



Emergency Response and Resilience, Sahel Region

COST-EFFICIENCY ANALYSIS, AUGUST 2024

Summary

Catholic Relief Services (CRS) analyzed the cost-efficiency of an integrated, locally led response, offering holistic food security, livelihood, health and nutrition packages to meet families' immediate needs and strengthen household and community resilience to new shocks and longer-term precarity in Sahel Regions' Liptako-Gourma. The analysis revealed the following findings:

- The average CTR for DEWRAL program was **\$0.89**; (Niger \$1.61, Mali \$0.56 and Burkina Faso \$0.49) which is in line with other cash programs implemented in West Africa.
- The cost per output in health services, livelihoods and psychosocial support interventions varied from country to country and was mainly driven by the output realized.
- **Partnerships and program flexibility** allowed the project to adapt to contexts and constraints and to implement all planned activities, case in point Burkina Faso.
- Contextual challenges may impede the attainment of interventions' objectives; households were to some extent **not enabled to meet immediate needs**. However most had increased resilience to new shocks.

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| Value for Money Pillar | Key considerations |
|------------------------|---|
| Economy | <ul style="list-style-type: none"> The transfer fees charged by the financial service providers represent 6% of the total transfer amount, both MPCA and business grants support. |
| Efficiency | <ul style="list-style-type: none"> On average, the Cost Transfer Ratio (CTR) was \$0.89; Cash per value distributed¹ was \$ 0.76; It cost \$4.37 per person reached with health and nutrition services; it cost \$324 per household to access resources and increase livelihoods capacity and \$547 per person listened to and referred. |
| Effectiveness | <ul style="list-style-type: none"> Proportion of the target population with an acceptable food consumption score (FCS) increased by 16% after the response. HH within acceptable coping strategies increased; reduced rCSI standard deviation by 6.4 points. |
| Equity | <ul style="list-style-type: none"> Vulnerability criteria: 74% of the beneficiaries were IDPs within conflict affected areas 26% were host community households. Both the IDPs and the host populations were chosen based on vulnerability criteria specific to each group. The aim of supporting both groups is to facilitate community integration (IDPs and host populations), and to reduce the effects of the pressure exerted by the IDPs on the natural resources of their displaced areas, linked to the use of these resources, from which the host populations obtain their means of subsistence. |

Introduction

The central Sahel region and more particularly the Liptako Gourma area which spans Burkina Faso, Mali and Niger is witnessing a complex crisis which includes as issues, growing competition for control of resources, climatic upheavals, widespread population growth as well as an increased population falling below the poverty line. Added to all this is a lack of economic opportunities and a feeling of disillusionment about the future, but also a crucial lack of basic social services. After a decade of violent conflicts, the region, which once faced temporary population displacement as a livelihood strategy, is now seeing this strategy transformed into longer-term settlements.

CRS in consortium with other organizations (Concern Worldwide and Caritas) provided assistance to vulnerable populations (hosts and displaced people) in each of the 3 countries which share the Liptako Gourma area. Lasting 30 months, the program has the overall objective: Communities facing precarious and protracted shocks and crises survive and lead more dignified, peaceful and resilient lives, allowing them to look to the future with greater certainty. Specifically, the project aims for the communities to benefit from trauma-informed, timely and dignified life-saving assistance to survive a shock and Communities in protracted crises build the solid foundations of food security and peace.

The program responds in an integrated and holistic manner to the shocks faced by the host and

displaced populations in its area of intervention (Niger, Burkina, Mali) to strengthen the resilience of communities (hosts, displaced people). Its response strategy was built on a combination of actions, each of which responds to a key issue in the area, but only all the actions carried out in a participatory, inclusive and integrated manner at the location from the same community, the same household could help achieve the objective of strengthening the resilience of beneficiary populations.

Multi-purpose cash distribution or in-kind assistance actions were carried out for nine months (9 months) with the aim of stabilizing beneficiary households with a view to preparing them to sustainably strengthen their means of subsistence, to combat food and nutritional insecurity and to have access to health care and quality psychosocial services in a continuous and sustainable manner. With the fear of financing armed groups in Burkina Faso, the government banned cash transfers after three months of implementation. The program changed aid to food kits distributions for the following 6 months.

