C. (2019). HPG Report. London: ODI	<a href="#">Link</a>	Multi-year funding	Ethiopia	Employed a range of methods, including a qualitative panel survey, a quantitative survey looking at asset loss following the El Niño drought of 2015–2016, and extensive review of DFID partner data accompanied by key informant interviews.  A deductive element was used to consider VFM aspects. This drew on earlier work around the potential benefits of VFM in MY programming,	The evaluation found that resilience is rooted in the options available to a person, household or family. Economic and institutional policy interventions and investments at the meso level are likely to have the greatest impact on resilience.  The extent to which MYHF was genuinely used differently was questionable. Principally this was because DFID partners did not pass on the gains of MYHF to their downstream partners,	Part of a thematic evaluation of DFID's multi-year humanitarian funding (MYHF) approach in Ethiopia, the Democratic Republic of Congo, Sudan and Pakistan.  The evaluation found that MYHF has not yet altered the way that DFID's partners work, although there are encouraging signs that it will.  The next iteration of MYHF needs to help partners change both

	<p>providing a framework that could be tested.</p>	<p>meaning that at the point of delivery MY humanitarian funds were little different to annualised funding. Nevertheless, the predictability of MYHF and the reduced burden of bureaucracy led to some modest, quantifiable gains, which were mostly administration- and purchase-related. DFID's partners also reported 'qualitative' gains, where they felt their programmes had improved because of the greater predictability and flexibility.</p> <p>The VFM gains were, on one level, rather disappointing given the promise of MYHF. However, it is early days and the insights gained hold promise for the future.</p>	<p>business processes and approaches.</p>
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## Cash-based programming

No.	Title	Author(s) & date	Link	Sector	Setting	Methodology & indicator of cost effectiveness	Core Findings	Comments
23.	<b>Measuring the benefits of using market based approaches to provide water and sanitation in humanitarian contexts</b>	Martin-Simpson, S., Parkinson, J. & Katsoua, E. (2018). <i>Journal of Environmental Management</i> , 216.	<a href="#">Link</a>	WaSH	Various	<p>Literature review, interviews and data analysis.</p> <p>This study identifies parameters to monitor, evaluate and determine the added value of utilising cash transfers and market-based programming (CT/MBP) to achieve water and sanitation (WaSH) objectives in humanitarian response.</p>	<p>Parameters of efficiency, effectiveness, appropriateness and equity, and sustainability were most relevant to monitor, evaluate and measure the added value of projects using CT/MBP to achieve WaSH objectives in humanitarian response.</p> <p>Parameters correlate with accepted criteria for evaluation of humanitarian action.</p> <p>Efficiency of the CT/MBP modality was found to encompass measurements of both cost and speed. Key determinants of cost applicable to the case of point of use water treatment technology were found to include; cost of</p>	<p>Traditional humanitarian WaSH programming approaches often involve distribution of non-food items (NFIs) including buckets and point of use water treatment technologies (POU-WTT). An alternative approach is to give disaster affected populations cash or vouchers to procure the WaSH commodities / services they need in local markets, whilst providing direct support to local market actors to meet supply and demand.</p> <p>There is a lack of existing indicators and methodologies to monitor CT/MBP activities designed to strengthen WaSH markets. Gender and vulnerability markers</p>

the supply chain, transport, service transaction fees charged by banks and price fixing of technology and other key WaSH commodities with local market actors.

Approaches to *cost-effectiveness* analysis were inconsistent in the literature. Such analysis is difficult for many reasons, including the fact that aid agencies track their costs in different ways and because benefits of different transfers are diverse and not easily compared.

Potential to apply parameters and indicators in multiple humanitarian contexts providing emergency water treatment technology.

The results of the work revealed that CT/MBP can be used to support household, community and market-level interventions to effectively reduce

to measure the impact of such activities on different stakeholders is also missing.

