

The ROI Project

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



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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

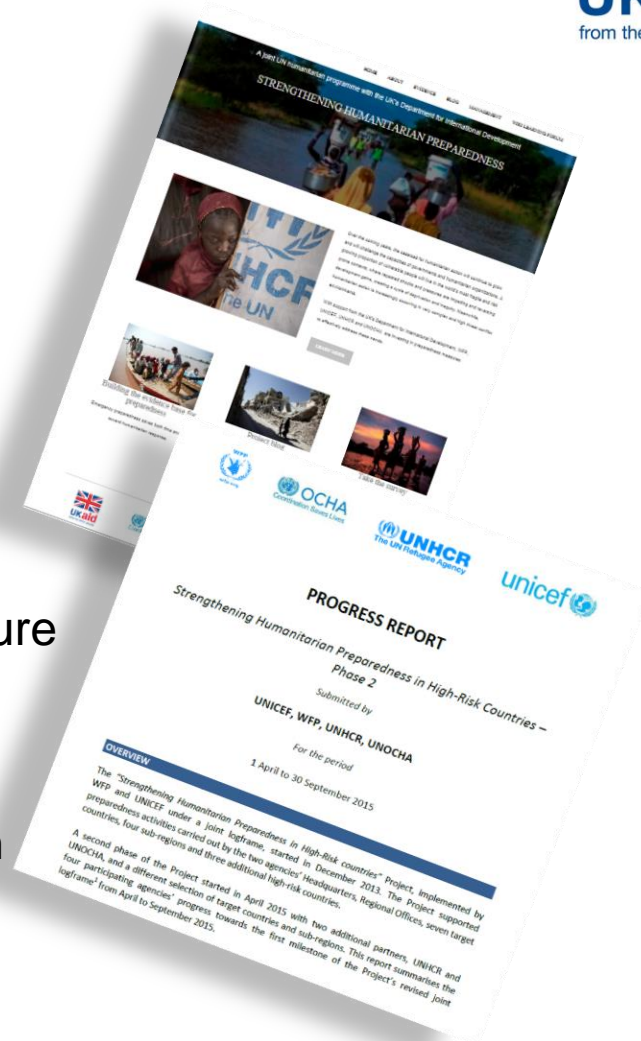
One component of the project consists in developing a model to capture the return on investment (ROI) associated with risk-informed initiatives



