# **Cost-Effectiveness Analysis (CEA)**

Operational Research Project



# Project Duration

February 2015-January 2017 (24 months)

### ▶ Intervention area

Burkina Faso, Nepal

# Project objectives

The main objectives of the project are to keep institutionalizing capacity for conducting CEA within ACF projects, and apply previously developed methods and tools to new ACF research projects.

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# BACKGROUND

Since 2012, ACF has engaged in studies measuring the cost-effectiveness of innovative interventions in order to reinforce the level of evidence generated by the efficiency measures of an intervention. A young doctor from Tufts University, specialized in Nutrition in Public Health, has been recruited. She developed a manual on Cost-Effectiveness Analysis notions for ACF, which has been declined in a selfformation unit in 2013. Two Cost-Effectiveness Analyses have been conducted, one on the former project of low-inputs gardens in Zimbabwe in 2012, and the other on the research project of prevention of malnutrition in Chad via a food distribution including Plumpy Doz. ACF is one of the few international NGOs that have invested in these measures, which are now systematically requested by research funders. This kind of analysis is insufficiently conducted and yet necessary to complete the evidence supporting humanitarian action.

Cost-effectiveness is an important measure of a program's efficiency, bringing valuable contributions to improve program management and guiding the decision-making process regarding resource allocation and prioritization.

It is a method measuring the financial and economic costs of a program, a project or an intervention, distributed in accordance with the impact or the result achieved.

# SUMMARY

The main activities of the CEA project during these two years will be:

- The creation of a research group across all ACF International HQs for conducting CEAs
- The development of resources to inform staff on CEA notions;
- The application of CEA methods to new ACF research projects;
- The dissemination of findings from CEA

It is measured based on a societal dimension, where the costs of partners and beneficiaries are estimated and included, or based on an institutional dimension where only the costs bore by ACF are considered.

The results of a CEA are usually expressed in the form of a cost-effectiveness ratio (CER), with the total resources of the program distributed according to the efficiency or the results of the intervention. The average cost-effectiveness ratios indicate the average cost per result achieved in an intervention. Differential cost-effectiveness ratios are a comparative measure of differences between the costs and effects of an intervention and its alternative.

The CEA uses a "mixed-method" approach to evaluate the use of the interventions' resources, by associating quantified financial data to qualitative data such as time spent participating in the program by beneficiaries, distances covered, households' expenses to take part in the program, etc., all valued in costs and included in the total amount of the particular program.

# MAIN GOALS

- Continue to institutionalize capacity for conducting CEA within ACF
- Apply previously-developed methods & tools to new ACF research projects

# OBJECTIVES

- Set up a research group at ACF International level to conduct CEAs
- Develop capacity to respond to donor requests on economic aspects of evidence
- Develop resources to empower staff on CEA notions
- Establish an ACF position and strategy on CEA
- Apply methods & tools to new ACF-France research projects:
  - o MAM'Out in Burkina Faso,
  - o FUSAM in Nepal,
  - o MANGO in Burkina Faso

# EXPECTED RESULTS

- HR available and skilled to undertake CEAs
- Awareness on CEA notions across the organization
- A vision for CEA within the organization
- Cost-Effectiveness findings produced under each identified research projects
- Funding secured to sustain the plan of action

# Operational agency:

Action Contre la Faim - France

### Existing sponsors

- NEEP Burkina
- NEEP Nepal
- R2HC Nepal

# Scientific partners

- AgroParisTech (MAM Out)
- CDC (MAM Out, MANGO)
- IRSAT (MAM Out)
- ICDDR, B (FUSAM)
- Copenhagen University (MANGO)

## Other partners

IRC, Epicentre (MANGO)

# For more details...

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