

Independent Evaluation of the African Risk Capacity

Pilot Impact Country Study: Senegal

Executive Summary

27 August 2021

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Preface to the report

This report has been prepared as part of the Independent Evaluation of the African Risk Capacity (ARC), commissioned by the UK Foreign, Commonwealth and Development Office¹ (FCDO) and undertaken by Oxford Policy Management (OPM).

The lead author of the report is Stephen Jones (Study Director). Information collection for the studies on financing and capacity development was carried out by Andy Cook, Amacodou Ndiaye, and Cheikh Seck. The quantitative analysis of household impact was led by Donna Harris, working with Yoro Diaw and Papa Faye of Dadch & Co. Patrick Ward provided advice and quality review for the study. Jesse McConnell contributed to the study design and Jenny Congrave contributed to the management of the study. Debbie Hillier is the Project Manager for the Independent Evaluation of ARC and is the principal contact for this study (Debbie.hillier@opml.co.uk). The client contact at FCDO is Lloyd Cameron (Lloyd.cameron@fcdo.gov.uk).

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¹ FCDO was formed in September 2020 following a merger of the Department for International Development (DFID) with the Foreign and Commonwealth Office.

Executive summary

Objectives of the study

The African Risk Capacity (ARC) was established to help African governments improve their capacities to plan, prepare, and respond to extreme weather events and natural disasters, through providing access to insurance, collaboration, and technical support, so as to protect the food security and livelihoods of vulnerable people.

This report forms part of the Independent Evaluation of ARC undertaken by Oxford Policy Management (OPM) over the period from 2015 to 2024, commissioned by the United Kingdom's Foreign, Commonwealth and Development Office (FCDO). This study is a pilot for the country case studies to be undertaken in the impact phase of the evaluation.

Senegal was selected as the pilot as a result of drought in 2019 triggering ARC insurance payments to both the Government of Senegal and the Start Network. The objectives of the study are:

1. to assess how far the provision of payments through ARC has contributed to reducing the loss of assets and livelihoods, and to protecting food security, for households in Senegal that are vulnerable as a result of rainfall deficit;
2. to assess how far ARC has contributed to strengthening the capacity of the Government of Senegal (GoS) to manage weather-related shocks, and to improving the availability of finance;
3. to identify lessons for ARC's future operations; and
4. to develop and test approaches for the future evaluation of ARC operations.

ARC and Senegal

Despite a strong record of political stability and economic growth, more than half the population of Senegal remains dependent on agriculture for their livelihoods; pastoralists and households dependent on rainfed crop production are vulnerable to the effects of drought. Senegal has been involved in ARC since the first risk pool in 2014/5, paying an annual insurance premium of CFA franc (CFA) 1.8 billion (about US\$ 3.1 million) since 2014 with the cost being met from the government budget. A first insurance payment of US\$ 16.5 million was made to GoS in 2015 in respect of drought in 2014. A Technical Working Group (TWG) has been established in Senegal to customise the Africa RiskView (ARV) model and develop contingency plans and ARC has provided technical support and capacity building for DRM.

ARC reached an agreement with GoS to participate in the 2018 ARC Replica initiative with Senegal being in the first group of countries to do this. This initiative allows humanitarian organisations to receive the support of replicated insurance policies that are purchased by ARC member states as a Replica partner. In Senegal the Replica partner is the Start Network, which comprises six international NGOs operating in the country. NGO donors financed the first premium payment under this arrangement in 2019.

Response to the 2019 drought

The 2019/20 crop year was characterised by very late rainfall in the agricultural and livestock production areas in the north and centre of Senegal, with more than half of survey respondents² describing the 2019 drought either as “severe” or the “worst remembered.” Based on operational plans developed with ARC support and early warning information, Final Implementation Plans (FIPs) were prepared to provide assistance to the most affected households for both the expected ARC and ARC Replica payouts. In December 2019, payouts were triggered under the insurance policies held by both GoS (US\$ 12.5 million) and the Start Network (US\$ 10.6 million).

The GoS FIP planned for rice distribution to almost 150,000 people in more than 18,600 households, along with supplementary feeding of children and pregnant and lactating women, and the provision of livestock feed to herd owners at sites in transhumance areas. Start Network planned activities included a cash transfer, supplementary feeding for children under five and pregnant and lactating women, and a nutrition awareness programme. The Start Network FIP aimed to reach 25,000 households (approximately 203,000 people).

