

Activity-Based Costing for Humanitarian Appeals:

A Review of Recent Practice, Prospects and
Issues

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Acronyms

ABC	Activity-Based Costing
CAP	Consolidated Appeal Process
CAR	Central African Republic
CERF	Central Emergency Response Fund
CHAP	Common Humanitarian Action Plan
CHF	Common Humanitarian Fund
DRC	Democratic Republic of the Congo
ECHO	European Commission Humanitarian Aid Office
ER	Early Recovery
ERC	Emergency Relief Coordinator
ERF	Emergency Response Fund
FAO	Food and Agriculture Organization
FTS	Financial Tracking Service
GHD	Good Humanitarian Donorship
HAP	Humanitarian Action Plan (DRC)
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HNO	Humanitarian Needs Overview
HPC	Humanitarian Programme Cycle
HPC SG	Humanitarian Programme Cycle Steering Group
IASC	Inter-Agency Standing Committee on Humanitarian Affairs
IDP	Internally Displaced Person
IM	Information Management
IMO	Information Management Officer
IMU	Information Management Unit
INGO	International Non-Governmental Organisation
M&E	Monitoring and Evaluation
MIRA	Multi-Cluster/Sector Initial Rapid Assessment
MOU	Memorandum of Understanding
NFIs	Non-Food Items
NGO	Non-Governmental Organisation
OCHA	UN Office for the Coordination of Humanitarian Assistance
OPS	Online Project System
oPt	occupied Palestinian territory
RC	Resident Coordinator
SRP	Strategic Response Plan
TOR	Terms of Reference
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme
WHO	World Health Organization

Note on terminology:

Activity-based costing was first applied in 2007 and most of the experience with this approach relates to its applications in the former consolidated appeal process (CAP). Thus, this report extensively uses words like "CAP", "traditional CAP" or "appeal" even though this approach/tool is no longer in place. As part of the Transformative Agenda, the IASC introduced the humanitarian programme cycle concept in late 2013 as the framework for needs analysis, response planning, resource mobilization and monitoring of the humanitarian response. The humanitarian programme cycle puts the emphasis on outcomes and gives the Humanitarian Coordinator and the Humanitarian Country Team a set of programmatic tools to help manage the collective response. This includes a humanitarian needs to support the development of a common understanding of needs or the strategic response plan to set the direction of the response.

Executive Summary

Activity-based costing for humanitarian appeals, or ABC, refers to a method of estimating overall resource needs using average costs per sectoral activity, per person served. Sometimes referred to as a 'projectless' plan, this approach represents a major departure from the way price tags for humanitarian responses have been calculated in the former consolidated appeals (summing the budgets of individual projects proposed by agencies). To date, activity-based costing has been trialled for different reasons and with different methodologies in six settings: Afghanistan, Central African Republic, D.R. Congo, Haiti, Yemen and Zimbabwe. It was also considered and rejected in two others: the occupied Palestinian territory and South Sudan; and other HCTs were experimenting with it in 2014, such as Myanmar and Iraq.

The purpose of this independent external review, commissioned by the IASC's Humanitarian Programme Cycle Steering Group, is to compare practical experiences in a number of case study countries and identify the potential strengths and weaknesses of ABC relative to the former appeal process, in order to inform the discussion on whether and how to pursue activity-based costing methods in future strategic response plans (SRPs).

The research was primarily desk-based, and consisted of (1) remote interviews with 80 key informants at headquarters and country levels; (2) an online survey that garnered 149 responses; (3) a review of appeal or plan documents and case-specific cluster guidance and cost calculations; and (4) an analysis of FTS data for the relevant countries and years. The consultants were tasked to present a synthesis of the evidence and issues around each context without proposing specific recommendations for action or institutional or procedural changes; the report aims to inform discussions on this in the informal working group on activity costing and Humanitarian Programme Cycle Steering Group.

No single definition, approach or set of methodologies encapsulates activity-based costing in the humanitarian system at present. In each case country clusters, mostly independently, developed the finer points of the process. As a result, what we are calling activity-based costing actually encompasses a number of different approaches. In addition, the level of quality, rigor and added value varied across cases and across clusters in individual cases. A common driver for adopting ABC approaches was a desire to revitalise coordinated humanitarian action and restore credibility to the appeal process in the eyes of both donors and participants.

Even among those favourably disposed to the idea of projectless costing, many agree that the way the approach was attempted to be introduced for 2014 was not well handled, causing some confusion and unnecessary contention. There were complaints that the process was 'pushed through', despite insufficient lead-time and guidance for the field and little political support from the IASC. A large portion of the pushback to ABC seemed to be a reaction to the way it was allegedly rolled out, rather than substantive disagreement with the concept; resistance was compounded by a sense of 'change overload' in the light of recent humanitarian programme cycle (HPC) changes which ushered in the humanitarian needs overview (HNO) and SRP. In fact, most interviewees expressed the opinion that the humanitarian sector can and probably should develop costing heuristics in the interests of both speed and strategic planning purposes (cautioning, however, that they may not be applicable for certain sectors such as the 'service sectors' of logistics and emergency telecommunications.)

Potential advantages of activity-based costing

Strategic/effectiveness gains	Coordination/efficiency gains	Information/accountability gains
<ul style="list-style-type: none"> • More cohesive and sector-focused planning and prioritisation (minimising influence of agency self-interest) • Rapid application in sudden-onset crises 	<ul style="list-style-type: none"> • Less time pressure and lighter administrative burden on appealing agencies during the planning phase • Flexibility to allow for changing conditions and responses 	<ul style="list-style-type: none"> • A clearer 'whole picture' estimate of resource needs, unobscured by multiple projects of different scales and scopes of coverage

Potential disadvantages and risks

Quality/effectiveness losses	Coordination/participation losses	Information/accountability losses
<ul style="list-style-type: none"> • Weaker quality control with loss of project review/vetting in the planning phase • Loss of project-related quality assurance tools such as the gender marker 	<ul style="list-style-type: none"> • Less government engagement in cluster planning process • Loss of NGO visibility, threatening equal opportunity to donor funding 	<ul style="list-style-type: none"> • Less transparency, if projects are not later listed in FTS/OPS (and a lack of incentive to do so if funding is received prior to project submissions)

A synthesis of findings from the interviews and the survey responses suggest that the greatest benefits of using ABC have been realised in the realms of efficiency, coordination and information (lighter administrative workload in the early stages of the planning process and a clearer informational picture of the expected cost) rather than in any greatly improved results in strategising and prioritising. However some informants expressed significant scepticism about the validity of estimates and concerns that the loss of projects as the units of measure could lead to losses in quality (vetting), participation (NGO visibility and host government engagement in the process) and accountability (project monitoring and financial tracking). No strong conclusions can be drawn from an analysis of funding flows to the case countries. In DRC, Zimbabwe and Afghanistan the indications appear to be positive in terms of coverage of requirements, but this cannot be attributed to the new costing approach in any definitive way. For CAR and Yemen it is too early to say; the evidence is not yet in.

Whether the humanitarian system ultimately moves forward with a single model of activity-based costing for SRPs, or variations of ABC, traditional CAPs and mixed approaches, lessons are emerging on the necessary ingredients for a projectless model that works:

- deferred, not eliminated, project planning and vetting;
- sufficient information management capacity in-country to track details on funding and response activities, to ensure against the loss of transparency and accountability;
- country-level donor engagement and active support of the approach;

- consistency within the clusters on key principles of unit cost methodologies (a role for global clusters?);
- flexibility across clusters on whether how to apply the approach (i.e., for crosscutting and service clusters it may not be appropriate, but these clusters can contribute to unit cost guidance for the operational clusters); and
- improvements or alternatives to OPS and FTS (perhaps a merged instrument that could serve the separate objectives and functions of both while providing a unified dataset) for greater efficiency in tracking this essential data, and greater flexibility to cope with different appeal processes.

If the essential elements of an effective humanitarian response plan are speed, clarity and strategic logic, any decisions made regarding the application of costing methodologies presumably must consider how these three elements may be maximised without sacrificing information and quality control. This review aims to elucidate these issues and potential trade-offs in the light of recent experience.

1. Introduction

Activity-based costing for humanitarian appeals, perhaps an arcane subject on its face, is one of the more complex and consequential of humanitarian reforms. In principle, it provides a procedural pathway to more-unified strategic planning, and to better, more needs-driven mobilisation of resources than the project-based costing. In practice, country teams that have adopted it have done so for a variety of different reasons, not least the frustrations of participants with the labour-intensive processes and disappointing returns on prior appeals, and the dissatisfaction of donors over the perceived inflation and supply-driven nature of the numbers. In the immediate sense, it represents a significant change in the way appeals are constructed, and with this change comes the challenge of large numbers of people needing to learn new ways of doing business.

At the time this consultancy was commissioned, six country contexts had employed some variant of activity-based costing, beginning as early as 2007 in the Democratic Republic of the Congo, followed by Zimbabwe in 2011, Afghanistan and Haiti in their 2013 CHAPs, and most recently Central African Republic and Yemen for 2014. The IASC Humanitarian Programme Cycle Steering Group (HPC SG) commissioned this external review to take stock of these experiences and identify strengths, weaknesses and emerging issues, in comparison with countries using the traditional costing approach. A particular focus is on South Sudan and the occupied Palestinian territory, both of which were chosen as examples of countries which considered the use of activity-based costing for their 2014 SRPs before deciding against it. During the course of 2014, further countries experimented with elements of the ABC approach, including Myanmar and Iraq, but these were not included in the review.