The need for peer review of the parameters and indicators and pilot measurement in humanitarian contexts was recognised.

					transmission of faeco-oral diseases.		
<b>24. Financing agricultural drought risk through ex-ante cash transfers.</b>	Nobre, G. G., Davenport, F., Bischiniotis, K., Veldkamp, T., Jongman, B., Funk, C. C., ... & Aerts, J. C. (2019). <i>Science of the Total Environment</i> , 653.	Link	Agriculture & early warning systems	Kenya	Developed a forecast model using the Fast-and-Frugal Tree Machine Learning algorithm (FFT) for multiple lead times for assessing early warnings of low maize yield based on predictors of climate variability and vegetation coverage. Using this model, they focused on assessing the relative cost-effectiveness of ex-ante and ex-post cash transfer in Kenya.	Across different yield percentiles, districts, and lead times, the FFT models correctly forecast “below yield threshold” 85% of the time. On average, the probability of False Alarms is 49%, but this value decreases towards the end of the maize growing season.  When assuming a perfect forecast (Hits = 100% and False Alarms = 0%), cash transfers can be most cost-effective ex-ante at a lead time of 6 months (March).  Despite uncertainties associated with FFT predictions, they show that ex-ante cash transfers can often be more cost-effective than ex-post cash transfers, especially for the more extreme yield deficits.	Evaluates the potential cost-effectiveness of cash transfer responses, comparing the relative costs of ex-ante cash transfers during the maize growing season to ex-post cash transfers after harvesting in Kenya.  <i>This study is a primary step towards the adoption and use of climate information in disaster risk financing and humanitarian early action.</i>  The findings suggest that early response can yield significant cost savings, and can potentially increase the effectiveness of existing cash transfer systems.  National Drought Management Authorities could potentially improve the reliability of cash transfers and anticipate pay-outs by including

other drought early warning indicators, such as the ones adopted in this study.

The primary limitation of this study was that they assumed that prices are solely dependent on the supply of maize, when in reality price is associated with a combination of factors including supply and demand in neighbouring regions and global price shocks.

For simplicity, they do not take into consideration the administrative costs of ex-ante and ex-post cash transfers.

<p><b>25. The effects of vouchers for essential household items on child health, mental health, resilience, and social cohesion among</b></p>	<p>Quattrochi, J., Bisimwa, G., Thompson, T., Van der Windt, P., &amp; Voors, M. (2019). 3ie.</p>	<p><a href="#">Link</a></p>	<p>Health &amp; wellbeing</p>	<p>IDPs in DRC</p>	<p>Conducted a randomised control trial (RCT) of vouchers for Essential Household Items (EHI), complemented by focus group discussions (FGD).  Focused on seven Rapid Response to</p>	<p>Found strong effects of EHI vouchers on adult mental health (about 0.35 standard deviations), and to a smaller degree on resilience (0.18 standard deviations) and social cohesion (0.15 standard deviations). EHI items seem to have increased</p>	<p>The FGDs also revealed, however, that the targeting and selection process was poorly understood.  This study provides credible evidence, due to random assignment, that the provision of EHI via vouchers and fairs causes</p>
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<p><b>internally displaced persons in the Democratic Republic of Congo.</b></p>	<p>Movements of Population (RRMP) programme interventions, covering 25 villages, in the province of North Kivu, DRC.</p>	<p>both coping and consumption.</p>	<p>substantial improvements in adults' mental health, and moderate improvements in resilience and social cohesion.</p>
	<p>For the study, they enrolled an additional 976 households who were just below the vulnerability threshold for receiving RRMP assistance. Of these, 488 were randomly assigned to the EHI voucher group and 488 to control.</p>	<p>Both life satisfaction and reduced anxieties, on the one hand, and investments in assets, food security and financial deepening (through incurring debt), on the other hand, are predictive of longer-run consumption and incomes, suggesting that the benefits of EHI vouchers may persist beyond the five-to-six week period measured. There was no increase in community tensions or conflict. In fact, there was a marked increase in social capital for recipient households.</p>	<p>An important limitation is that it is not known if the positive effects found persist for longer than six weeks.</p>
	<p>Interviewed 856 households (88%) just before the EHI fair (baseline survey); 434 households (89%) from the voucher recipient group just after the EHI fair (midline survey, 3-8 days after the baseline); and 769 households (90% of the households interviewed at</p>	<p>The qualitative evidence reinforces the positive effects of the EHI, with almost all recipients reporting that EHI was beneficial.</p>	