The impact of COVID-19

As the threat to livelihoods from the economic disruption caused by the response to the COVID-19 pandemic became clear, the GoS decided to integrate the ARC support into a much larger National Response Plan (PNR). In April 2020, GoS launched an operation to support 1 million vulnerable households (plus a further 100,000 displaced households), or nearly 8 to 10 million people out of a population of 16 million, with a food kit consisting of five products for each targeted household. The other support included in the FIP was also implemented as part of the PNR, while the Start Network implemented its FIP in coordination with the GoS support. Delivery of the support took place over the period from April to August 2020, with the exception of the delivery of GoS nutritional interventions which were delayed till 2021.

Methodology

In line with the overall ARC evaluation design the approach for the study is theory-based, in that it focuses on testing the Theory of Change underlying the ARC model – in this case, as it has been implemented in Senegal. The impact evaluation approach is based on a contribution analysis which will be developed from the evidence collected across the rounds of evaluation research activities. The study has focused on two of the evaluation questions (EQs) defined in the ARC evaluation design, each relating to one of the pathways of impact defined in the ARC Theory of Change:

- To what extent has ARC contributed in Senegal to timely and effective responses that protect affected households' livelihoods and prevent asset loss and food insecurity?

² From the Kimetrica Process Evaluation.

- To what extent has ARC influenced Senegal's capacity to anticipate, plan, finance, and respond to climate-related disasters generally, and more specifically to making best use of ARC?

It was originally envisaged in the ARC Evaluation design that primary data collection with a qualitative focus would be undertaken from households as part of a "participatory Impact Assessment" and that tools for this purpose would be developed in the pilot. However, since primary data from households was planned as part of the ARC-commissioned Kimetrica Process Evaluation and the Start Network evaluation, it was decided not to undertake additional primary data collection from households for this study. It was agreed with ARC Agency and Kimetrica that some additional questions would be included in the Process Evaluation to collect information of relevance to the wider ARC Evaluation. The resources originally intended for the participatory impact assessment were instead used to undertake exploratory econometric modelling of the effect of support on households.

The study methodology was based on three workstreams, addressing respectively finance for DRM, DRM capacity, and the impact on households of the support received. Data for the first two workstreams was provided by reviews of documentation and key informant interviews (KIIs), and the Kimetrica Process Evaluation, and was based around a comparison of the experience in addressing the drought crisis in 2014/15 with that of the combined drought and COVID-19 crisis in 2019/20. The analysis of the effect on households drew principally on survey data that was collected by the Kimetrica Process Evaluation and the Start Network Evaluation.

Summary of findings

Findings on contribution of ARC to financing DRM in Senegal

ARC provided a net total of US\$ 20 million as insurance payments in December 2019. This amounted to the totality of external support received to address the drought (with the exception of some additional support for nutrition activities) and represented 28.9% of the estimated response requirement for a severe drought. However, funding to address the subsequent economic impact of the COVID-19 pandemic (with which drought relief funds were integrated) was on a far greater scale. ARC funding represented about 4% of the total support received by GoS to finance direct emergency relief for vulnerable households in response to the economic impact of COVID-19, with ARC Replica providing a further 4.3%.

Budgeting for the ARC insurance premium has largely replaced a previously higher but fluctuating annual budget for 'prevention and control of disasters', and has been integrated into the budget process, along with payouts under ARC insurance policies. ARC has therefore contributed to greater predictability in budgeting, while ensuring additional resources have been made available to deal with drought. However, GoS delayed making its payment of premium to ARC in 2018 (ultimately being deducted from the 2019 payment) and, following an unexpected increase in the premium due, did not make a premium payment in 2020. It has now paid for 2021/2.