1.1. Objectives

The goal of this research report is to present an objective synthesis of the facts and lessons from the case examples, identifying potential advantages and disadvantages to continued or expanded use of the approach. At the behest of the HPC Steering Group, the report does not contain concrete recommendations for action, but instead frames the issues and informs the debate going forward.

As a potential reform to the practice of humanitarian resource mobilisation, activity-based costing has attracted strong opinions on both sides. The research team has attempted to distinguish valid concerns about its applicability or implications from critiques that are rooted in agency self-interest or interagency political tensions. Likewise, the report seeks to differentiate between fundamental, substantive objections to the concept and objections that centred on the way it was attempted to be rolled out.

1.2. Methodology

On behalf of the HPC SG, OCHA contracted a team of two independent research consultants to undertake a three-month desk review and comparative analysis consisting of the following elements:

Document review. A review of primary document sources, including the background information and policy guidance on the new costing approaches, and the case-specific appeal and planning documents, including, where available, the specific methodologies employed at the cluster level to derive cost estimates (see Annex 1: Bibliography).

Key informant interviews. Interviews were conducted primarily by telephone and Skype, in addition to some in-person meetings as opportunity permitted in New York, Kabul and London. The HPC SG suggested a range of prospective interviewees from among the global clusters, donor government agencies, and eight countries where cases were examined. In total, 80 key informants were interviewed for the study on a not-for-attribution basis (see Annex 2: People Interviewed).

Web-based survey. To augment the interviews, which tend to skew toward HQ informants and perspectives, the team designed a brief online survey, which was disseminated by OCHA and HPC SG members to field settings in both the ABC and non-ABC (traditional CAP) countries. The survey design was intended to elicit comparisons between the two types of settings in terms of how effective, efficient and credible their appeal instruments were perceived to be. These survey responses, which include both close-ended quantitative results as well as qualitative inputs from the open-ended questions, are presented together with the interview findings throughout the report in the relevant sections. They are also appended in full to the report (see Annex 3: Full Survey Results).

FTS data review. The research team undertook an analysis of humanitarian funding flows for the relevant countries and years, in relation to overall trends in non-ABC countries and years, from data downloaded from OCHA's Financial Tracking Service (FTS) in March 2014.

1.3. Caveats

As of now, no single methodology or set of definitions exists as to what constitutes the activity-based costing approach. Each of the six countries has essentially been improvising on a theme, and approaches to costing varied greatly even between clusters in the same country context. This makes objective comparison between cases difficult, and presenting any one of them as representative of the activity-based costing model, for good or ill, would not be fair. With the exception of Afghanistan, most clusters in the country cases did not produce a written methodology or shareable set of formulas for how they derived their costing estimates, so a side-by-side comparison of formal methods was not possible. Likewise, a solid common understanding of the specific intended results or outcomes of the new approach does not yet exist, leaving no yardstick to objectively measure success or failure in any particular case. The report thus relies mostly on qualitative information and participant perceptions to identify positive and negative indicators that suggest potential future advantages and risks.

In addition, the experience with ABC is still in such early days that the evidence for any sort of performance assessment is scant. The funding analysis in particular must be considered in that light, given that data for FTS is still being gathered and/or updated for the period under examination for some of the countries studied.

Finally, there were fewer interviews than anticipated for some country cases where personnel found it difficult to make time for them, due to overstretch and emergency priorities on the ground (CAR and Yemen) or because principal actors are no longer in place some years after the experiment with costing was conducted (Zimbabwe). The online survey was added in part to mitigate this deficit, but likewise had lower response rates from these countries.

2. Background: The role of appeals in an evolving humanitarian system

Consolidated appeals have been a cornerstone of coordinated humanitarian response since their first introduction in 1992, and for just as long have been the target of critique and continued efforts at improvement. It is worthwhile to briefly recall why the CAPs were devised in the first place. The unproductive competition for donor money in humanitarian crises, and lack of a common understanding of overall needs on the ground, had resulted in inefficiencies, gaps in coverage, and duplication of efforts. The CAP documents allowed UN agencies and NGOs to have equal visibility to donors, and they afforded donors greater situational awareness and information to support their funding decisions. At the same time, CAPs provided a platform and set of incentives for collective planning, and a rational division of labour to better meet the needs of the affected population.

2.1 What is the problem to be fixed?

Criticism of the CAP has often revolved around allegations that the instrument is not sufficiently 'strategic', in that it has not lived up to its intended goals and potential as a planning tool. In its worst incarnations, critics contended it resulted in a simple 'laundry list' of projects that agencies hoped to get funded, rather than a coherent plan. As such, it was arguably serving the fundraising interests of the providers more than the needs of the crisis-affected. Such blanket critiques of the process were arguably unfair, as the laundry list scenario describes an example of a bad CAP – one that the humanitarian actors in-country failed to make function as a venue for strategic planning and resource-mobiliser for priority needs. However there were enough of these examples to stain the reputation of the process, as well as a persistent sense among donors and others that many CAPs were not credible, with agencies inflating the asks, hoping to maximise their returns. Whether due to donors' lack of interest, or agencies' overstatement of requests, the chronically low levels of funding against appeals became a problem for the humanitarian system as a whole.

Over the years, the CAP has been subject to steady incremental improvements, while remaining essentially a form of 'coordinated project planning' (Smith & Swithern, 2013), and the principal organising vehicle for bilateral donor funding to operational organisations. The CAP was compiled after each cluster identified its objectives and reviewed its participants' summary project proposals against those objectives. This vetting role and strategic oversight by the clusters provides a more-effective means to find and fill gaps in the proposed response, but it has also created time-consuming, in some cases fruitless, labour for cluster coordinators and partners (if projects ultimately don't get funded, or if the situation changes to the extent that original plans are no longer relevant). The timelines are often compressed and the process rushed in September or October of the previous year, which in under-capacitated country contexts can lead to poor-quality results. In the worst cases, the cluster plans and objectives are constructed to fit the project proposals received, as opposed to starting from a common basis of assessed needs and strategic objectives.

Most agree on the benefits of advance planning when possible, but it becomes unproductive to put in the time and effort in very fluid situations when the needs and operating conditions on the ground are sure to change. Moreover, in some places donors opt to allocate so much of their humanitarian spend to projects 'outside' the CAP (not included in the planning and appeal document), that a labour-intensive common appeal process becomes hard to justify. Finally,

over-budgeting and inflated asks, real and perceived, are persistent problems that seem not to have been successfully addressed by the cluster peer review process.

In summary, two main sets of problems are associated with the former CAP, the first related to its effectiveness as a planning tool (the lack of strategic coherence, leading to a suboptimal operational response) and the second to its efficiency as a fundraising tool (too much work for too little return).¹ In each of the six case studies, the decision was prompted by immediate practical concerns, namely mounting dissatisfaction on the part of both donors and cluster partners with prior appeals, and the sense that something needed to change if a common appeal were to remain viable as a coordination instrument.

In DRC, the first context to employ an alternate method of costing, the problem consisted of large appeals stuffed with many projects, a large proportion of which were not funded, or funded only in part. The country team members found themselves needing to prioritise activities within projects – carving out bits and pieces to be funded within larger project proposals – a time-consuming process that had very little strategic logic. Organisations found it especially frustrating to receive so little return on their efforts after the amount of time they put into preparing the project sheets to go into the appeals.

In Zimbabwe, some additional, politically-driven, reasons existed for the initial experiment with activity-based costing. Namely, the government wanted to avoid having a traditional humanitarian appeal that would call attention to its deepening crisis, but it too faced the problem of an underfunded appeal, with NGOs ‘in open revolt’ about the amount of work they were repeatedly called upon to do, while the meagre returns accrued mainly to UN agencies and not to them.

The main concern in Haiti was a CAP process that had grown so unclear, inflated and dysfunctional that clusters were intentionally requesting multiple NGOs to put in duplicate project proposals to hedge bets and maximise potential funding coverage (and donors were reportedly encouraging this menu type of approach, so that they could choose their favoured NGOs to implement).

Afghanistan also faced the problem of disappointing results on prior appeals, plus an overall reduction in funding levels underscoring the need to prioritise among activities, and donors and NGOs beginning to ‘vote with their feet’ to abandon the process.

In CAR and Yemen, which had similar problems with long-standing underfunding, a recent deterioration of security and mounting crises prompted the deployment of surge support from the global level to assist with constructing the plan (Yemen) or the revision (CAR). In these two cases, the ABC approach was introduced opportunistically, and some would say at the last minute, for their 2014 processes. The urgent need to improve the process and make a fresh start to restore credibility to the funding requirements identification process drove the shift to activity-based costing in these country cases.

