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This IMAM Cost Analysis Tips were made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the GNC Technical Alliance and do not necessarily reflect the views of USAID or the United States Government.

IMAM Cost Analysis Tips

Planning

- Ensure **consensus on analytical objectives** and continuously evaluate feasibility in light of data availability and quality. Agree on the most representative time horizon to delineate the boundaries of the analysis; this would ideally span a 12-month period. If less than 12 months, the results can be extrapolated.
- Send a **briefing note** early to key stakeholders and approval holders. The note should outline the required information including those that might be considered sensitive (salary grids and expenditure accountancy data).
- Secure necessary **permissions** for the release of financial data before in-country data collection. Determine the level of authority to grant data release permissions and identify the key decision makers and personnel who can provide these approvals. Start this process as early as possible and consider providing sample anonymised datasets to demonstrate the format of the data requested.
- Obtain **initial cost datasets** (e.g. budgets, expenditure reports, accounting ledgers) and evaluate quality, utility, and completeness. Determine the most pragmatic way forward to estimate costs keeping in mind the analytical objectives. Be aware that funding may be provided by multiple grants.
- Be aware that the process will require an **iterative and multi-pronged approach** to collection. It may be necessary to use multiple approaches to secure the needed information and there is more than one way to arrive at the data. It will likely be necessary to use both top-down and bottom-up approaches, and that the successful approach(es) will vary across responding organisations. It may be necessary to rely on proxies in instances where good quality data are not available. Be flexible and adapt your approach based on the availability of data and responsiveness of organisations.
- Cost and programme information will be provided by **multiple departments** (finance, programmes, supplies, logistics) and individual people (Nutrition Programme Manager, Warehouse Manager, HR Director, etc). Prior to in-country data collection, ascertain the appropriate department and individuals best suited to provide you with the programme- and cost- relevant data requested. Ensure that the first week of interviews are scheduled.
- Be sensitive to the fact that real-life **programme implementation typically deviates from standard operating procedures or protocols**. It is key to base the cost analysis on the way the programme is actually implemented, including any potential inefficiencies or resource diversions, as opposed to an idealised implementation scenario. Be clear with key informants that the task of the costing exercise is not to evaluate job performance or programme implementation quality.
- The costing exercise may be a low priority among the key informants selected for interview and it therefore may be **challenging to elicit timely responses**. To mitigate this risk, plan the timing of the data

collection appropriately and ensure buy-in from those in leadership roles who can secure commitments to provide the required data.

- Determine what **data may be sensitive** and needs to be masked.

Execution

- **In-country data collection is strongly recommended**. While follow-up clarifications and interviews can be conducted remotely after the majority of the data has been collected, it is recommended to plan for sufficient time to collect all data and to complete the majority of data entry during the in-person portion of the costing process. Remote follow-ups tend to be far less efficient and are often a lower priority to respond to.
- Seek any opportunity to **reduce the burden of the data requests** on the respondents. Rather than requesting respondents to fill out questionnaires, ask for existing data and reports from which to extract out the required data. Follow up in cases of missing data or lack of clarity.
- While it is **preferable to rely on actual expenditure data**, it may not be feasible to extract this from accounting records, and an ingredients approach may be required instead. However, it may be equally challenging to secure data on staff salaries and time allocation, due to data sensitivities or lack of data. Reasonable proxies, averages and assumptions may be used based on data from other organisations or studies. The FANTA CMAM Costing Tool may be useful in the determination of resource requirements.
- **Multiple interviews will be required with most key informants**. It is likely not possible to collect all the required information in a single interview with the key informants and follow up interviews will be needed for new data requests or to seek clarification on data already provided.
- Carry out **data entry and preliminary analysis in tandem with data collection** rather than sequentially in order to identify gaps that can be addressed as early as possible in the data collection phase. Data anomalies can be identified, and discussions held to clarify misunderstandings.
- Ensure that **sufficient time is allocated for cost data collection**, especially if multiple organisations are to be included in the cost analysis. The time required for data collection for every additional implementing partner sampled should not be underestimated, since it is necessary to carry out the same data collection interviews, data entry and analysis separately for each implementing partner. Furthermore, it is necessary to take additional steps to harmonise data reporting across partners.
- Keep **clear records during the analysis** and make detailed notes of assumptions or proxies used in the analysis; these may need to be adjusted. Using a spreadsheet software such as Microsoft Excel, ensure that there is as much traceability of formulas as possible to allow for the validation of calculations and assumptions.
- Provide the results of the analysis to the organisations sampled for the analysis and **request feedback on the results**. This process may reveal some misunderstandings that require adjustments to the analysis.