Findings on contribution of ARC to strengthening capacity for DRM in Senegal

The main developments in Senegal's DRM capacity since 2014 relate to: (i) the intention to develop a stronger policy framework for DRM within the Sendai Framework, though the

process for developing a national strategy only began in November 2020; (ii) reorganisation of responsibilities between government agencies in particular following from the abolition of the Prime Minister's Office, though these have left unresolved the status of the ARC Steering Committee and funding arrangements for the TWG; (iii) improvements in the social protection system (with World Bank support) that have improved the identification of vulnerable households and that have developed models for cash transfer for government welfare grants, although these have not been used by GoS for disaster response, and there are weaknesses in the quality of the RNU used to identify vulnerable households; (iv) the establishment of the Start Network as the ARC Replica partner; (v) strengthened capacity for risk modelling, early warning, risk transfer, and operational planning; (vi) strengthened M&E approaches introduced by the Start Network, although GoS monitoring of disaster response has not improved significantly.

ARC has contributed to strengthening DRM capacity in Senegal principally through: (i) encouraging regular updates of operational plans and providing technical support to this process; (ii) ARC Replica's support to NGO initiatives through the Start Network; and (iii) provision of the ARV system, and training support for it, which has contributed to strengthened analytical capacity, although the ARV is not used for estimating support requirements, with reliance instead on the Cadre Harmonisé (CH) developed by CILSS. The effectiveness of capacity development support provided by ARC has to some extent been reduced by trained government staff moving on to other roles, but in some cases they remain working on DRM within NGOs.

Findings on ARC contribution to stakeholder commitment and cooperation

ARC has contributed positively to building stakeholder commitment and cooperation, in particular through providing a structured process around the insurance product (particularly preparing the FIP), which requires DRM actors to cooperate, and by supporting the establishment of the ARC Replica arrangement, which encourages structured cooperation between GoS and NGOs.

Findings on how improvements in capacity contributed to a more effective response to the 2019 drought and 2020 COVID-19 crisis

The difference in the scale and nature of the 2014/15 and 2019/20 crises makes a direct comparison difficult, but the study found that:

1. Significant improvements in the planning process contributed to the combined FIPs representing a strengthened approach to dealing with the drought in 2019 compared to earlier periods. The subsequent onset of COVID-19, and the development of the much larger PNR, meant that the GoS FIP was not implemented as planned, though it informed the subsequent PNR.
2. As in 2015, there were significant delays in the release of funds from the ARC payout to GoS by the Treasury due to delays in getting the appropriate authorisations and signoffs from senior level officials.
3. There were significant improvements in the approach to targeting as set out in the FIPs. However, the large increase in the number of beneficiaries in the PNR meant that this

approach was not implemented by GoS. The Start Network did implement its intended targeting approach, which revealed weaknesses in the RNU data.

4. A more rigorous review of gender issues in 2019/20 identified weaknesses, including a lack of female involvement in DRM planning, while GoS data collection still did not track distributions to female-headed households. Start Network's M&E system has, however, collected more comprehensive information related to gender.
5. There were no significant improvements in the M&E approach used by GoS. However, the M&E system used by the Start Network provided significantly more information about the effectiveness of support provided than had been available for the 2014/15 experience.
6. Implementation was adversely affected by both the travel and contact restrictions imposed in response to COVID-19 and the delay in releasing ARC funds. The main innovation compared to previous drought response was the use of cash transfers by the Start Network. This appears to have worked well, but the limited M&E information available (and the lack of a control group who did not receive aid) limits the extent to which the effectiveness of implementation overall can be assessed, and the degree to which comparisons of the effectiveness of alternative modalities can validly be made.

Findings on beneficiaries of support provided

The study found that the average beneficiary households as reported in both Kimetrica and Start Network surveys had around twelve members (compared to the planning assumption of eight) with more than two children under five. There were differences between the two surveys in terms of the percentage of male- or female-headed households and the Start Network households had more pregnant and lactating women, presumably reflecting different targeting processes for the fortified flour. The Kimetrica survey found a substantial number of households who received more than one type of support, while some others received none, which indicates targeting and distribution challenges.

There is very little systematic information on those who did not benefit from support. This represents a serious gap in monitoring how well assistance is targeted and in understanding the true impact of the interventions, as well as what outcomes look like in the households that were not supported through this period.

Findings on the extent to which the response effectively supported the livelihoods of the households

Almost all beneficiaries reported that the support helped them to avoid negative outcomes, and to assist with meeting food consumption requirements and improving the quality of food. Cash that was left over was used to pay off debts and to avoid other negative coping strategies. The distributions are likely to have prevented many households from having to resort to more extreme negative coping strategies, including buying food on credit or borrowing money to buy food, children working, and men undertaking high-risk and socially degrading or exploitative jobs. The Kimetrica process evaluation survey found that a high proportion of households (90%) reported that the main distributions (cash or food) helped prevent the distress sale of livestock and other assets.