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



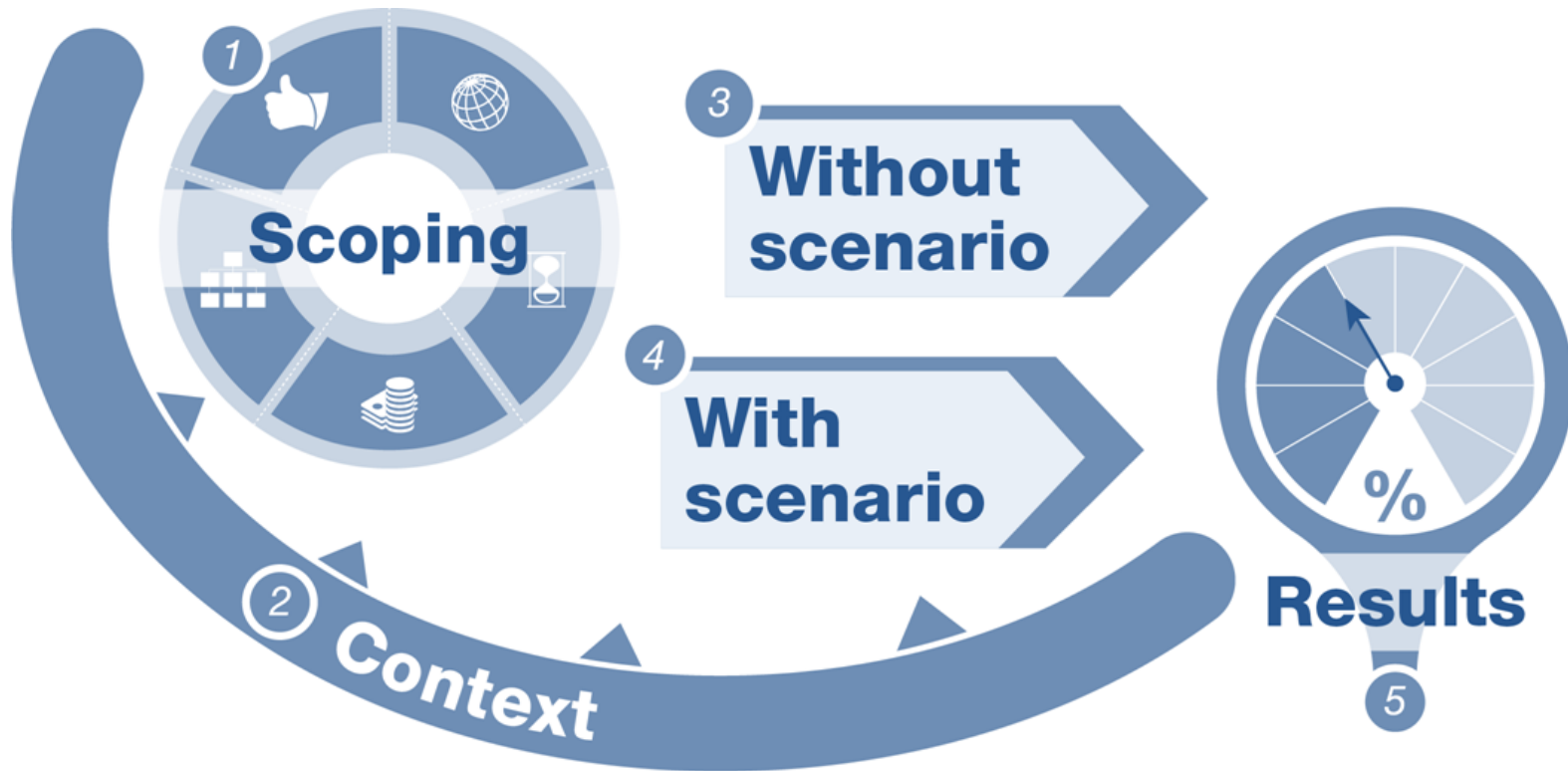
The ROI Methodology

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?

Supply pre-positioning	Stockpiling critical supplies in strategic locations
Infrastructure	Airstrip rehab, water engineering, solar energy
Data systems	Early warning, monitoring and reporting
Partnership arrangements	Contingency arrangements with local first line responders
Capacity development & training	Building local staff and partner capacity



