

# The Economics of Resilience to Drought: Kenya



**October 2017**

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# Aim of the Study



Compare the costs, avoided losses, and benefits of three scenarios:

- 1) a late humanitarian response
- 2) an early humanitarian response
- 3) early action and resilience building

# Two lines of investigation



1. Empirical evidence - investigate existing and ongoing data collection, relevant literature for empirical evidence of impacts of early action/resilience building
2. Model potential outcomes using Household Economy Approach for a population of 3m in Turkana and NorthEast livelihood zones

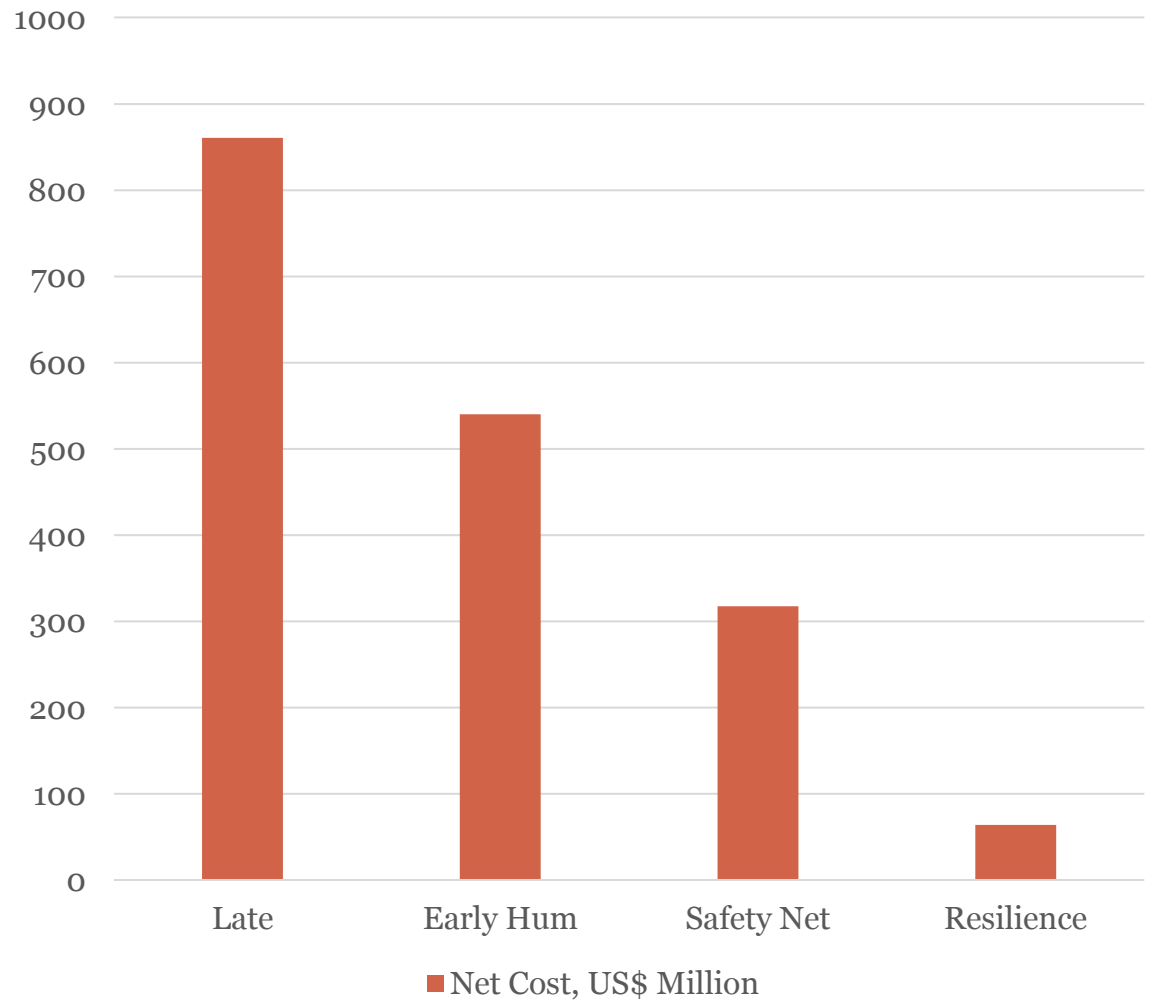
# Kenya NDVI/Fodder



# Kenya, Net Cost

Resilience building would save almost \$800 million over a 15 year period

### Net Cost, US\$ Million





## Kenya, Net Cost with Benefits

When avoided losses are incorporated into the analysis, resilience building would save upwards of \$1.9 billion over a 15 year period, or \$162 million per year.

**Benefit to Cost Ratio**  
**\$5:1**

Net Cost, US\$ Million