The cash received under the Start Network support also helped prevent many households from having to resort to more extreme negative coping strategies. However, the effect of the support was limited and short-term. A majority of households reported having to use one or more of the coping strategies including borrowing to purchase food, skipping meals. Most respondents reported that the amount of cash received was insufficient to meet their household's basic needs, even just for a few weeks. While the total cash transfer was capped for a maximum of eight members per household, most households were larger than this (with an average household size of twelve). This does not seem to have resulted in their generally reporting worse outcomes, though households with seven or more children were found to be less likely to report having enough food in the household.

Households were significantly more likely to report having enough food if: they received larger cash transfers; they received additional assistance from another source; and they received fortified flour.

The quantity of rice provided may have lasted only a month or so for the average size of household reported in the surveys (twelve members). Flour distributions were constrained by the COVID-19-related restrictions, which made the procurement of quality flour a challenge. Most of the flour distributions by the Start Network were replaced by cash distributions.

There is a trade-off between the amounts transferred to beneficiary households and the total number of households that can receive support. Since we know very little about the households that did not receive support, it is difficult to know if the right balance was struck, and/or if coverage and total resources needed to be much higher.

The Start Network evaluation found that the selected support window generally aligned with when households were preparing for the lean season, although an earlier window may have been preferable. Beneficiaries generally reported that they received the money early enough, though some households also reported resorting to a range of coping strategies. GoS distributions, on a much larger scale, were undertaken slightly later than the Start Network distributions, starting in August 2020, suggesting that they will have come too late for some households. However, insufficient information is available to confirm this.

Summary of conclusions

Conclusions on household impact

The study concluded that Senegal's engagement with ARC contributed to the country being better placed to identify and respond to the emerging threat of drought during 2019 than it had been for earlier negative shocks. This was the result of the strengthening of capacity for operational planning and early warning, and engagement with the Start Network as well as the predictable provision of insurance payouts in December 2019. Delays to the release of ARC funds from the GoS Treasury, as had also happened in 2015, were a factor in the late implementation of the response to the drought.

The FIPs developed to use the ARC insurance payouts to address localised drought-related food insecurity were incorporated into (for GoS) or coordinated with (Start Network) the PNR through which GoS, with substantial additional external funding, provided support to address the shocks to livelihoods resulting from movement and contact restrictions to contain the spread of COVID-19.

There is evidence that the cash transfer helped the poorest households to avoid drastic coping strategies that could have a long lasting impact on their livelihoods, while in the least affected areas, households were able to increase their assets and food sources. While the level of support received was relatively limited and short-term, the evidence is that it achieved its objectives of reducing the extent to which households had to resort to negative coping strategies that were likely to have long-term effects on their livelihoods and assets, though evidence is insufficient to draw more detailed and disaggregated conclusions.

Conclusions on effectiveness of response and ARC's contribution

In addition to the provision of resources from insurance payouts, ARC's engagement with Senegal has contributed to strengthening GoS capacity for early warning and planning, while the ARC Replica initiative has improved coordination in the planning and delivery of relief among major NGOs, and between GoS and NGOs collectively. The funding of the Start Network through ARC Replica has also supported the use of cash transfers, and a strong approach to M&E, generating lessons that can be applied in the future by GoS. The process evaluations commissioned by ARC have also been valuable sources of evidence and lessons about the effectiveness of relief delivery. The positive experience with ARC Replica suggests that this arrangement may yield substantial benefits.

However, there are several aspects where weaknesses remain or that may pose challenges for the ARC model. These include: the fact that timing targets for the use of resources provided through ARC payouts to GoS were not met; the sustainability of DRM capacity without continuing ARC Agency support remains to be established; the lack of defined organisational arrangements for the ARC Steering Committee or of a budget for the TWG; late or unclear communications and engagement between ARC Ltd and the GoS resulting in no premium payment in 2020; and the weakness of M&E data.