						baseline) five-to-six weeks after the baseline survey.	No evidence found for the impact of EHI vouchers on child physical health.
<b>26. Comparing the productive effects of cash and food transfers in a crisis setting: Evidence from a randomised experiment in Yemen</b>	Schwab, B. (2019). <i>Journal of Development Studies</i> , 55(S1).	<a href="#">Link</a>	Social protection & Food aid	Yemen	Using a randomised field experiment in Yemen, the study contrasts the effects of transfer modality. Communities in the study were randomly assigned to receive three equal-valued food or cash transfers worth nearly USD 50 each. The focus is on the impact of these transfers on production according to two measures: first, in relation to each other (relative impacts) and, second, relative to villagers who did not receive the benefits (absolute impacts).	Findings indicate potential for both liquidity and price risk mechanisms, with both aid modalities producing modest impacts. However, cash transfer recipients invest relatively more in livestock (an activity with higher liquidity requirements), while food recipients increased production of higher-return crops. The size of the effects measured were relatively modest.	Compares the effects of cash transfers and the effects of food distribution among households in rural Yemen over the lean season during a period of tension that led to the current civil war.  Important limitations prevent more definitive conclusions on the relative and absolute productive impacts of the transfer programmes.  The productive potential of humanitarian transfers is likely to depend closely on context, even relative to social safety nets in non-crisis settings.
<b>27. General food distribution cash modality scale up for the refugees and</b>	Tirivayi, N. (2018).	<a href="#">Link</a>	Cash transfers, Food Aid & Refugees	Kenya (Kakuma and Kalobeyei	Cost-benefit analysis.  The evaluation uses a mixed-methods approach that combines qualitative	The CBT is more cost efficient than food transfers. In 2017, the total cost of delivering USD1 to beneficiaries was	Decentralised evaluation commissioned by the WFP Country Office for Kenya.

<p><b>host community in Kakuma and Dadaab Camp: an evaluation</b></p>	<p>refugee settlements)</p>	<p>and quantitative data collection tools with review of WFP documents. Interviews, a survey, FGDs and statistical analysis were undertaken.</p>	<p>USD1.18 for the CBT compared to USD1.94 for the in-kind food transfers.</p> <p>The CBT modality is relevant to the beneficiaries needs and to the context but needs to be more responsive to price inflation, ration cuts, and disbursement delays. There are indications of enhanced local trade tempered by price increases during the evaluation period that diminished purchasing power.</p> <p>There are substantial positive impacts on food security and livelihoods within host communities unlike in distant communities.</p> <p>Female-headed households are worse off than male-headed households, especially in household expenditure and livelihood opportunities.</p>	<p>Covers the effects and a cost-benefit analysis of the General Food Distribution Cash Modality scale up for refugees and host communities in Kenya from 2015 to 2017. It was carried out in 2018.</p> <p>The evaluation was commissioned to assess the effects of scaling up the substitution of the cereal ration in in-kind assistance with Cash-Based Transfers (CBT) (first time in Kenya) while developing a model that determines the effective and efficient mix between food assistance and CBT.</p> <p>There are several limitations, chief among which is the lack of a counterfactual for an impact evaluation and the use of cross-sectional data instead, which prohibits rigorous impact evaluation and cost-benefit analysis.</p>
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## Integration of displaced persons into host community services and access to jobs

No.	Title	Author(s) & date	Link	Sector	Setting	Methodology & indicator of cost-effectiveness	Core Findings	Comments
28.	The Economic and Fiscal Effects of Granting Refugees Formal Labor Market Access	Clemens, M, Huang, C., & Graham, J. (2018). Centre for Global Development Working Paper 496.	<a href="#">Link</a>	Jobs	Various	<p>Literature review of existing empirical literature</p> <p>Very little information given on specific cost-effectiveness</p>	<p>According to their definition—wherein refugees’ access to the labour market is unrestricted by the government in law and in practice— even short of formal LMA, greater rights around work and business ownership enable greater benefits.</p> <p>The fewer barriers there are to realise these rights in practice—whether related to government policy or otherwise—the greater the benefits.</p> <p>There may also be costs associated with granting formal LMA for certain groups in the host population and the full range of benefits is not guaranteed.</p>	The paper argues that granting refugees formal labour market access (LMA) has the potential to create substantial benefits for refugees and their hosts, including reduced vulnerability and higher incomes for refugees, improved labour market outcomes and higher incomes for natives, and positive fiscal effects for the host governments.

The existence and magnitude of these benefits and costs are determined by key contextual factors and, crucially, policy choices and the political context.

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### About this report

*This report is based on twelve days of desk-based research. The K4D research helpdesk provides rapid syntheses of a selection of recent relevant literature and international expert thinking in response to specific questions relating to international development. For any enquiries, contact [helpdesk@k4d.info](mailto:helpdesk@k4d.info).*

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