¹ An additional problem cited by some UN agencies is the way the appeals have been structured in terms of ‘projects’ within single sectors, as opposed to multi-sectoral (or multi-country) programmes, by which some agencies structure their work. This has required those agencies to ‘artificially’ disaggregate their programmes into separate projects. This issue is examined in detail in Stoddard, A. ‘Prospects for Integrating a Programme-based Approach in CAPs and Common Humanitarian Funds’ (UNHCR, 2011) <https://docs.unocha.org/sites/dms/CERF/PBA%20STUDY%20FINAL.pdf>

Less often discussed (but cited by a few interviewees for this study), is a third set of problems associated with the former CAP, related to the instrument's informational role. A CAP can present a distorted picture of needs and capacities on the ground, given that some significant, large-scale activities may be taking place outside of it. For instance, the ICRC and MSF do not participate in coordinated appeals, and large international NGOs that receive funding from bilateral donors like ECHO and USAID, have projects that never go through the coordinated appeal process. A distorted information picture in the CAP can also generate perverse incentives for agencies to inflate their requests. In addition to getting as much possible out of donors that they expect will never fund 100 per cent, agencies may also potentially seek to maximise their appearance of 'underfundedness' in order to be eligible for CERF grants from the underfunded emergencies window.

2.2 Is activity-based costing a potential solution?

In the latest wave of humanitarian reforms, the Transformative Agenda called for coordinated humanitarian responses to be structured on the logic of the programme cycle,² with each of the following elements following from and building upon the preceding, in annual succession:

- 1) needs assessment and analysis
- 2) strategic response planning
- 3) resource mobilisation
- 4) implementation and monitoring
- 5) operational review and evaluation

The needs assessment element now takes the form of the Humanitarian Needs Overview (HNO) and the Common Humanitarian Action Plan has been supplanted by the Strategic Response Plan (SRP).. In the countries where activity based costing has been used, the cost estimates are included in the SRP, and the actual work of obtaining funding resources takes place within the usual bilateral grantmaking and pooled fund allocations. In other words the resource mobilisation element, and the precise tool or tools for accomplishing it, remain as yet undefined in the programme cycle.

2.3 Definitions, assumptions, and concerns about ABC

The idea behind activity-based costing, as an alternative to the traditional summing up of project budgets, is to present a broad picture of the total resources needed to fulfil the strategic objectives of the humanitarian response plan. The logic of the planning cycle is simple: objectives are identified in the Strategic Response Plan, and are underpinned by the analysis of needs of the affected population enumerated in the Humanitarian Needs Overview.



The problem with the former CAP, as one interviewee observed, has been the lack of direct links from strategy to cluster plans to projects to budgets. It is not possible to look at a long list of projects and their individual price tags and see how they flow logically from the response

² <https://www.humanitarianresponse.info/programme-cycle>

objectives (and indeed, in some cases the response plans have been superimposed on a pre-existing wish list of projects). Despite the fact that this logical flow was always emphasised in CAP guidance and templates, it was often not successfully applied. For proponents of activity-based costing, the humanitarian programme cycle provides the necessary structure to realise this planning logic, and activity-based costing represents the missing process component, coming before the development of individual projects.

Activity-based costing, as it is referred to in the humanitarian context,³ is intended to be a form of top-down, 'parametric' cost estimation, the parameters being the historical range of costs associated with the activity and the relationships to other variables that drive costs in the specific context, such as logistical requirements, security constraints, weather and terrain conditions, etc. Parametric costing models are used widely in the private sector, where they are seen to have the advantages of being time-efficient, objective (evidence-based and traceable), flexible, consistent and defensible (Dysert, 2008).

In a humanitarian appeal, activity-based costing is defined generically as average cost per beneficiary per sectoral activity. It is sector-based, so 'does not standardise costs per beneficiary/unit *across countries*. Instead, each cluster estimates an average in-country cost per activity, taking into consideration varying costs due to different conditions and locations within the country' (OCHA, 2013b). The cost figures that ABC produces are not actual price tags, but estimates based on the average previous costs of implementing these sectoral activities per number of people served. They let donors know, in round millions, what the overall costs of the response likely would be, and as such serve as a reasonably rigorous proxy for resource needs and planned operational reality.

The prospect of activity-based costing sparked some concerns *a priori* about how the estimated figures might be misinterpreted or used to the detriment of some agencies or sectors over others. Many interviewees brought up worries of unfavourable comparisons, for instance if their agency's project budget was to show a higher cost per beneficiary than the overall sectoral estimate. They also saw a risk that the estimated costs, once quoted, would 'become gospel' and would be used by donors as benchmarks to drive costs down inappropriately. Having a hard number quoted as a standard cost is compelling, they warn, and can work against a flexible and nuanced understanding of variables. A smaller number of interviewees expressed scepticism that costs could ever be generalised across one country, let alone more globally, due to the wide variance and logistical needs in different areas. In remote places, where there are no usable roads or places for personnel to stay, costs will skyrocket; whole bases will need to be built. The majority of people consulted recognised the validity of these concerns but did not see them as insurmountable obstacles or persuasive arguments that the concept is unworkable. They clearly demonstrated, however, that there is not yet a widespread sense of comfort with the practice; many practitioners are both unfamiliar with costing methods and sensitive to what they may reveal.

³ It is important to note that what is referred to in the humanitarian sphere as activity-based costing (ABC) has a quite different definition than is used elsewhere, where it is not equivalent to parametric costing but rather 'a cost accounting method that measures the cost and performance of process related activities and cost objects... The ABC cost assignment is a two-stage procedure. The first stage assigns the costs of resources to activities and the second stage assigns activity costs to outputs.' (World Bank: Ruth) This makes it somewhat of an unfortunate misnomer.

Minutes from a global inter-cluster meeting on activity-based costing noted that ‘the exact definition/calculation of the cost per unit/beneficiary is usually not presented further in the appeal documents, though presumably more complex calculations lie behind’ (OCHA, 2013b). To some observers, this presumption is at the heart of the matter, with one interviewee remarking that what is intended as a means of deriving quick and dirty estimates might ultimately turn out to be ‘more dirty than quick’.

In the country case examples below, the different experiences and methods used in the ABC countries are outlined, with commonalities and unique features highlighted. Cluster-specific issues and concerns, and concerns related to transparency and financial or operational tracking, will be covered separately in subsequent sections.

3. Country experiences with activity-based costing

At the time of this writing, six countries have implemented an activity-based costing approach for at least one appeal (or now, strategic response plan). The most recent adopters, for 2014, have been Central African Republic and Yemen. South Sudan and oPt also considered adopting the approach, but both ultimately decided against it, at least for the 2014 plan.

OCHA’s initial draft guidance to country offices on the costing issue laid out ‘three possible options for HC, HCT and clusters to decide for 2014’: As one option they could choose to continue coordinated project planning for a traditional CAP/CHAP, with the recommendation that some of the burden of advanced project information and peer review be lightened. Another option would be to follow Haiti’s example, in what has become known as ‘a mixed approach’ or ‘deferred or gradual project planning’, where activity-based costs are presented to donors for the initial funding requirement, and then coordinated project planning takes place afterward, in a less compressed time period. The third option was ‘No coordinated project planning, *à la* DRC and Afghanistan’ (OCHA, 2013c). (Although in both those countries, it should be said that serious efforts were made to record projects for the purposes of accountability in monitoring and evaluation.)

This section summarises the experiences of the six implementing countries, as well as interviews and survey findings from the two non-implementing countries, examining the individual methods, contextual issues, stakeholder viewpoints and perceived results. Although each case has a unique set of circumstances, there were some very clear common themes:

- Many participants in the country clusters felt they were given too little time and too little guidance to fully understand, much less develop, a comprehensive methodology for activity-based costing.
- The underlying objectives of the shift to ABC were not always clear or commonly understood.
- The initiative felt ‘rushed’, ‘pushed’, ‘imposed’, and generated a fair amount of ill will at the outset.
- Despite the troubled introduction, a majority felt that ABC has value as an advance in coordinated planning that will serve larger strategic goals in future.
- The additional time afforded by not having to produce project sheets in the initial phase created the necessary planning space to produce a better strategy.

- If the project component remains, the net result does not amount to a significant reduction in the administrative burden, but is rather postponed, and/or may shift to OCHA and information management personnel.
- Conversely, if the project component is dropped, there can be troubling ramifications in terms of accountability and transparency for funding and operations.