Conclusions on the validity of the ARC Theory of Change

This study has shown that positive changes have occurred in Senegal along both Pathway 1 (supporting timely and effective response) and Pathway 2 (influencing policy and practice of member states). The evidence is summarised (with ratings) in the Contribution Analysis Matrix presented in **Error! Reference source not found.**

In general the ratings are positive, with evidence that progress has been made along each of the ToC links at the effectiveness level. There is clear evidence that GoS capacity for effective response to climate-related shocks has improved (though some elements of the operational plan were not fully reflected in the FIP), even though the impact of COVID-19 radically changed the context of implementation and was far greater than the initial impact of the drought. Limitations relate in particular to the lack of progress in strengthening national M&E systems in support of DRM (particularly in relation to effective targeting), the failure to prevent a repeat of delays in approving the release of funds from the ARC payout, and evidence of some limitations in the timing and composition of the support provided to households.

There are some more significant challenges in relation to sustainability of the capacity developed, including the role of continuing ARC Agency support, the unresolved organisational and financing issues about the TWG, and uncertainty about whether the GoS

will continue to regard the purchase of insurance through the ARC arrangement as cost effective in the future.

Implications for monitoring and evaluating disaster response

Little progress was made between 2014/15 and 2019/20 in strengthening the national M&E system for DRM – with the important exception of the approach to M&E introduced by the Start Network. The only data that was available to make even limited quantitative judgements about household effects came from the Start Network M&E system and from the Kimetrica Process Evaluation. No data was available from national (GoS) sources. While the implementation report on the PNR provides details on the numbers of beneficiaries, and reviews lessons about operational effectiveness and challenges encountered, it is not possible to assess the effectiveness of targeting, and for example whether there were any groups who were not effectively reached by the support provided.

The study points to the need for a strengthening of the GoS M&E system, and suggests that greater attention should be paid by ARC Agency and donors and other regional and international agencies to encouraging the strengthening of national M&E systems for DRM. These would be strengthened by collecting systematic information on the effectiveness of targeting and on changes in beneficiary welfare over time (before and after the support is provided). Where it is considered appropriate and feasible to make a robust quantitative assessment of impact, surveys should be carried out with both beneficiaries and non-beneficiaries, so that it is possible to compare the beneficiaries of the intervention against a comparison group who share similar characteristics as those who received the intervention.

While resource availability and other may restrict what it is feasible to do in any given case, a coordinated and strategic national response to assessing household impact should be considered as part of a wider M&E strategy for DRM.

Implications for the ARC evaluation

The following lessons can be drawn from the pilot country case study:

1. The original intention, as set out in the Inception Report, had been to develop a participatory impact assessment (PIA) methodology as a core part of the case study approach for the impact phase. However, it is clear that in countries that have received ARC payouts, the Process Evaluations that ARC commissions overlap substantially with the envisaged PIA approach.
2. The approach and instruments developed for the assessment of the development of DRM capacity and ARC's contribution to it proved to be effective, though a more formally structured approach to the definition and measurement of DRM capacity should be developed.
3. Obtaining a clearer understanding of the conditions under which the ToC holds, and what underlying assumptions may fail to be realised in particular circumstances, will require examination of a wider range of national experiences (and not just of cases where insurance payouts have been made).
4. The approach to assessing the contribution to finance should not attempt to assess macroeconomic impact since this is not an objective of ARC support but should focus

on examining (a) the financing needs and the extent to which there were met by (b) ARC payouts, and (c) other sources of funding including any that ARC may have catalysed.