The project dedicated specific actions linked to the strengthening of the health system through the Health Surge approach, strengthening the capacities of key community stakeholders in screening, community care and referral of cases of malnutrition, identification of PSP (psychosocial first aid) cases and their referrals to health structures and specialized care.

¹ Cost per value is a measure of cost efficiency that compares the cost of food kits distribution to the value of the money of the kits to beneficiaries. (Delivery cost of \$1 worth of food kit)

Indeed, it is with this same perspective that the project has dedicated specific actions linked to the strengthening of the health system through the Health Surge approach, the strengthening of the capacities of key community actors in screening, treatment and referral of malnutrition cases, identification of PSP (psychosocial first aid) cases and their referral to care structures.

Analysis Approach and Methodology

Cost-efficiency analysis estimates the ratio of program costs to outputs created, allowing organisations to compare cost-per-output for programs which all produced the same output. In August 2024, CRS conducted cost-efficiency analyses on the Response and Resilience program. The process utilized Dioptra tool over four virtual sessions of two-three hours each for each of the three countries. An analysis of the various interventions was conducted (Table 1):

| Component | Cost Metric | Output indicator |
|--|--|--|
| Multi-purpose cash assistance and food distribution | <ul style="list-style-type: none"> • Cost per cash transferred • Cost per cash value distributed | <ul style="list-style-type: none"> • Number of benefiting households • Total value of food kits distributed |
| Health and nutrition | <ul style="list-style-type: none"> • Cost per beneficiary receiving health and nutrition support | <ul style="list-style-type: none"> • Total number of persons receiving health and nutritional support (Children and Adults) |
| Livelihoods | <ul style="list-style-type: none"> • Cost to access resources and increase capacity per household | <ul style="list-style-type: none"> • Cost per household supported |
| Psychosocial support | <ul style="list-style-type: none"> • Cost per person listened to and referred | <ul style="list-style-type: none"> • Total number of persons listened to and referred. |

Data

The main ingredients utilized for the analysis were the project expenditure and output data. Expenditure data were sourced from CRS Insight finance database (which included Direct Project, support and Indirect Costs for the project implementation period of March 2023- March 2024 and output data were sourced from project reports. Additionally, the midline assessment on the impact of the project was utilized to augment the results.

The Dioptra Tool

Dioptra is a web-based cost analysis software that allows program staff in country offices, who are most familiar with day-to-day program implementation, to rapidly estimate the cost-efficiency of their program activities. It guides users through a standardized costing methodology, ensuring that all analysis results are methodologically consistent and can be meaningfully compared across different contexts and organizations.

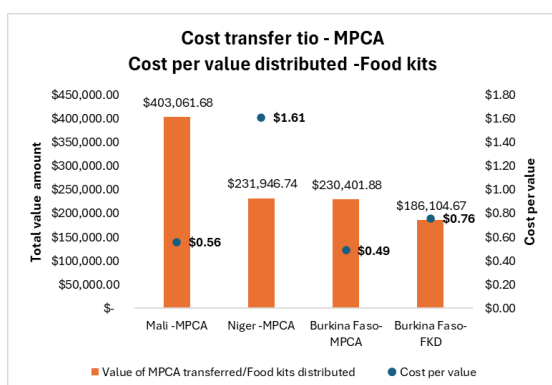
By using the Dioptra tool, rather than having to learn a complex costing methodology and assemble data manually in spreadsheets, staff can focus on providing crucial estimates of how different resources were used across activities within a program, which are not captured in any current data system. For more information, see www.dioptratool.org/how-does-dioptra-work.