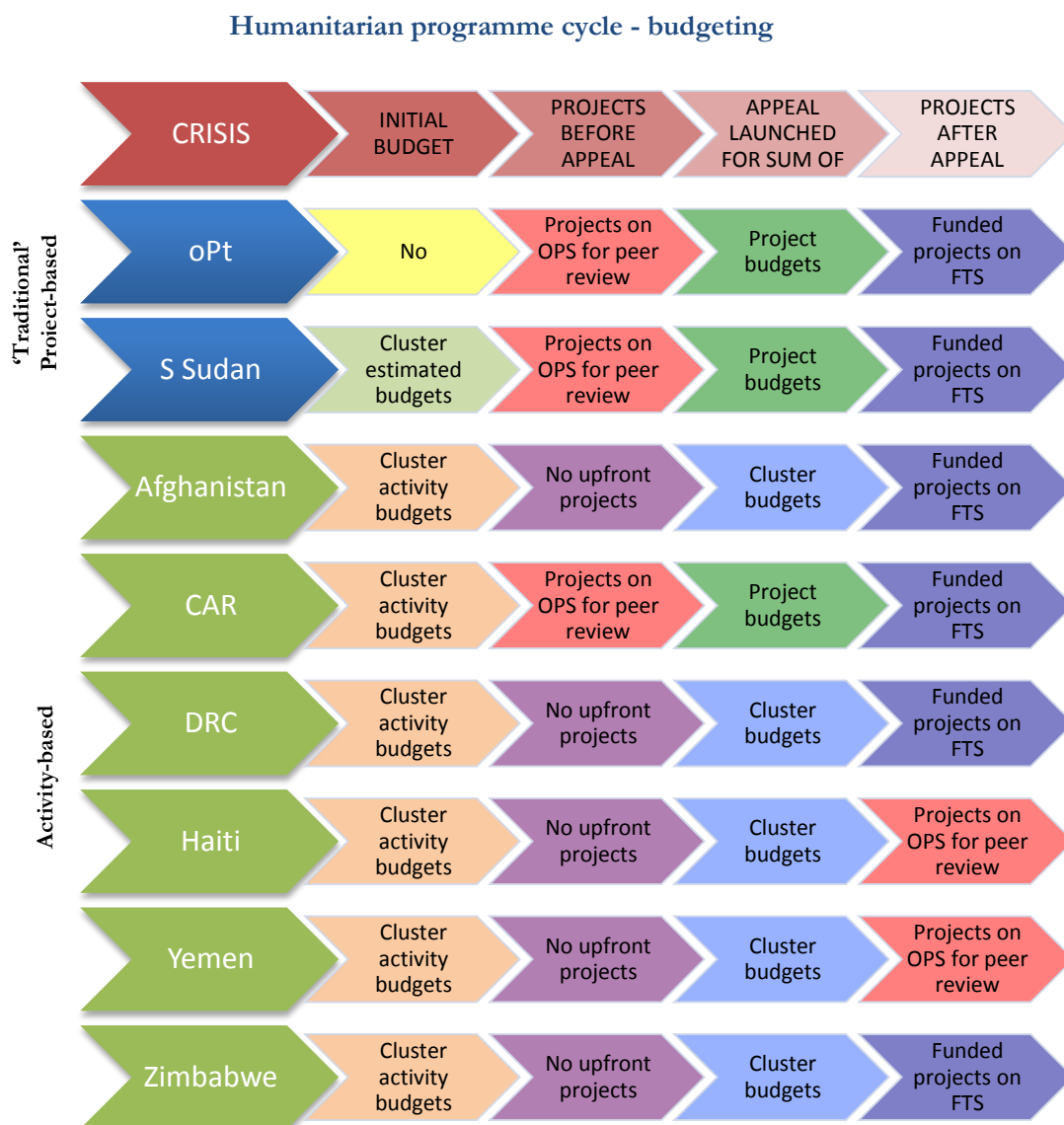


Figure 1: Summary of budgeting stages for case study country appeals

3.1 Afghanistan

By 2013, after more than 10 years of humanitarian appeals in Afghanistan, donors were paying little attention to the mechanism and had recently reduced their total humanitarian spending by more than a third despite continued pockets of serious humanitarian need in the country, including fresh displacements due to renewed fighting in some areas. As donors were

increasingly directing their funding outside the appeal, cluster partners were growing severely frustrated at the amount of time they were spending on detailed project planning and vetting for little or no funding to show for it.

A UN representative described the 2012 CAP as ‘a classic long shopping list, not well prioritised’ that ended up only 48 per cent funded, with nearly all going to UN agencies. Only one Afghan NGO and very few INGOs received direct project funding through the instrument, and at that point many of them ‘were ready to quit the whole business’, according to interviewees. The CAP was in danger of becoming irrelevant to humanitarian action in Afghanistan.

Two big changes that were introduced the following year were a ‘projectless’ plan/appeal document, in the form of the SRP, and discussions about the establishment of a Common Humanitarian Fund (CHF) which began to function in 2014 and that will eventually replace the smaller Emergency Response Fund (ERF). An options paper that OCHA Afghanistan circulated within the HCT and inter-cluster network midyear began a discussion that culminated in an agreement by the HCT in September 2012 to adopt a broad framework for activity-based costing for the 2013 plan, using the DRC model as an example. Given the smaller humanitarian pot, the new strategic plan would clearly need to be prioritised. Previous appeals were, according to an OCHA interviewee, ‘indecipherable collections of projects without strategic overlay of prioritised needs’ and of such a thematic and geographic mix that it wasn’t possible to unify them in a coherent standard.

Methodologies used

As in every case examined for this study, the guidance available for this new costing approach was light, and the clusters were charged with developing their own methodologies for costing that made the best sense for their partners’ work in that particular country. This was done quite independently, with limited or no consultation with global clusters or with other clusters in Afghanistan, and no uniform methodology. Clusters determined by themselves, either in consultation with all active partners or simply by dint of decision of the Cluster Coordinator, how they were going to come up with their estimates. While in many instances not formalised or rigorous, the process in Afghanistan was at the very least quite transparent, with spreadsheets detailing the formulas and calculations compiled by OCHA, and made available online as supporting documentation to the 2014 SRP.

For many clusters, the baseline data was quite weak, especially for the 2013 round, owing in large part to security constraints which have severely limited movements of humanitarian personnel in large swathes of the country. The needs assessment process for 2013 was mostly based on out of date, nationwide surveys, including some basic population data that were extrapolations to begin with. This meant that the clusters needed to come up with proxy indicators and borrow from existing methodologies and costing guidance (for instance, the unit costs used by the nutrition cluster for their estimate calculations were borrowed from the World Bank’s 2010 *Scaling Up Nutrition: What Will it Cost?*).

Although the evidence may not have been as strong as desired, Afghanistan interviewees pointed out that the approach and the results produced were still evidence-based, ‘reasonably logical’, and overall represented the ‘least wrong way we know to do it’. The resulting document was the 2014 projectless SRP. Instead of a 150-page compilation from which donors could choose projects to fund ‘à la carte’, the SRP intended to provide a strategic chapeau, showing how planned interventions were linked to an overall strategy, which in turn grew out of the Humanitarian Needs Overview. Donors in Afghanistan, who for the most part were making their

funding decisions independently of the project lists anyway, were afforded a clearer statement of needs and a plan for response so that they could see how their own decisions aligned (and presumably could use the information provided to help shape their own priorities).

Perceived results

A majority of people interviewed in the Afghanistan context reported that the process and products of the 2013 and 2014 SRPs were an improvement over prior years' CHAPs. The extent of this improvement in interviewees' opinions ranged from 'slight' to 'dramatic', but all indicated that it was a step in the right direction. In terms of workload, most found it simpler and faster than the project sheet process. The Cluster Coordinators still have a heavy role, and a good deal of work has shifted to the OCHA office Information Management Unit (IMU) but on the whole interviewees indicated that there has been a net efficiency gain for the system. Because projects do not need to be defined in September or October of the previous year, when knowing what will happen in a fluid situation is difficult, they can be tailored to current needs.

Of the top governmental donors funding Afghanistan humanitarian assistance (Japan, US, UK, Sweden, Norway, Canada, ECHO), most have expressed satisfaction with the new approach and a keenness to align their funding with the overall strategy. Only one was reported to express concern that the lack of defined projects in the SRP could potentially make their funding decisions more difficult (testament to the oft-disputed fact that some donors do indeed use the CAP as a catalogue). One of the seven principal donors noted that they were 'much happier' with the plan and were lobbying other donors to actively support it as well. Nevertheless, they acknowledged having concerns about the absence of listed projects in terms of monitoring and evaluation, and tracking funding, and worries related to the fairness of access to the funds for NGOs. The interviewee concluded, though, 'If we can have a stronger cluster system and a good accountability framework for the CHF, we can overcome the problem of not having projects to report against.'

INGOs in Afghanistan were not overly concerned about not being 'visible' in the SRP document. Many of them receive funding through umbrella grants to cluster lead agencies in any case and have well-established donor relationships independently. One prominent and active NGO referred to the projectless SRP process as 'a fantastic tool' with 'no downsides for NGOs here'. The ICRC also expressed support for and satisfaction with the new process. A minority of interviewees were less enthusiastic, however. One complained that the NGOs were mobilised too late in the planning process (and criticised the clusters generally for not starting their work earlier and rushing the costing calculations), and another felt there were too many proxies and the data was too soft to yield trustworthy estimates.

Perhaps the most controversial element of the new approach in Afghanistan was the prioritisation by geographic province. This was done to address the increasingly unjustifiable fact that the majority of organisations and activities were clustered in relatively stable provinces in the north of the country, whereas the majority of serious humanitarian needs were in the south and elsewhere, where access is more difficult. This type of situation can be obscured by a traditional project-based appeal, which was the case in prior Afghanistan CHAPs. The SRP thus manifested an additional coordination function: as a tool to pressure organisations to expand or relocate their operational presence and cover these gaps.

Although no coordinated project planning was done within the clusters,

OCHA Afghanistan committed to following up on funding reported directly to FTS and to gathering additional information from donors, NGOs and UN agencies. OCHA Kabul also agreed that they would be responsible for determining whether each contribution was aligned with the SRP or not, and funding would not be counted against the SRP unless and until OCHA Afghanistan provided FTS with the details on how it was aligned.

Having to determine piece by piece whether activities were aligned with plans, however, made FTS reporting painstaking and slow. As a result, by June 2013 FTS was still showing a much lower percentage funding coverage for Afghanistan than was actually the case, since the information had not yet been provided for FTS to reflect it.

Other issues

OCHA Afghanistan and the HCT had additional reasons for taking a restrictive approach to including projects under the SRP in Afghanistan. Due to the reduction in humanitarian funding for the country, there was a real need for tighter boundaries around what was considered humanitarian assistance, and within that a prioritisation of urgent needs. It casts doubt, however, on claims of an improved strategic outcome in the Afghanistan process by virtue of the fact that a greater percentage of humanitarian funding is now going to projects that are inside rather than outside the plan – the planners themselves have decided which projects are considered humanitarian, and included them in the plan after the fact.