The ROI Methodology

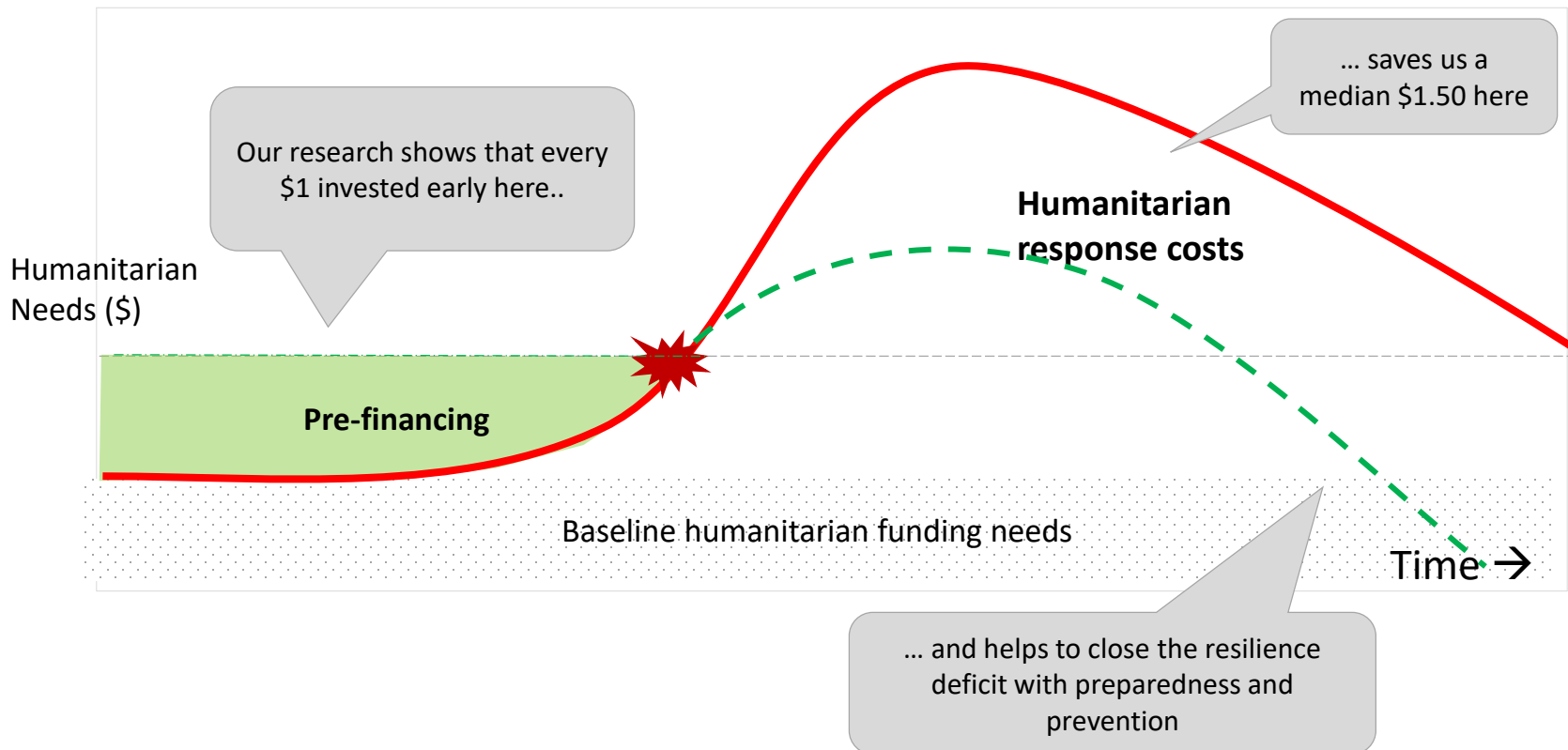
Results



Results

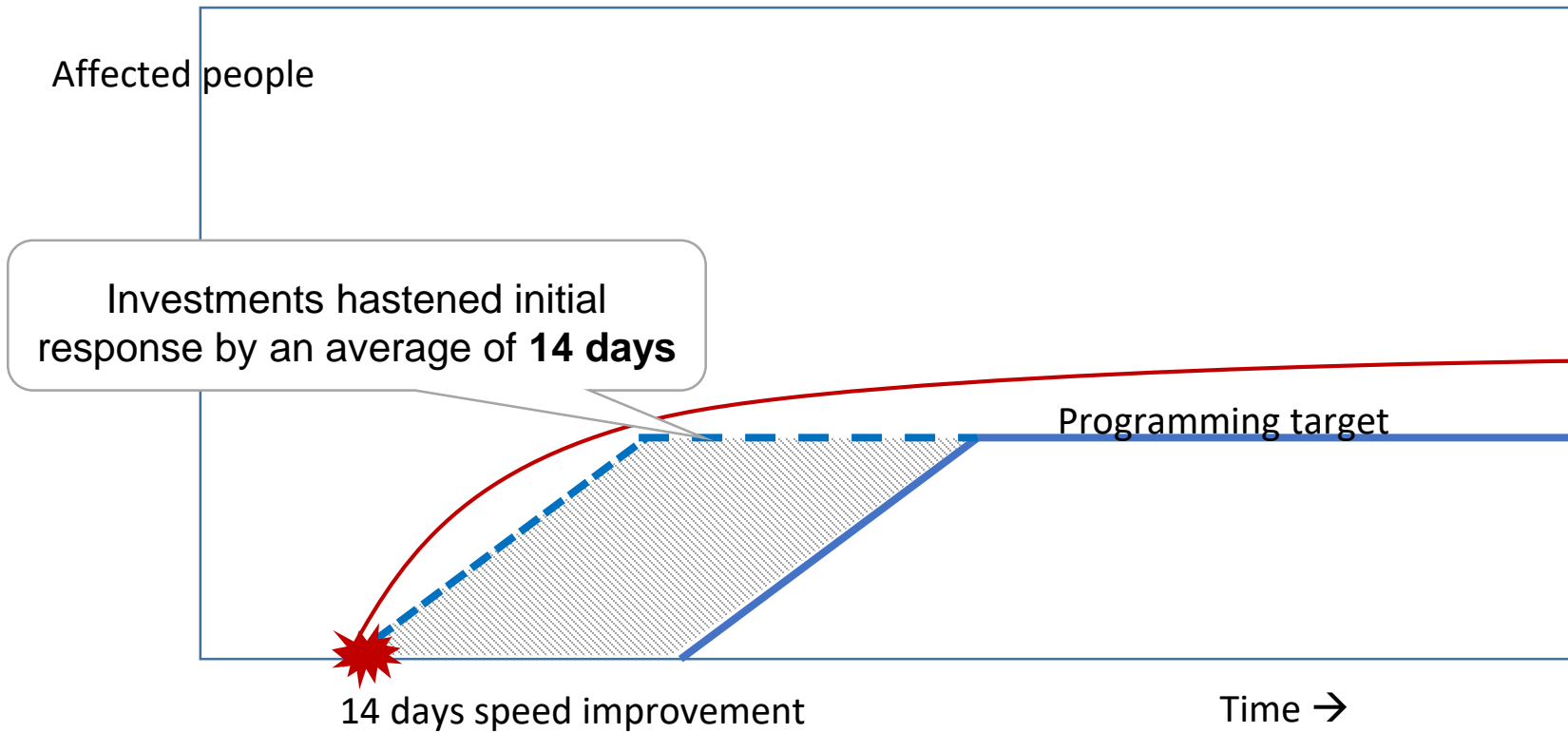
Financial savings

63 investments worth US\$11.1 million, generated net savings of **US\$ 20.3 million**



Results

Time savings



Results

Greenhouse gas savings

- 32 investments yielded greenhouse gas savings of 43,366 MT of CO₂ emissions