Results

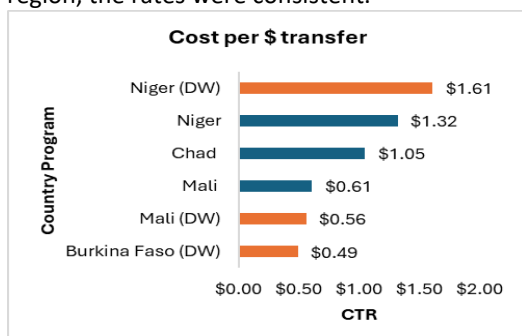
On Average, the programs' **CTR** was **\$0.89**; it cost **\$4.37** per person to reach people with **health and nutrition services**; **\$324** per household to **access resources and increase livelihoods capacity**; **\$547** per person to **listen to and provide referrals**. The cost per **cash value distributed** was **\$0.76** for Burkina Faso.



The CTR for the three country programs varied for different reasons. Burkina Faso was the lowest at \$0.49 (700 HH), followed by Mali \$0.56 (868 HH) and Niger at \$1.61 (700 HH). Burkina Faso implemented Multi-Purpose Cash Assistance for three months due to government restrictions and did food kit distributions for six months. The cost per cash value distributed was \$0.76.



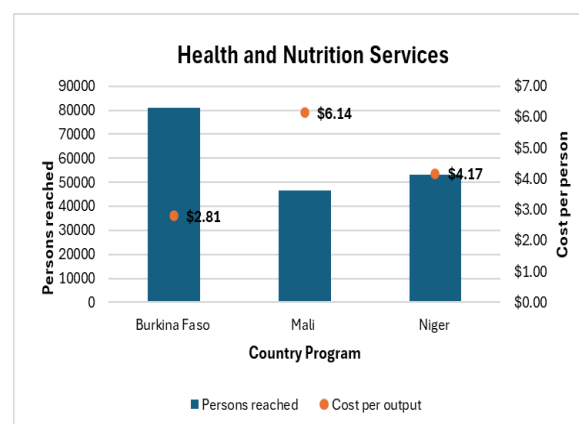
Combined, Burkina Faso spent **\$0.61** to deliver \$1 of assistance for both cash and food distribution. In comparison with other cash programs in the region, the rates were consistent.



The program implemented several **health and nutrition** practices to ensure the displaced populations get services. Under nutrition, it reached out to both children and adults. Community-Based Management of Acute Malnutrition (CMAM) was implemented.



During the 12 months of implementation (April 1, 2023, to March 31, 2024), **3,238 children under 5**, were referred to Outpatient Therapeutic Centers for management. The costs per beneficiary reached varied from \$2-\$6 depending on the level of output realized.



With the aim of creating sustainable income for households, the program aided HH members to access livelihoods and increase their capacity. The program provided business skills training, provision of business grants, and mentorship to beneficiaries.

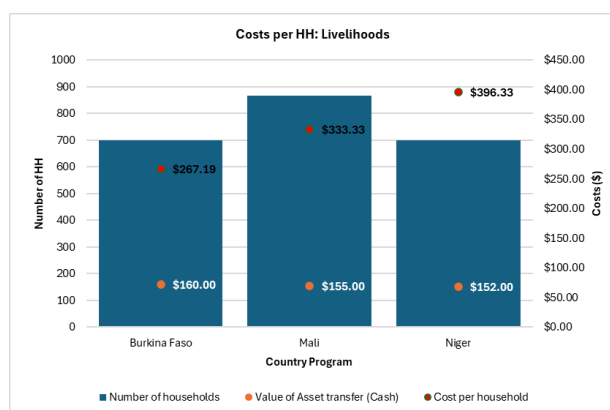
The methodology utilized a participatory and inclusive process, aiming to support beneficiary households in identification and conceptualizing business ideas before documenting them in the form of a simplified business plan which was funded by the program through business grant cash transfers model in Mali and Niger, whereas beneficiaries in Burkina Faso received in-kind goods

distribution through a local NGO as per their business plans.



There were 7 modules, which included: entrepreneurship and business types; Understanding the market; Managing business cash flow; Tracking profit and loss; Improving sales through innovation and marketing; Business financial planning and making a business plan.