OCHA Afghanistan has considerably stronger IM capacity than other country offices (including a full unit as opposed to a single Information Management Officer), which is one of the reasons for its perceived success in shifting to activity-based costing for the last two SRPs. It required additional personnel resources to manage the process of retrofitting the activities into identifiable funding figures to report to FTS, including a full-time dedicated officer during 2013 to chase down projects with donors and partners. In recent years, the OCHA office in Afghanistan has also cultivated a culture of data-driven, evidence-based planning and coordination activities, with staff profiles suited to this purpose. These are resources that many HCTs in other contexts lack.

3.2 CAR

For its January 2014 SRP, the humanitarian team in the Central African Republic shifted to a 'mixed' activity-based costing approach. Having struggled for years with chronically low funding coverage and overstretched humanitarian capacities, the humanitarian operational presence in CAR was fragmented and underperforming. Following the outbreak of sectarian violence and ensuing displacement crisis, and the designation of CAR as a Level 3 emergency in December 2013, surge staffing was deployed to the country through the Inter-Agency Rapid Response Mechanism to, among other things, assist with drafting the January Strategic Response Plan. This was seen as an appropriate opportunity to 'take advantage of new tools' and implement a different approach for costing as part of an overall strategic overhaul.

Methodologies used

Spearheaded by the surge personnel, the clusters organised meetings with partners to come up with their costing estimates. Baseline data for most of the cluster plans came principally from the MIRA. It was openly admitted that for many areas the data was quite weak, in particular for IDP numbers, which were rapidly changing in any case. Yet interviewees expressed that they were 'happy that this was at least a systematic attempt', acknowledging the generally very low

level of expectations in the setting, and the fact that humanitarian actors were at this point 'open to anything'.

The process in CAR called for clusters to calculate their activity costing estimates based on objectives deriving from the country strategy. The overall strategy included an estimate of 2.5 million total people in need, with roughly 1.8 million reachable with assistance. From this basis, each cluster was to develop a cluster strategy in line with the countrywide objectives, and a cost estimate for sectoral activities per targeted beneficiary. Different clusters employed different degrees of participation with their cluster partners in the estimation process. The WASH cluster, for example, relied on its core of active and long-standing partners who had been operational for a long time in the country to provide historical costing data from their experience. WASH then used the MIRA figures to calculate an average cost per beneficiary for water projects and for sanitation projects.

The cluster partners, to the disappointment of many, were then asked to upload individual proposed projects into OPS subsequently, which generated the final dollar figure for the SRP. In this way, the final figures were in fact project-based rather than activity-based. Although some were less than happy with the need to submit project details, others observed that this second, more detailed step improved the planning process by focusing the organisations on project design elements. Some agencies had submitted vague statements to the SRP, and going to the project planning process allowed them to more carefully think through their operational plans. Once again, however, complaints arose that the process was rushed and not well prepared for, with not enough guidance. One cluster reported developing and submitting their strategy and estimates within just 24 hours.

Perceived results

Cluster interviewees as a whole felt the new model was stronger and more credible than previous plans. Additionally, some pointed out, the process of sitting together for the exercise was helpful in enabling joint planning and prioritisation in a more logical and strategic fashion than had been achieved before. One interviewee made the point that the model was more inclusive and whole-cluster-oriented (as opposed to a competition of agency interests). A couple of interviewees made the point that because the cluster system had been so weak in CAR, it was as if a renewed, stronger cluster system was being stood up at the same time as, and of a piece with, the SRP/ABC process. This conflation was evident in many comments from CAR participants including the observation that the SRP provided a useful way to identify gaps, thus furthering the goals of the cluster system in general. As one interviewee expressed, seeing gaps in operational coverage is much easier when a plan is activity based rather than project based.

Other issues

Humanitarian actors in CAR find it somewhat difficult to get a strong sense of donors' thinking and priorities in the country. Only one donor agency (ECHO) is actually on the ground in CAR, so relationships are remote. Historically, donors have not had high confidence in the humanitarian system in CAR. They have expressed dissatisfaction with prior appeals as being inflated (and have assumed that agencies are over-asking in order to get as much funding as possible in a chronically underfunded environment). According to interviewees, however, the latest SRP has a chance to be seen as more credible by donors, owing to its more coherent structure and logical flow. As one put it, 'These documents have more symbolic value than content value. It sends a signal that the country team is on top of things.'

3.3 DRC

DRC is the longest running example of activity-based costing, both being 'projectless' and using activity-based costing by cluster. The DRC HAP (SRP in 2014) has not included project sheets since 2007 (OCHA DRC, 2013). OCHA Geneva initially resisted this approach, but now sees it as an important experiment that has inspired many of the other pilots. The rationale for going projectless was to focus the very large and underfunded appeal more on strategy, and to link it to needs rather than to agency fundraising priorities. The HCT faced the problem of prioritising activities within projects, as many of them were only partly funded, or not at all. This was frustrating for agencies after the time spent preparing project sheets, and was not in any real sense strategic.

Agreeing on a broad strategy was intended to introduce greater flexibility in a chronic but dynamically changing crisis with unpredictable outbreaks of conflict and displacement. Agencies were also keen to reduce the burden of the planning process. The DRC response plan is consistently among the largest globally – the sixth largest in 2014, with requirements of \$832 million, but one that has a far lower profile than some 'new crises', such as Syria.

Methodologies used

Budgets for the SRP are based on estimated costs by target group and cluster. Four target groups were identified in the 2014 SRP – people affected by conflict, nutritional crisis, disease epidemics and natural disasters. Cluster response plans targeting a subset of those in need based on available response capacity were then developed. The costs of these plans were then projected based on beneficiary and unit cost estimates.

Each cluster estimated appeal budgets according to their own methodologies. These varied in rigour and transparency. For example the NFI/Shelter cluster has a database of costs of standardised NFI kits by province (covering contents and transport), while in 2014 the WASH cluster agreed on a standardised set of benchmark unit costs for its activities (see Annex 4). These are reflected in the SRP estimated budgets. Other clusters have less detail in the SRP on how their budgets are estimated, and anecdotally the estimates are based on less-developed calculations, or driven by the cluster lead's estimation of a benchmark headline figure and then worked back from that to derive rough unit costs.

As discussed, agencies do not enter projects when the SRP is developed. Donors are encouraged to discuss funding options with clusters and then make funding choices, but in practice this did not appear to be a very common approach. Once project funding was confirmed, projects were then listed individually in FTS. No cluster process exists to vet proposed projects and post their requirements in FTS, and only overall cluster requirements based on the cluster estimates are listed on FTS. While theoretically agencies are responsible to report contributions, in practice it has fallen to OCHA DRC to ensure this happens. OCHA DRC committed to working with FTS to collect more granular detail from recipients on funded projects, but in 2013 they were not able to undertake this exercise after April due to other workload priorities and staff changes.

Perceived results

There is broad agreement that the HAP, now SRP, has become incrementally more strategic and is less of a burden on agencies relative to the fundraising return. Donors feel the HAP has incrementally improved but it is still not the only reference document they use. The lack of project sheets reduces agency visibility, but this is in part substituted for by the Pooled Fund, to which projects are submitted for cluster review and funding. Since 2006, it has usually covered 10–17 per cent of the requested amount. The activity-based approach is reported as reducing

the incentive for agencies to inflate requests (apart from the impact on PF allocations – see below).

A key challenge is in tracking funds. This is very difficult despite OCHA's efforts to capture funded projects on FTS, because agencies do not see it as their responsibility. There is considerable resistance to a return to project registration; its elimination was a key benefit of the 'projectless' approach. A full-time OCHA officer worked on gathering information in previous years, but even this capacity was not sufficient to keep up, and it was subsequently not prioritized.

As there is no peer review process of projects (apart from for Pooled Fund submissions), cluster and field coordination is necessary to avoid duplication of projects. Given the long-running nature of the chronic crisis in DRC, greater awareness of who is doing what where exists, compared with a rapid onset crisis – but this presents challenges where patterns of crisis shift or conflicts flare up, requiring a surge response. Some clusters have their own activity databases (e.g., WASH), supported by information management capacity. Other clusters have found activity-based costing more challenging due to high turnover of cluster leadership.

OCHA does not play a role in analysing or ensuring consistency of cluster budgets. The budget element of the SRP process in 2013 was relatively rapid compared to the discussions of strategy and objectives, meaning that time for broad consultation and discussion on numbers for the 2014 SRP was scarce. Until recently, PF allocations were based on relative cluster requirements according to the HAP, which created incentives for clusters to inflate their requirements.

In addition, the process of generating budgets is opaque and inconsistent. Some clusters, such as NFI/Shelter, are more amenable to or supportive of unit cost approaches. Also, estimated beneficiary numbers vary considerably, due to the changing situation and the difficulty in obtaining accurate figures; clusters are keen for greater coordination on beneficiary numbers. The SRP does not discuss data reliability or sources, making it a challenge to judge the accuracy of estimates, but donors did not explicitly raise this as a concern.

In recent years, OCHA has worked to harmonise cluster approaches, agreeing that included needs are those that agencies have the capacity to respond to, rather than listing all needs; and listing the costs of cluster support as a separate operational cost. Clusters still feel unsupported in how to implement this approach.

