The ROI Project

Developing a methodology for providing evidence of returns on investment in emergency preparedness
Introduction

Ready-to-Respond project

Since 2014, the DFID Ready-to-Respond project has enabled a wide range of UNICEF and WFP emergency preparedness initiatives in high-risk countries.

In 2016, UNHCR and OCHA joined the project.

One component of the project consists in developing a model to capture the return on investment (ROI) associated with risk-informed initiatives.
Introduction

Project summary

• Set challenge areas to address Overall challenge to the agencies
  • Use risk to coordinate investments
  • Prove you can do preparedness and improve response effectiveness
  • Prove it works developing tools to measure Return on Investment and Greenhouse Gas calculator

• Finance through a shared log frame common output areas aimed at improving coherence and efficiency
The ROI Methodology

How it works
How it works

High-level logic: characteristics
How it works

High-level logic: key indicators

The methodology includes 5 types of indicators:

1. Time Savings
2. Financial Savings
3. Greenhouse Gas Savings
4. Contribution to Response
5. Indirect effects
### How it works

Which investment categories are included?

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply pre-positioning</td>
<td>Stockpiling critical supplies in strategic locations</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Airstrip rehab, water engineering, solar energy</td>
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<tr>
<td>Data systems</td>
<td>Early warning, monitoring and reporting</td>
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<tr>
<td>Partnership arrangements</td>
<td>Contingency arrangements with local first line responders</td>
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<tr>
<td>Capacity development &amp; training</td>
<td>Building local staff and partner capacity</td>
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The ROI Methodology

Results

OCHA  UNHCR  UNICEF  WFP

Funded by UKaid from the British people
63 investments worth US$11.1 million, generated net savings of US$ 20.3 million

Our research shows that every $1 invested early here...

... saves us a median $1.50 here

... and helps to close the resilience deficit with preparedness and prevention
Investments hastened initial response by an average of **14 days**
Results

Greenhouse gas savings

- 32 investments yielded greenhouse gas savings of 43,366 MT of CO$_2$ emissions
- These savings are roughly equivalent to the amount of CO$_2$ sequestered in 1 year by 71 km$^2$ of rainforests
APDS = the number of days during which people affected by an emergency are better assisted thanks to the investment.
Results

General trends

✓ Investments are often interdependent; best approach = portfolio
The ROI Methodology

Way Forward
Way Forward Together

2017-18

• Refine indicators and concepts

• Work with country offices to further improve the methodology and apply it to new cases

• Integrate the methodology in internal analytical tools, where relevant

• Investigate the applicability of the methodology to development/resilience programming

• Explore innovative financing instruments
Thank you!