

THE ECONOMICS OF RESILIENCE TO DROUGHT IN KENYA, ETHIOPIA, AND SOMALIA

The USAID Center for Resilience commissioned a study to investigate and quantify the potential impact of an early humanitarian response, safety nets and investments in resilience on humanitarian assistance needs in Kenya, Ethiopia, and Somalia.

The study investigates the evidence for four broad scenarios (see reports for further details):

Late Humanitarian Response: estimates the cost of response, and associated losses, of a humanitarian response that arrives after negative coping strategies have been employed and prices have begun to destabilize.

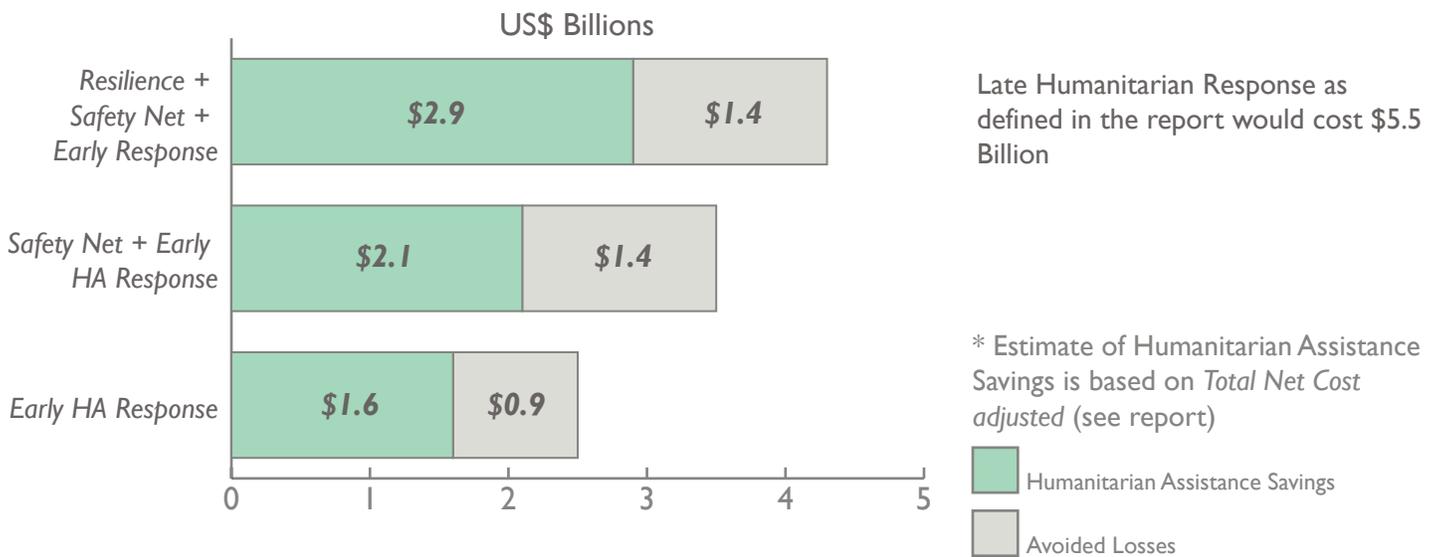
Early Humanitarian Response: estimates the cost of response, as well as the reduction in humanitarian need and avoided losses, as a result of a response assumed to occur before negative coping strategies have been employed, and before prices have destabilized.

Safety Net: integrates a safety net transfer into the early humanitarian response scenario equivalent to the value of existing safety net transfers in each country.

Resilience: incorporates an additional increase in net household income, on top of the safety net transfer, as a result of a range of resilience investments that increase and maintain income and reduce expenditure.

AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

Humanitarian Assistance Savings* and Avoided Losses Over 15 Year Period for Population of 15 Million as Compared to Standard Humanitarian Response



It is estimated that every \$1 invested in resilience over 15 years will result in between US\$2.3 and US\$3.3 in reduced Humanitarian Assistance and Avoided Losses.

The study compared a range of investment and response scenarios in Kenya, Ethiopia and Somalia and demonstrates that early humanitarian response, safety nets and investments in resilience are far more cost effective than responding after households are engaging in negative coping strategies and prices are destabilized. The study builds on groundbreaking work commissioned by DFID in 2013 on the Economics of Early Response and Resilience.