3.4 Haiti

Haiti has produced 'projectless' HAPs for 2013 and 2014, in an approach referred to as 'deferred project planning' since the projects are designed and reviewed after the activity-costed appeal.⁴ Initially, unexpected events rather than considered planning determined the introduction of this approach. Haiti had been planning to phase out CAPs after 2012 as the situation there stabilised after the 2010 earthquake, and the CAP had grown inflated with intentionally duplicated projects to maximise opportunities for donors to fund favoured partners, but giving little sense of real scale or strategy.

However, when Hurricane Sandy hit in October 2012, an emergency revision of the 2012 CAP and then HAP were launched for 2013. At this point in the year, it was too late to call for project

⁴ OCHA Haiti. (2013). *Haiti Humanitarian Action Plan 2014*. OCHA. OCHA. (2012). *HAP 2013*. OCHA.

proposals, so the HAP focused on identifying four strategic priorities, which were then costed by clusters (rather than cluster response plans) – see Annex 4.

Methodologies used

Clusters were given the task of estimating costs based on their own criteria and approach. While for WASH, for example, this was based on input costs, the assumptions and data sources are not available in the HAP. The HAP lists numbers of beneficiaries and estimated funding, but the link with unit costs for specific activities does not come through strongly in the document. This may be because estimates were roughly derived from ‘best guess’ judgment, or that further technical discussion was not explicitly referred to in the HAP. Interviews suggest a mixture of the two, with little consistency across clusters.

After the HAP is launched, agencies submit their proposed or planned projects to OPS. Cluster coordinators then vet these at the country level according to their fit with the agreed strategy laid out in the SRP.

In effect, the initial activity-based budget is estimated from needs for the SRP, and then, as in CAR, replaced by a project-based budget once projects are submitted. For 2013, the \$144 million estimate was increased to \$150 million at the mid-year review, based on actual projects – suggesting at a crude level a good correlation between the two approaches.

Perceived results

In 2013, the appeal was produced very rapidly due to the light process of activity-based costing, showing how this approach can be effective in providing a timely and rapid estimate of resourcing requirements after a natural disaster. In particular, the relatively small size of the Haiti operation (135 projects and four active clusters in 2013) lent itself to this approach as the project vetting and information management needs could be covered from OCHA and cluster capacity (only four clusters are active). The pre-existing aid operation also meant that structures and relationships were in place and some baseline data was available. In the absence of a significant pooled fund, agencies were incentivised to submit projects as a means of visibility to donors and because the cluster or government ‘seal of approval’ during the prioritisation process was important for fundraising. It may also be a function of declining humanitarian funding to Haiti as donors move into ‘development’ mode and agencies have fewer avenues to pursue for such funding.

ECHO, the largest humanitarian donor to Haiti, does not ‘fund the HAP’ in the sense of using HAP project sheets to make decisions, or limiting funding to agencies in the HAP. It is however aligned with the HAP in terms of ECHO strategy, which when published is the reference document for its calls for proposals. For donors that fund on a calendar year basis, the timing of the HAP/SRP works by providing a top-line figure in November for overall planning so donors can divide up global budgets, and then when programming of funds occurs in the new year, the projects are available to inform specific funding decisions in the crisis. They are more likely to be up-to-date and aligned with the strategy with this sequencing.

The light process of deferred project planning was continued for the 2014 HNO/SRP, allowing for timely production of an SRP for 2014.

Other issues

Haiti is very much in a transition phase away from humanitarian response, so the SRP is seen as a short-term tool that will not be around for much longer. This contrasts with other contexts

where the SRP is likely to continue for many years and so more is at stake in terms of how it is structured.

3.5 Non-ABC countries – oPt and South Sudan

The majority of humanitarian responses to current crises continue to use the traditional project-based process of what was the CAP or HAP and is now the HNO and SRP within the HPC. South Sudan and the occupied Palestinian territory (oPt) were included in the study as examples of countries that had considered using activity-based costing but ultimately rejected it, at least for the present. Limited interviews were conducted to establish the rationale for this decision.

In South Sudan the humanitarian programme cycle is driven tightly by the seasonal rains starting in May, before relief stocks must be pre-positioned to support the 60 per cent of the country which is inaccessible during the rainy season. The plan is therefore released in mid-November (OCHA, 2013d). The other key factor is the Common Humanitarian Fund, which relies on project submissions, with a standard allocation ready by the end of December for funds to be disbursed in January for work ahead of the rains.

The South Sudan cycle has elements of deferred project planning in that clusters defend response strategies to the HCT using indicative requirements from partners before projects are submitted, peer reviewed in clusters, and reviewed by OCHA. The plan and CHF are harmonised in that only projects included in the plan are eligible for the CHF (as in Sudan), and the CHF uses project sheets to assess projects submitted for funding. In this respect, it does not make sense for South Sudan to go projectless.

However, practices in activity-based costing from other countries are potentially beneficial to South Sudan as alternative means of presenting indicative costs at an early stage; but, the barrier to implementation to date has been a lack of clear guidance on how to do this.

In the oPt context, the humanitarian community produces a traditional project-based SRP.⁵ Activity-based costing was not introduced because, while it garnered some interest, OCHA oPt did not clearly see what the benefits were, or what specific problems it would solve.

Donors to oPt regard the strategic response plan in presenting a useful list of projects: they tend to fund political priorities rather than humanitarian needs and are accustomed to the project-based approach. And, while NGOs do not view the plan as a major fundraising tool, they find it helpful for avoiding duplication and joint needs analysis. Requested amounts have become more realistic in recent years through clear vetting criteria from clusters. oPt interviewees clearly saw that strong clusters with sufficient IM capacity are very important in the production of credible SRPs, and room for improvement still exists in this area, particularly if better data on people in need could be established.

Losing projects, they believe, would make engaging national authorities in humanitarian cooperation more difficult, as they would lose their role in the process of collective vetting.

Opposition to activity-based costing in oPt was not to the idea in principle, but to the lack of clarity over the details of the process. If the shift were to be made, better guidance would be needed, as well as additional support to clusters and a more realistic lead time.

⁵ OCHA. (2013). *Occupied Palestinian Territory Strategic Response Plan 2014*. OCHA.

3.6 Yemen

Similar to CAR, Yemen took the decision to use the new activity-based costing approach quite late in the run-up period and in conjunction with opportunities afforded by surge capacity deployment. OCHA's decision to 'push this process forward' in Yemen, as one interviewee put it, came as a surprise to some and caused a fair degree of consternation among certain actors in the country.

As seen in oPt, reservations about moving to ABC had less to do with strong objections to the idea of the model, or preference for the traditional project-based costing, but rather the sense that there was not enough time and insufficient general understanding of the approach to do it well for 2014. Within the clusters it was a mixed bag; some agencies and NGOs were keen to try it, and others were highly sceptical and preferred to remain with the old system for at least another year.

Methodologies used

The guidance for costing in Yemen was similar to that laid out for other countries. It called for clusters to start with the HNO figures for people in need within their sector and then determine their caseload within the larger population in need based on their own operational criteria. Following this, they were meant to identify major activities to be undertaken in their cluster, agree on average costing for these activities, and use this to determine the cost per beneficiary for each activity. Having multiplied that number by the number of beneficiaries for that activity and adding these up for the total caseload, the result is the total requirement for the cluster.

One UN interviewee in Yemen made the argument, rarely heard in the other contexts, that the traditional project-based costing would have been much stronger in this case given the time constraints and lack of guidance. Overall, however, the general sense was that the exercise was ultimately worthwhile. One cluster coordinator felt the concept made intuitive sense, as in the past some partners' project costs had been 'outrageously high', and taking an average made the costing more credible.

Yemen is an example of the project-deferred ('mixed') approach, where the clusters still require project submissions from organisations that are subject to peer review, a fact that disappointed many of the partners who thought they would be able to avoid this extra piece of work. Nonetheless, interviewees reported that the new approach did manage to streamline and simplify the work required by operational organisations, even as it put quite a bit of pressure on cluster coordinators. Unlike in Haiti, the subsequent uploading of projects took place six months after the costing process, rather than following almost immediately.

Only after projects are designed and funded are they uploaded to OPS and peer reviewed for alignment with the country strategy. Because the vetting takes place after the SRP is produced and through an electronic platform, the government authorities who participate in the cluster meetings have effectively been shut out of the vetting role they held under the prior system. As in Afghanistan, the new process made it appear that much more humanitarian funding is going through the SRP as opposed to outside it, but this is to some degree an illusion – the cluster system rather than the individual organisations now decides what's in and what's out. And even so, the plan may not reflect all the 'participation' it might be eligible to claim, as one interviewee said: 'We suspect that the level of funding we have in FTS now is less than what is out there, because agencies don't know how to report it.'

OCHA and cluster coordinators were also faced with high levels of misunderstanding about the goals and functions of SRP. They had to do their best to clear these up while the process was already underway, particularly among local NGOs. Many thought the new mechanism was itself a fund, and donor contributions against cluster requirements would go a pot to be disbursed in sub-grants by the cluster leads (as was envisaged in Zimbabwe).

Perceived results

While all agreed basing the SRP process on the full picture of actual needs was a good thing, donors and agencies alike raised questions as to whether the system had the capacity to make good on the objectives if the funding came through.