- These savings are roughly **equivalent to the amount of CO₂ sequestered in 1 year by 71 km² of rainforests**

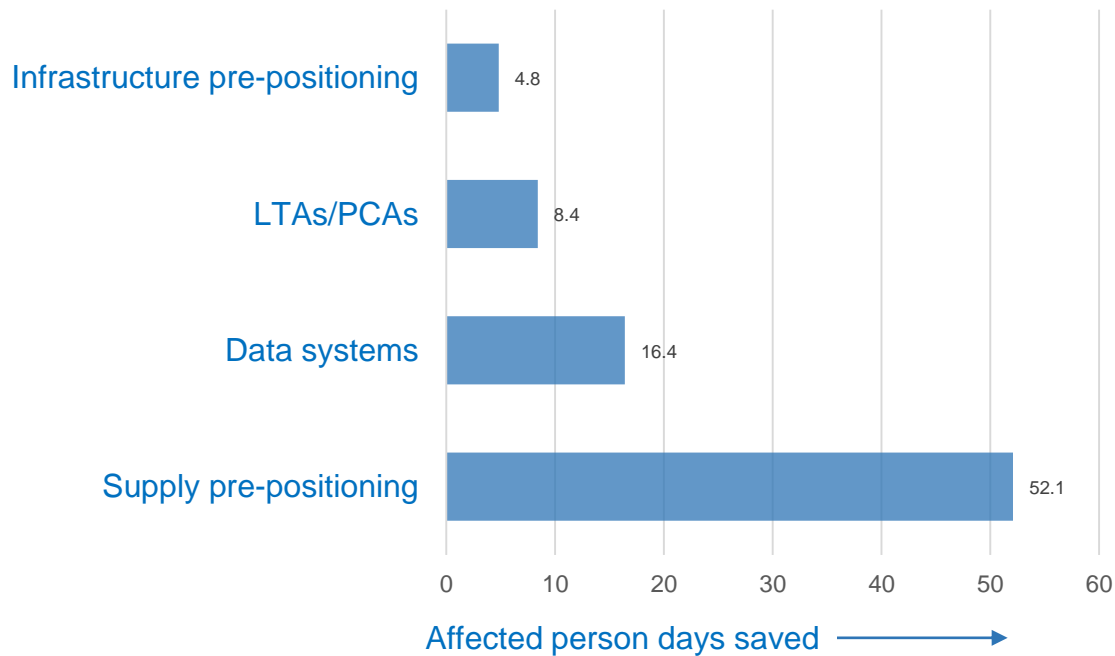


Results

Affected Person Days Saved

APDS = the number of days during which people affected by an emergency are better assisted thanks to the investment