5. It is important to distinguish assessing the impact of ARC on the government's drought response from assessing the impact of the government's drought response on household welfare. The focus of the evaluation is on the former, although findings on the latter may provide information that is useful to it. While quantitative information on household level effects and other aspects of the performance of the national disaster response to which ARC has contributed (e.g. the effectiveness of targeting) is potentially valuable for understanding results achieved and challenges encountered in the government's drought response, it is beyond the resources and scope of the ARC Evaluation to collect quantitative primary data at household level. The ARC commissioning of Process Evaluations therefore plays an important role in providing information about this, as well as government monitoring systems.
6. The exploratory approach taken in this evaluation to try gain a better understanding of the impact of the drought response on beneficiary households, using modelling on limited data sets that were not designed to provide a quantitative measures of impact, provided limited and relatively weak evidence on impact. It was able to provide some information on the characteristics of beneficiaries and, for beneficiaries, on how self-reported outcomes varied in relation to the type of support received and with other household characteristics. It was not able to provide a more rigorous estimate of household level impact using a comparison of outcomes between beneficiaries and comparable non-beneficiary groups. This is because the data sets were limited (by design): they included only beneficiaries and used only self-reported post-distribution measures of welfare. It proved impossible to obtain other data that might have provided some external comparisons to understand how effective targeting had been. Given these constraints, the approach used does not, and was not intended to, provide an appropriate, general method for estimating household impact in future ARC evaluation work.
7. Consideration of the findings of the Senegal impact assessment also highlights several issues of importance that the study was not explicitly designed to address, or did not succeed in finding evidence about, that could potentially be addressed in the remainder of the ARC evaluation:
 - a. the sustainability of the capacity development model including through support provided by ARC Agency;
 - b. whether the resources and capacity available are sufficient to address any climate-related emergency needs (including minor or localised droughts) in years when ARC insurance payouts are not triggered;
 - c. the appropriate way in which ARC-funded drought response and systems should be integrated with the wider social protection system;
 - d. the appropriate national strategy in relation to the proportion of total relief costs that ARC insurance payouts should be covering in relation to the overall budget for disaster preparedness;

- e. the factors that may influence the extent to which the success of ARC Replica in Senegal can be repeated in other countries.

For the remainder of the ARC evaluation, it is important to note a trade-off between the depth of investigation of each country and the number of countries for which information can be collected. Understanding better the conditions under which the ToC holds, and potential risks may require consideration of a wide range of national experiences reflecting different conditions, rather than more detailed investigation of a smaller number of experiences. There may also be a case for using evaluation resources to investigate further specific issues or themes across groups of countries, rather than focusing on individual country case studies.

Some of the issues emerging, identified above, are also not fully covered by the evaluation questions identified in the inception report. These considerations suggest a need for some revision to the evaluation questions for the ARC Evaluation to ensure that key emerging issues are properly addressed, and potentially for a revised approach to future country case studies.

Lessons

The following lessons from this study can be identified:

1. The ARC model can succeed in building national DRM capacity and improving response, though the extent to which this capacity may be sustainable without continued support through ARC Agency remains to be established.
2. The ARC Replica model can improve the effectiveness of coordination between NGOs, and between NGOs and government, and may provide an opportunity for more innovative approaches to the provision of support to be implemented, potentially providing lessons that can also be applied by government systems.
3. Making reliable empirical estimates of the household impact of drought relief and related aid would require a well-designed and integrated strategy for data collection and analysis, planned in advance of the onset of the emergency, and even then may be challenging to undertake in practice. National governments will need to decide on the feasibility and importance of this for any particular drought response.

Recommendations

Recommendations from the Process Evaluation

The ARC Process Evaluation produced recommendations that are set out in full in **Error! Reference source not found.** and are summarised below.

1. ARC should consider adjusting the ARV so that data can be disaggregated to lower administrative units.
2. ARC and the GoS should make efforts to align FIP preparation with the Harmonised Framework.
3. ARC and ARC-funded implementers should further detail the Standard Operating Procedures (SOPs) outlined in the FIP, specifically in relation to bank account

- creation and management, communication and coordination, implementation, monitoring and evaluation, and gender and vulnerable group inclusiveness.
4. The GoS should consider updating the RNU database of beneficiaries.
 5. The GoS and ARC should explore a more robust solution for the receipt and disbursement of ARC funding.
 6. The GoS should consider expanding the selection of food items in distributions to promote better dietary diversity.
 7. With regards to monitoring, we highly recommend that the Start Network conduct a workshop and share their monitoring processes and experiences with the GoS and ARC.
 8. ARC should begin developing guidance that address multiple cascading events.
 9. For future payouts, the GoS should consider channelling more funding to a revolving fund account to be used for early action
 10. ARC and its country and Replica partners should continue to explore ways to take into account various marginalised groups (such as the elderly, sick, or disabled).

This study endorses these recommendations while suggesting the additional recommendations below.

