

World Vision's THRIVE Value-for-Money Results

THRIVE study reveals investment creates 667% increase in value to families

This brief presents findings of the value-for-money (VfM) analysis of World Vision's THRIVE (Transforming Household Resilience in Vulnerable Environments) program. VfM is a broad concept used to characterize the overall value derived from an investment, accounting for financial returns and the economic value of non-financial factors. World Vision commissioned this VfM analysis to understand the full impact of the resources invested in THRIVE.

This VfM analysis values the benefits participants received through their participation in THRIVE divided by the program's costs to arrive at a Benefit-Cost Ratio (BCR). BCR measures whether an investment or a program is worthwhile. A BCR greater than 1.00 means that the benefits outweigh the costs; thus, the program is an economically worthy investment.

Overall, *the results show THRIVE yielded a strong positive return of 6.67 on investment and better value for money than comparable programs in the agriculture and livelihoods space.*

Key findings

- » On average, *THRIVE's BCR is 6.67* across the five countries, meaning every \$1.00 invested resulted in an estimated \$6.67 in benefits.
- » THRIVE *offered better value for money than comparable projects*—BCRs ranged from 4.5 (Rwanda) to 10.54 (Malawi). In contrast, BCRs for comparison projects in Malawi ranged from 1.20 to 3.30.
- » The *most significant benefit of THRIVE is its effect on participants' income*, accounting for 55% of the estimated Net Present Value (NPV) of the benefits (*see page 2). The impact on resilience is the second largest benefit, accounting for 44% of the program's benefits.
- » On average, *a household participating in THRIVE experienced a \$3,375 economic gain* from financial increase and livelihood stability.

THRIVE:

- *"Has a larger benefit-to-cost ratio, which suggests that the program is not only worth it but likely worth prioritizing over many alternative development interventions."*
- *"Outperforms other agricultural interventions targeting smallholder farmers" – compared to public sector projects they have evaluated.*
- *"[Its] positive impact is not only statistically significant but also substantial."*

— Limestone Analytics

Value-for-Money Analysis methodology

The VfM analysis involved a benefit-cost analysis, which produced a Benefit-Cost Ratio (BCR). A BCR estimate is a standard measure that allows for a direct comparison of THRIVE’s cost-effectiveness performance to that of comparable agricultural economic empowerment projects. Limestone Analytics also estimated the Net Present Value (NPV) of the benefits. The *NPV is the cumulative discounted current value of future (expected) net benefits of an investment. NPV accounts for the time value of money. This is important for THRIVE because benefits continue to be realized in the years beyond the time (year) the investment or cost is incurred. A positive NPV indicates the program is worth undertaking.

Both the BCR and NPV account for the financial and non-financial costs and benefits to implementers, participants, and society. The types of benefits and costs incorporated into the analysis are summarized in Table 1.

Costs — The analysis accounts for direct costs to implement the program and the participants’ time (opportunity cost) to participate in program activities such as training. Overall, THRIVE cost nearly \$55 million across the five countries since its inception in Tanzania in 2013. These costs are distributed as follows across the countries: Tanzania (\$10.0M) , Malawi (\$7M), Zambia (\$14.3M), Rwanda (\$10M) and Honduras (\$13.6M). After adjusting for inflation, Limestone estimated that the program cost is approximately \$48 million in 2020-dollar value. For the opportunity costs to the participants, the analysis assumes THRIVE was minimally time-consuming. An average participant is assumed to spend one hour per week on THRIVE-related training, and those who increase the use of improved agricultural techniques spend two hours.