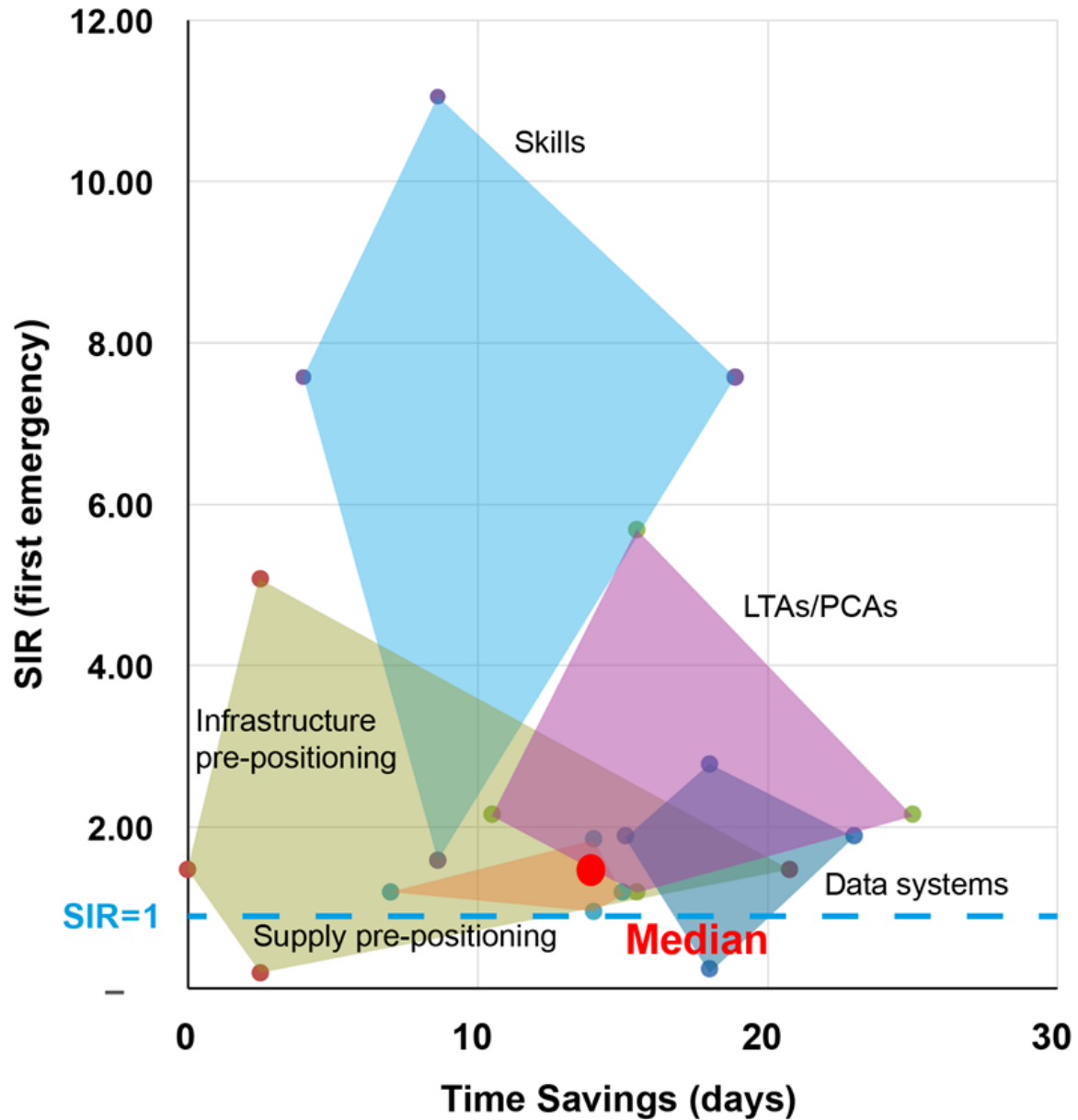
APDS (millions), by investment type (n=18)



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!



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