OCHA Yemen received some assistance and advice through exchanges with OCHA Afghanistan. This was reported to be helpful in drafting their own in-country guidance, but formal guidance was unavailable from headquarters in time for the process (which, as previously mentioned took many in Geneva as well as Sana'a by surprise). Overall, this form of budgeting streamlined and simplified the work, which partners appreciated, but a great deal of confusion and misunderstanding about the new process persisted.

At the time this study was being conducted, humanitarian actors in Yemen were still not clear about precisely how the entire Yemen plan would ultimately be 'projectised' for the purposes of accounting and tracking. FTS currently shows nine large 'projects' for Yemen – the cluster response plans from the SRP – and the country team is grappling with the challenge of how to upload individual projects without double counting. The need to disaggregate activities had some worried that the process will be highly complicated and possibly unfeasible.

The idea of cost per capita per activity caused some confusion: Was it to be based on past costs in Yemen? A subjective intellectual determination? Additionally, in several cases the cluster coordinators acted as experts, not allowing the costs to go too high or too low, a practice that arguably raises the spectre of potential 'price-fixing' behaviour.

3.7 Zimbabwe

The 2011 and 2012 CAPs in Zimbabwe were projectless, part of what was piloted as a 'programme-based approach', endorsed by the HCT in late 2010 (OCHA Zimbabwe, 2010). The idea was to take a more strategic approach to planning, in which clusters agreed to two or three major programmes, each with clear objectives. This was a response to a few things: the government's attempts to downplay the humanitarian crisis; NGOs' decreased level of participation in coordinated strategic planning, due to perceived lack of reward for what they saw as considerable work on the CAP; and inflexibility, meaning projects had to be re-worked for the Mid-Year Review. 'Projects' had become an unacceptable part of the humanitarian architecture and coordination was fragmenting in part because increasing amounts of donor funding were directed outside the CAP to various trust funds. At a more strategic level, the project approach 'no longer provide(d) the strategic focus and flexibility needed in the complex situation of Zimbabwe to identify adequate responses to priority needs and complement the gap with other sectoral strategic and funding frameworks.' (OCHA, 2011)

The programme-based approach meant that project sheets were not inputted by agencies. Instead, one or more programmes were elaborated by each of the clusters. Each programme corresponded to an activity that aimed to alleviate an identified need, with the analysis lifted up to the country/strategic level. Each programme gathered the analysis of the issue, and defined the activities, indicators and financial requirements necessary. Programmes would be presented

to donors, with the general idea that donors would discuss with cluster coordinators how to allocate funds to a programme, and with the cluster coordinator, in consultation with cluster members, recommending funding according to current strategic and cluster priorities, gaps and capacities. If and when funding was received for an aspect of a programme, a project would be created retroactively with financial requirements equivalent to the funding received, and uploaded, listed and tracked in FTS.

Methodologies used

The nutrition cluster was perceived as the most advanced in taking forward the approach. Spreadsheets (not published) were constructed showing needs, coverage, gaps, activities and costs for particular inputs using a unit cost methodology – this cluster was more amenable to the approach since UNICEF was responsible for procuring nutrition products for onward supply to implementing partners. The health and education clusters also managed some success, but it was not replicated across all clusters. The 2012 CAP simply listed beneficiary numbers and estimated response budgets by cluster, with no further detail on methodologies (see Annex 4).

The programmes uploaded were originally intended to subsequently be broken down into projects, reflecting how each programme and its activities would be covered across the country at agency level (i.e. who would be doing what, where, and for how much). However, this never took place for several reasons. The driving personalities left the country soon after the programme approach was implemented and there was always strong disagreement within the HCT as to whether the programmes would or should be ‘projectised’—that is, broken down into projects.⁶ Irrespective of whether the capacity existed to do that, those against projectising the programmes won out.

Perceived results

According to interviewees, the planning stage showed greater levels of engagement and positive feedback from stakeholders, although participation and the quality of engagement varied by cluster. While the CAP document itself may have been less different than expected from previous years, the underlying process felt more inclusive and focused on strategy rather than project review.

Despite a significant effort from OCHA Zimbabwe to explain the concept and support clusters, a number of issues bedevilled the programme approach. Among them were the early departure of the key OCHA officer who had championed the approach, and resistance from OCHA Geneva, meant it never reached its potential. Above all, there was insufficient capacity, understanding or motivation from the clusters themselves to keep their programmes updated, and to retroactively create projects in accordance with funding received. That burden fell on OCHA Zimbabwe supported by CAP Section, and then ultimately on CAP Section alone. The CAP 2013 returned to traditional project planning – against a backdrop of diminishing humanitarian needs. In particular, donors were not ready to move to consulting clusters (whether setting up cluster pooled funds or being directed by cluster priorities).

⁶ Note that the programmes, as presented in the Donor Supplement, were already a long way towards being projectised. Each programme had an accompanying listing of participating agencies, with many of those agencies linked to geographic areas.

Positive feedback on the concept of the approach from a 2010 GHD scoping mission before it was launched was not followed up with careful donor engagement on how the process would work. This meant that donors continued with their normal approach of funding trusted partners bilaterally based on their own analysis of the priority needs and gaps.

In practical terms, many clusters clearly did not have the capacity to move to a programme-based approach in terms of having a strategic overview of the cluster's capacity and gaps. The nutrition cluster demonstrated how it might work, but also that it required a dedicated Information Management Officer for the cluster as well as an effective full-time coordinator. Overall, the programme approach did not lead to an increase in funding to the Zimbabwe CAP. Funding levels stayed the same, with the same general proportion and spread of funding across the clusters. Importantly, the analysis of funding worsened. No one knew any longer who had received what, whether the funding was timely, whether it was going towards agreed priorities, and if not, no one knew how to reorientate the approach and advocate for different or better funding.

4. Needs assessment and prioritisation issues

Incorporating an activity-based approach into the programme cycle entails basing requirements estimates on numbers of people affected and the unit costs of responding to their needs. Although nothing is preventing such data collection and estimation under a project-based approach, it is not strictly a requirement and arguably receives less emphasis. The case studies show that the simplicity of the formula outlined in the HPC hides significant challenges in generating reliable data and estimates. In the online stakeholder survey for this study, around one-quarter of respondents considered that the last plan in their context (equally for ABC and non-ABC countries) did not realistically estimate affected population numbers. It did find that ABC countries reported slightly better baseline data on average than non-ABC countries, but also a higher proportion of contexts within ABC countries started out with very poor baseline data.

In DRC, for example, shifting patterns of displacement in response to episodes of conflict are notoriously challenging to track, as populations leave settlements for comparative safety in jungle or forest areas. In rapid onset crises such as earthquakes, initial estimates of affected population numbers are often based on out-of-date population or census data. Factors such as average family size used to calculate populations based on the number of settlements (whether from satellite mapping, local or national authority data or field surveys) can vary widely in their accuracy. In Afghanistan, a recent countrywide nutritional survey (released in 2014) was the first in over a decade, and census or demographic data is notoriously weak. In CAR, the rising numbers of IDPs were calculated using the roughest back-of-the-envelope estimates. The net effect of uncertain population numbers can potentially make a significant difference to the estimated costs. Even if the unit costs of interventions in some clusters are fairly well understood, the variation in population estimates leads to a wide range of possibilities for the costs of response.

While clusters may individually develop their own estimates based on agency project data, the task of aggregating this data to avoid double counting is huge, and may lead to individuals receiving assistance from multiple agencies working in multiple clusters. In Afghanistan, data for some clusters is reported to have improved recently, but again this is not consistent across

all clusters. Work carried out by IASC and ACAPS at global level provide considerable technical depth on how to approach such challenges (IASC, 2012).

Of course, prioritisation is only as valid as the needs that data is based upon, but even where the data is weak, a strategic prioritisation of resources is considered preferable to no prioritisation criteria at all. Both Yemen and Afghanistan use algorithms to rank geographic areas by combined severity of needs (by province in Afghanistan, governorate at in Yemen). Afghanistan has also begun prioritising interventions by sector, selecting nutrition and WASH only as eligible for the first round of funding allocations from the newly established CHF.

Beyond estimating population numbers and needs and prioritising response areas, whether agencies have the capacity to respond to a targeted sub-group of those affected is an open question. Where needs are greater than response capacity (even with anticipated scaling-up), accurately planning how many affected people can be reached is fraught with operational and ethical complexity. Donors, for their part, have sent mixed messages about what they want to see in terms of needs assessment and affected population estimates. While some complain of spurious estimates of people in need in inaccessible areas where information is hard to come by, many are simultaneously unwilling to accept 'black boxes' in areas where the humanitarian community, if it is honest, simply doesn't have valid information to provide. If needs estimation and capacity mapping are ever to significantly improve, donors and agencies alike must be willing to live with uncomfortable numbers: that is, numbers of people in need that are far higher than the number of people who can reasonably be assisted, and total costing figures for an optimal response that are far higher than donors will realistically contribute.

5. Coordination implications

Activity-based costing can be viewed alternately as a means of promoting and incentivising improved strategic coordination, or as a last-ditch effort to rescue a broken appeal process and maintain relevance for the cluster coordination platform. In reality, it has served as a bit of both across the handful of contexts where it has been employed – countries that, not insignificantly, represent some of the most challenging and intractable environments in which the humanitarian system currently operates. This section looks at the prospects and potential risks of activity-based costing to coordination as seen through the lenses of the cluster system, the NGOs and host governments.