Table 1: Benefits and Costs for BCR analysis

Costs	Direct cost of the program (financial) Opportunity costs of participation time
Benefits	Increased income Decreased livelihood volatility

Benefits — The analysis accounts for two types of benefits:

- Increased income** — Limestone Analytics used the findings from the meta-analysis, which estimated the average impact of the program on household income and other target well-being outcomes. (Refer to the meta-analysis brief for highlights of the program’s impact on target outcomes).
- Decrease in livelihood volatility** — This captures and assigns the economic benefits of THRIVE’s resilience impacts through valuing benefits from two outcome areas: 1) improved income diversification and 2) access to credit and savings. Both outcome areas allow participants to smooth their consumption and maintain livelihood stability during periods of shock, change, or displacement compared to non-THRIVE participants. Another way of interpreting this is that the methodology assigns an economic value to participants’ benefits from having a more stable income, consumption, and financial inclusion.

Benefit-Cost Ratio results per country

The following figure shows the BCR for each country and the portfolio’s overall BCR. The BCRs for individual country projects across the five countries are all substantially greater than 1 (Figure 1), indicating a strong positive return for THRIVE in each country.

Malawi was the most cost-effective implementation, returning \$10.54 in benefits for every dollar in costs. Rwanda has the lowest BCR at \$4.15. Differences in BCR across the countries are explained mainly by differences in income change over time and between THRIVE and non-THRIVE households, as well as costs per participant. Malawi’s BCR is higher partly because of the highest percentage increases in many economic indicators, including income as reported in the meta-analysis.

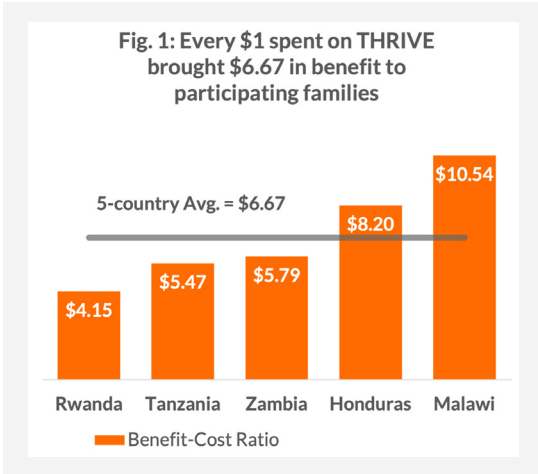
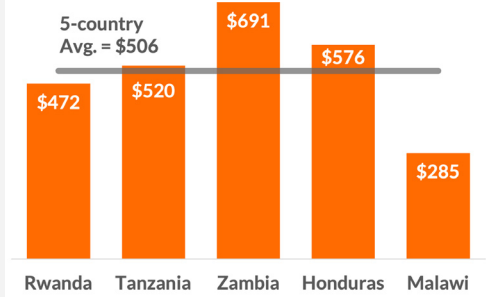


Fig. 2: Net Present Value Program Costs Per Household



More so, as shown in Figure 2, Malawi has the lowest implementation costs per participant than other countries. Differences in cost per participant reflect the number of households reached and program costs in a country. Rwanda has the lowest BCR at 4.15. The average income in the participating households in Rwanda was significantly smaller at baseline compared to that of other countries. This leads to a relatively lower value in aggregate income benefits in Rwanda compared to other countries. Honduras performed better than the average. The strong BCR reflects the economic value associated with decreased livelihood volatility.

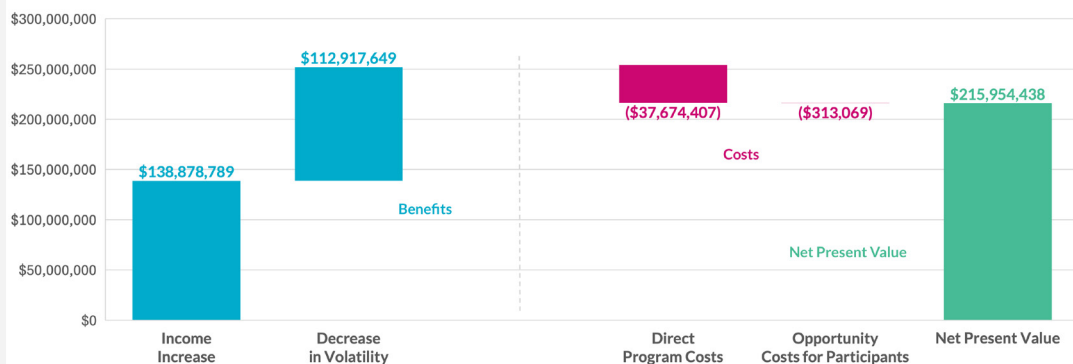
THRIVE Tanzania's BCR appears relatively low, given that the TANGO evaluation found participant incomes increased nearly tenfold from baseline to endline. It is worth noting that the project's impact on

