



# Centring Equity in Cost-Inclusive Evaluation

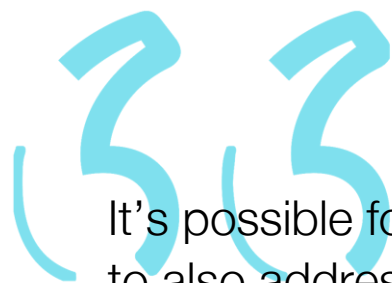
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*This is the last article in Palladium's Monitoring, Evaluation, Learning, and Analytics (MELA) Portfolio series on integrating diversity, equity, inclusion, and accessibility (DEIA) principles into MELA work in international development. This series is a follow-up to the January 2022 [Promoting Equitable Outcomes in International Development](#).*

## Introduction

Palladium's MELA portfolio uses cost-inclusive evaluation (evaluation that includes studies of program costs and/or benefits) to understand what resources are needed to achieve a program objective, the costs to scale up existing interventions, or the benefits produced by a program for each dollar spent. Cost-inclusive evaluation can also be used to answer questions pertaining to resource allocation, such as how to best allocate limited budgets across programs, based on which programs are most cost-effective.



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What if we are interested in allocating resources not just efficiently, but equitably, or ensuring equitable outcomes across groups? It's possible for cost-inclusive evaluation to also address equity, defined as justice and fairness in social outcomes.

One of the first steps in program evaluation is to understand the program using a logic model or theory of change. This allows us to assess the inputs needed to conduct activities, and the program's ability to produce outputs, achieve outcomes, and create positive impacts. While program evaluations study a program's effectiveness at achieving outcomes, cost-inclusive evaluation gives attention to the inputs and the program results chain in economic terms. This allows us to better understand the relationship between resources and results and examine inequities in how resources are used and [who benefits from programs](#).

Cost-inclusive evaluation is often overlooked as it can be time consuming and add to the cost of an evaluation. Additionally, there is a risk of misinterpreting costing data – often the costs of an intervention are easier to monetise than the benefits, such as improvements in health or well-being, which may make an intervention appear less cost-effective. Health benefits may also accrue over long periods of time, compared to short-term budgets, and may be difficult to attribute to the program.

People can be uncomfortable with measurements of benefits based on monetising the human experience, such as the value of a statistical life. Still, by providing a framework for studying who bears the costs and who receives the benefits of an intervention, cost-inclusive evaluation can help us to answer important evaluation questions, including those about equity.

## Estimating the Benefits of Addressing Inequity

In 2018, Palladium supported an economic evaluation to assess the costs and benefits of adding non-citizens to the HIV anti-retroviral therapy (ART) program in Botswana. While neighbouring countries offered ART to all residents living with HIV within their borders, in Botswana, ART was only accessible to those with a national identity card.



The results demonstrated that addressing inequities by providing access to ARTs to non-citizens has a net benefit for the entire country.

Accompanying social science research showed that non-citizens often work in low-wage positions, but that they are members of the community who interact frequently with citizens. The results of the evaluation showed that by investing resources in the ART program to provide treatment to non-citizens, cost savings could be realised in the future through reduced HIV infections. These savings could be used for other health programs to

benefit all people living in Botswana. The results demonstrated that addressing inequities by providing access to ARTs to non-citizens has a net benefit for the entire country. The results were used to advocate for investment in treatment for non-citizens, and a national policy to include non-citizens in the ART program was adopted in 2019, further showcasing how cost-inclusive evaluation can support equity goals by making the benefits of correcting inequity concrete for policymakers.

In the Botswana ART study, we monetised the increase in worker productivity for people who gained access to treatment or avoided HIV infection. Productivity, however, only accounts for people who are employed, not the young or elderly, people with disabilities who are unable to work, or those who have left the workforce to care for others. Other costs to patients and their families, such as caregiving costs or out-of-pocket healthcare expenditures for patients, were not considered in this study. When conducting cost-inclusive evaluation, we must be sure to clearly state our methods and assumptions, in this case, by explaining that we monetised these specific benefits generated only by the working population.

Other benefits such as improved well-being and broader benefits to society of a healthier population (such as accelerating epidemic control in the Botswana example), are more difficult to express in monetary terms, but these benefits should at least be described qualitatively, so as not to give the impression that only young, healthy individuals would benefit from the policy, or that these individuals should be prioritised in policy decisions.

## Perspective in Cost-Inclusive Evaluation

Costing studies are often performed to determine if a program is worth continued investment of resources. From whose perspective is the program worthwhile? Often, the perspective that a cost-inclusive evaluation is organised around is that of the agency that funds an intervention. A funding agency or government may be interested in optimising their budgets through cost savings for other programs. For example, in the Botswana study, increasing access to HIV treatment and reducing the number of HIV/AIDS cases produced cost savings for tuberculosis treatment, which is associated with HIV/AIDS. Averting these healthcare costs leaves more budget available for other services, including those that benefit underserved populations.

We often collect information for cost-inclusive evaluations about the use of volunteer time, community resources, and donated items, which are “free” from the perspective of the funding agency but should be considered as costs of an intervention. What are the equity implications of relying on volunteer labor and community resources without providing monetary compensation? How else could these resources be leveraged in the community? At a minimum, we should use market values for costing these resources, which could be used to support other community interventions.

We encourage those conducting cost-inclusive evaluations to consider perspectives other than those of the funding agency and examine benefits to patients, their families, and the broader society by including them in the process from start to finish. In the Botswana study, the team collected quotes and anecdotes from local leaders, and paired the economic evaluation with social science research describing the population of non-citizens to reinforce the importance of the issue, but more could have been done to include the voices of non-citizens.

While it can be difficult to measure benefits monetarily, enumerating the benefits can better demonstrate the impacts of a program to an audience of decision-makers. And help us gain clarity on which specific populations receive these benefits as well as those who do not, allowing us to shape the methods by which we address inequities

## What Does This Mean for our Work?

Cost-inclusive evaluation can help us to identify “win-win” investments that are cost-effective and improve equity. Palladium believes that cost-inclusive evaluation is important for exploring the equity implications of programs and should be embedded in more of our work. We should utilise our inclusive approaches to design and execute cost-inclusive evaluations that include voices that represent a variety of perspectives.

Cost-inclusive evaluation should be an important part of our evaluation toolkit alongside the other approaches described in this series and can help inform program decisions that can improve equity in the way resources are used and equity in program outcomes.



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