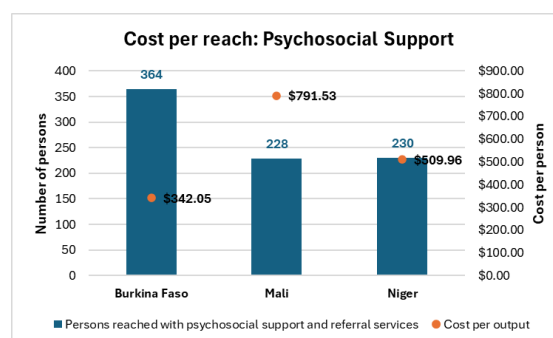
In Niger and Mali, on average, it cost **\$324 per household** receiving \$155 and \$152 cash transfer per household respectively as initial business grant funding. Burkina Faso received in-kind support due to government restriction on cash transfers of \$160 per HH.



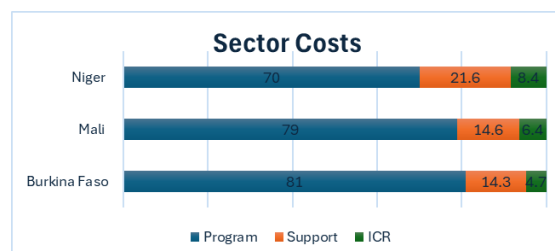
As project outreach workers are trusted community members, from and rooted in the places they work and because they are often the first points of contact for people seeking psychosocial support, building their capacity has an immediate and lasting impact on their communities.

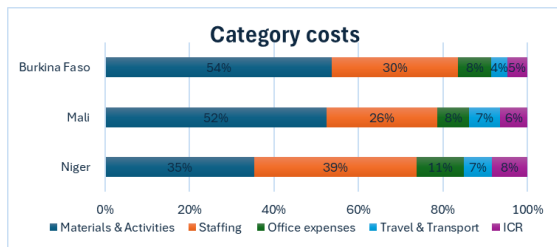


The program focused on psychosocial support skills for staff which equipped them with the skills to identify those in need of support. On average, it costed \$551 per person listened to and referred to sites for provision of case management services. In addition, the program collaborates closely with the Protection Cluster and organizations providing case management and provided funds to support those in need through payment of transportation to clinics, purchase of food while in care, or payment of medical expenses or other support needs that have been identified as necessary by their case manager.



Despite the variety of contexts and program designs, the sector and cost category breakdowns of these programs had similar structures. In all the three countries the highest spending was in the program sector and in the materials and activities category.





Contextual challenges may hamper the attainment of interventions' intended objectives; households were to some extent not enabled to meet immediate needs. However most had increased resilience to new shocks.

As of the midline evaluation, scores of food consumption at household level had moderated and the Reduced Coping Strategies Index (rCSI) among households is improved.

On average, households with **acceptable food consumption score increased by 16.4%** at midline from 7% from the baseline. Additionally, the proportion of children benefitting from a minimum acceptable diet (MAD) increased by 7.8% at midline from a baseline of 15%. There was a 0.5% reduction in the proportion of HHs with acceptable FCS in **Burkina Faso** and also a 25.5% reduction in the proportion of children benefitting from **MAD** affected by : 1) the **security situation** in the Boucle du Mouhoun region which made travel and access to markets difficult; 2) 23.5% of HH declared **sharing food kits** received hence reducing the period of cover; 3) Burkina Faso Government **ban on cash transfers** (*food kits were distributed which was less cost efficient compared to cash*) - cash allows multiple use for households; and 4) **damaged food kits**-some beneficiaries declared having received rice or corn that was totally or partially spoiled, and therefore unfit for consumption making it not effective.

The midline evaluation revealed that there was a **reduction in the Mean Reduced Coping Strategy Index by 25.5** points from baseline mean of 29.31 to 3.8. This was an increase in HHs with less serious and moderate strategies in the three countries: Mali (97.9%), Niger (89.5%) and Burkina Faso (95%).

In relation to **strengthening households to recover from shocks**, cumulatively there was an **increased number of HHs (454 HH)** reporting increased capacity to recover from shocks and stresses to 848 from 490 at baseline; Mali (287), Burkina Faso (140) and Niger (27).

Component category costs analysis