income used in the Value for Money analysis is derived from differences between THRIVE participants and the control group. The methodology assumes that the control households didn't benefit from the intervention. This methodology may underestimate THRIVE's overall impact, particularly in countries like Tanzania, where TANGO reported spillover effects of THRIVE learnings and benefits into control communities.

Program-level aggregate benefit-cost breakdown

Figure 3 contains a breakdown of the NPV by benefit and cost type. THRIVE's most significant economic impact is its effect on participants' income, which accounts for 55% or \$139 million in the NPV of benefits (2020 USD). The decrease in livelihood volatility is the second largest benefit, accounting \$113 million or 44% of the program's net benefits.

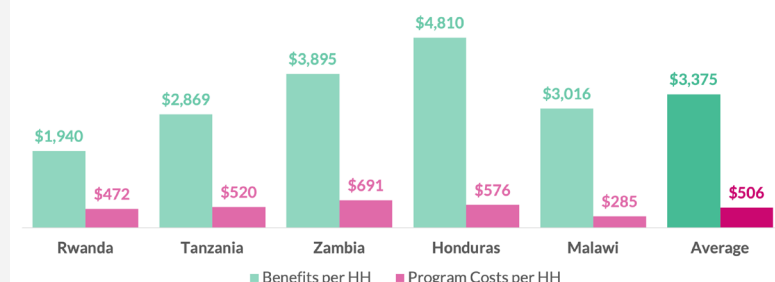
Figure 3: Participant incomes account for 55% (\$139 million) of the Net Present Value of benefits



Participant-level aggregate benefit-cost breakdown

Figure 4 shows the aggregate NPV costs and benefits per participating household for each of the five THRIVE countries and the overall program. The average participant household experienced a \$3,375 economic gain from financial increase and income stability.

Figure 4: Aggregate benefits and costs per participating household for each of the five THRIVE countries and the overall portfolio



Comparing THRIVE Benefit-Cost Ratio to other projects

Table 2: BCRs for THRIVE and Malawi priority project interventions

Project	BCR
Agricultural commodity exchange reform	16
Improved early warning systems	16
THRIVE Malawi	10.5
Irrigation support	3.3
PICS bags (for safe crop storage)	2.9
Crop diversification efforts	2.0
Poultry outgrower model	1.3
Training for quality control	1.2
Agro credit guarantees	1.2

BCR is a standard measure that enables us to compare THRIVE’s cost-effectiveness to similar economic empowerment programs. Limestone Analytics compared THRIVE’s BCR to projects they have evaluated in other countries, with particular focus on Malawi. Limestone collaborated on the Malawi Priorities Project for the Malawi National Planning Commission, producing BCR estimates for 56 projects using its Cost-Benefit Analysis framework for impact accounting. The comparison of the BCR of the relevant projects to THRIVE shows THRIVE offers good/better value for money than the comparison—see table 2.

Conclusion

The findings in this brief present clear evidence that *THRIVE was an exceptional investment*. Improvements in income and resilience provided significant economic value to participants. Furthermore, they suggest that THRIVE, by combining elements such as savings groups with locally adapted agriculture, Farmer Managed Natural Regeneration, and livelihood diversification into a single program, provides greater cost-effectiveness than its individual components. Finally, the findings also suggest that THRIVE offers outstanding value for money compared to other economic empowerment programs.



To find out more, visit worldvisionphilanthropy.org/economic-empowerment or contact your World Vision representative.



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