Recommendations to ARC

ARC Agency should:

1. Use the lessons from the positive experience with ARC Replica in Senegal to inform and encourage the use of this model in other countries.
2. Strengthen the focus on improving government M&E within ARC Agency support. A wider range of evidence (including experience in other countries) will need to be drawn on to develop an appropriate approach but elements of this for consideration include:
 - a. establishing a TWG sub-group on M&E as part of the standard ARC model;
 - b. defining standards for, and providing guidance on, DRM M&E;
 - c. ensuring adequate resources for M&E are budgeted as part of FIPs;
 - d. providing advice, experience sharing and technical assistance to strengthen DRM M&E; and
 - e. reviewing the M&E arrangements as part of ARC review of FIPs (e.g. against the standards and guidance).
3. Review the Process Audit Guidelines and general ToR for process evaluations of ARC payouts and the specific issues to be addressed in each case, focusing in particular on:
 - a. the scope, priorities, and appropriate level of resourcing for process evaluations;
 - b. the effectiveness of targeting;
 - c. obtaining information from non-beneficiaries as well as beneficiaries;
 - d. improving the documentation of the process evaluation approach, especially around sampling;
 - e. strengthening the analysis of costs and undertaking cost effectiveness analysis; and
 - f. ensuring effective coordination with other M&E and data collection processes.

Recommendations to GoS

The GoS should:

1. Establish clear, evidence-based, guidance on the appropriate support packages required for different profiles of household (including households of different sizes), including a policy on the appropriate conditions for providing food, cash, or other forms of support.
2. Strengthen the M&E system for disaster response specifically to ensure that: (a) it can be determined whether assistance is actually reaching the intended beneficiaries; (b) reliable estimates of the results achieved can be made; (c) any differences in results and access to support relating to gender or for socially disadvantaged groups can be identified; and (d) lessons can be learned for the future.
3. Clarify the relationship, and strengthen integration and coordination, between disaster response and the developing social protection systems, including strengthening the reliability and updating processes for the RNU database, as part of a more comprehensive approach to effective targeting of support.

Recommendations for the remainder of the ARC Evaluation

1. OPM will review the evaluation questions for the remainder of the evaluation in consultation with FCDO, ARC Group, and the ARC Evaluation Reference Group and where necessary revise these to ensure the evaluation produces the most relevant evidence, taking into account the issues identified in section **Error! Reference source not found.** and other issues identified by stakeholders.
2. OPM will work with the ARC Group to review the ARC Theory of Change, specifically to incorporate ARC Replica, but also to ensure there is fully shared ownership and understanding of the Theory of Change.
3. OPM will review the evaluation design outlined in the inception report in response to the above. An outline of the priority evaluation questions for the second formative evaluation and the approach to addressing them will be developed first. The work undertaken during the second formative evaluation, including revisiting the TOC, will then be used to revisit the design of the remaining ARC evaluations. This will consider any suggested changes to the structure of country case studies and other evaluation research activities (for instance thematic studies on particular issues). This will be discussed and agreed with FCDO, ARC Group and the Evaluation Steering Group as the basis for the remainder of the evaluation.
4. Appropriate national level evaluation governance arrangements should be put in place for each country case study as early as possible in order to ensure effective national government engagement.
5. Given the profile of countries in which ARC operates, OPM will strengthen its core evaluation team's capacity to work effectively in francophone contexts.
6. The approach and instruments used to assess DRM capacity development and ARC Agency's contribution to it in the Senegal pilot should be used as the basis for one

workstream of future country case studies, though a more formalised classification of the elements of DRM capacity should be developed in line with research evidence.

7. The approach to the assessment of ARC's contribution to finance should be revised to focus more explicitly on the assessment of financial needs and how far ARC has contributed to meeting them.
8. Where country case studies are taking place at the time of a payout, there should be close coordination between the design of the Process Evaluation and the country case study to ensure complementarity and avoid duplication or overlap.
9. For each country case study, a detailed assessment should be made as part of the design process, of the data and analysis that is available to assess the effects at household level, to determine as part of the design process what evidence relevant to the ARC evaluation may be available and what level of resourcing should be allocated to this workstream. Where possible the Evaluation Team should seek to influence (in coordination with ARC Agency) ongoing or planned data collection processes to improve household level evidence, and to ensure that available data can be accessed for the purpose of the evaluation. This evidence will provide a useful contribution to understanding the effectiveness of government drought responses, but as noted above does not provide evidence of the impact of ARC itself.