5.1 Cluster issues

The case examples make clear that strong, functioning clusters are critical if activity-based costing is to be implemented effectively and, conversely, that adopting the approach may help to strengthen cluster coordination by requiring an overall agency-blind reckoning of total needs, optimal response and average costs. When drilling down to the sectoral level, however, the overarching potential benefits of ABC quickly become obscured by cluster-specific issues and challenges.

Several cluster interviewees at the global in country levels stated their support for the ABC concept in general, before adding the qualification, 'but the problem of activity-based costing for my cluster is. . . .' Many complicated questions persist, involving how to find average costs for certain activities, particularly in less tangible or more varied types of interventions such as 'soft protection' and advocacy activities in the Protection Cluster, or surveillance and risk-based preventive interventions in the Health Cluster. And general confusion prevails over how to

standardise unit costs across widely varying field conditions, logistical infrastructures and agency approaches. Concerns over doing it wrong may naturally lend to the impulse of overestimating, which leads again to the problem of inflation.

Finally, there are the endemic capacity problems faced by all clusters, in most places struggling to coordinate the work of many partners often with just one cluster coordinator and few if any support staff. Activity-based costing adds a new set of tasks that are both one-off (e.g., developing formulas for calculating cost estimates for activity, and hopefully obtaining the buy-in of all cluster members for them) and recurrent (e.g., reviewing and retroactively recording project information after the appeal has gone out). These demands naturally strain the already overstretched capacity of the clusters, particularly in the areas of information management.

There is reason to believe that the obstacles and technical problems raised by cluster members are overstated based on the misapprehension of the purpose and deliverables of activity costing. When the intended output is not accurate budgeting but rather broad indicative estimates, cluster representatives may be overthinking and needlessly complicating the exercise, for instance by an unnecessary focus on specific unit costs and associated variability, preventing them from seeing the forest for the trees.

That said, however, at least two (and possibly three) clusters have valid arguments for why activity-based costing is not a good fit for their work and why they should continue to base their costing on specific projects or country plans, regardless of whether ABC is used in the rest of the SRP. The Logistics and Emergency Telecommunications (ETC) clusters do not directly assist beneficiaries. These 'service clusters' operate to support the humanitarian system and facilitate the programmes of the operational agencies, so costing per activity per beneficiary makes no sense. Because they are typically quick to stand up their projects based on their own rapid assessments, and have relatively good unit costing standards and information, they believe that ABC represents an inappropriate solution to a problem they do not have.

The issue for the Early Recovery (ER) cluster is somewhat more complex. Because ER activities are cross-cutting, in many contexts the ER cluster has both its own projects to be reflected in the SRP and projects in other sectors for which it provides technical support and guidance. To the extent that the cluster develops its own methodology and set of costing standards for livelihoods programming, for example, how this will relate to livelihoods projects within other sectors that are not being reviewed by the ER cluster is not clear. Potentially this could lead to multiple different, inconsistent approaches and results. Additionally, while not strictly opposed to moving to ABC in future, ER cluster representatives raise valid concerns about potential reverses to the gains made with the introduction of the gender marker, which is attached to projects.⁷

As mentioned previously, the global clusters for the most part reported that they were not consulted on the country-based adoptions of the ABC approach, and none had any written guidance on standardised costing methods to provide to the country clusters. Some of the country clusters reported helpful information conversations with global cluster personnel, but for the most part the global clusters were unhappy bystanders to the recent pilots.

⁷ A GenCap advisor on the gender marker is now conducting a study on the feasibility of transforming the gender marker for use in monitoring and evaluation and generally how it might be made to work beyond the project level.

5.2 NGOs and host governments

Somewhat surprisingly perhaps, the research found no examples among NGOs of strong opposition to this recent UN initiative, nor even a strong sense of wariness in terms of their visibility in SRPs or accessibility to direct donor funding. The majority of interviewees and survey respondents from NGOs were supportive of ABC, and criticisms they raised had to do with procedural issues and how late in the process the NGOs were consulted. This is despite the fact that anecdotally the projectless SRPs have resulted in still greater proportions of funding being directed to UN agencies in DRC and Zimbabwe (though this effect has not been seen in Afghanistan). In theory, of course, UN agencies have far more to gain from the shift than the NGOs. Not only is there less visible competition for project funding, but one can claim that far more NGOs ‘participated’ in the process than previously, because they can choose to include any NGO project in alignment with the SRP – whether or not the NGO participated in the cluster process or not.

Of the 66 NGO respondents to the survey (18 national and 48 international) strong majorities in ABC countries reported feeling ‘very’ or ‘reasonably’ confident in the SRP figures. In addition most found the associated workload ‘manageable’, and the funding generated ‘about right’ in relation to what was needed and what could realistically be implemented. This was a stronger showing overall in terms of positive feedback from NGOs about the SRP than was seen in the non-ABC countries.

No host government representatives were included in the survey responses or the interview list for the study. Anecdotally, however, government representatives in the six case settings have not raised significant obstacles to activity-based costing. In Afghanistan, officials reportedly recognised the validity of the ABC process, appreciated the greater informational clarity, and attended the launch of the new SRP, signalling support. There is reason to worry that not all governments will be as sanguine. The loss of specificity when projects are excluded or deferred can make governments feel they are losing a degree of control, and for clusters in which governments were actively participating in the review and vetting project proposals, they will now effectively be shut out of the process. In Pakistan, OCHA faced serious resistance from the government when it was unable to provide detailed information of where agencies were planning to carry out activities; Sudan, likewise, has requested lists of planned activities by location. This trend among some increasingly assertive governments is not likely to reverse itself in the near future and could pose significant problems if activity-based costing expands to additional country settings.

6. Funding implications

One of the principal rationales for introducing activity-based costing has been to increase funding. The assumption here is that donors who have lacked confidence in over-inflated project-based appeals of past years will respond to better justified, more credible and compelling SRPs by increasing funding overall and specifically to projects deemed to be in line with the objectives of the SRP.

The empirical evidence for this is unclear and not consistent across the crises. Data on humanitarian flows to the case study and comparison contexts yield some interesting, though not terribly robust, findings. The research consultants compiled humanitarian funding figures from FTS on the case contexts with an eye to spotting any significant trends that could

potentially be attributed to a change in the costing method. Looking at the years before and after implementation of the new costing approach in case study countries, as well as recent years in the non-ABC-implementing countries for comparison, the review sought to identify changes in total volume of funding and coverage of stated requirements.

The 'Non-paper for CAP SWG on Options for Project Planning' (OCHA/IASC 2013) included a similar funding analysis for DRC and Zimbabwe, which revealed a mixed picture and no compelling arguments for or against the new approach. It found that the speed of funding (measured by the percentage of donor commitments made in the earlier part of the year) was lower in the two countries using ABC for their planning, possibly due to the fact that 'project planning gives donors clear actionable information' (Ibid.), which is lost in plans that use activity-based costing. In terms of volume of funding, the Non-paper went on to show that although DRC funding and coverage of requirements rose significantly after the introduction of a projectless CHAP (doubtless attributable to the establishment of the CHF as much as anything else), in Zimbabwe the introduction of activity-based costing actually coincided with a sharp funding decline. Finally, there were no strong conclusions to be drawn on the ratio of funding to UN versus non-UN recipient organisations. In Zimbabwe, the relative proportion of funding going to UN recipients rose dramatically the year after ABC was introduced, but in DRC after an initial rise the UN share fell again to pre-ABC levels, and continued to fluctuate thereafter.

The analysis done for this review did not produce much stronger findings. In DRC, a comparison of average funding of the three years prior to the introduction of ABC with three years after, shows a rise of 179 per cent in total volume (from \$205 to \$572 million) and 10 percentage points in coverage of requirements (from 63 to 73 per cent). This appears to speak well for activity-based costing, but could just as likely be attributable to the establishment of the CHF at that time, or a combination of the two.

DRC	Revised requirements	Funding	% covered
Averages 2004-2006	359,461,479	205,221,158	63%
Averages 2007-2009	789,785,038	571,828,167	73%

Source: FTS

In Zimbabwe, comparing an average of three years before ABC and two years after, the new approach seems also to have had a net benefit on funding. Although as mentioned the total volume went down (by 34 per cent), the amount of the ask had decreased by a greater amount (60 per cent) resulting in a net gain of funding against requirements. Other changes in the context unrelated to the introduction of ABC are likely to have played an equal or greater role in affecting the funding total and distribution, however. For example, the declining humanitarian crisis and movement towards development instruments was a major factor in Zimbabwe.

Zimbabwe	Revised requirements	Funding	% covered
Averages 2008-2010	594,681,848	361,006,458	60%
Averages 2011-2012	358,513,264	214,313,223	67%

Source: FTS

For CAR and Yemen there is simply not enough data to make a valid assessment. Having implemented ABC in their 2014 SRPs, there will only be one year of funding results to examine, and the information in FTS and OPS will in any case likely be revised after the year is over and all reports have come in.

Afghanistan, which began implementing ABC in 2013, has at least one full year behind it to examine (though these figures are a still potentially subject to change as information is updated). Like Zimbabwe, it shows an overall funding drop, but because the stated requirements were smaller, the coverage rate has increased by a considerable amount. Additionally, activities are being included in 2013 funding (for instance, all mine action activities) that were not included in 2012.

Afghanistan	Revised requirements	Funding	% covered
Averages 2010-2012	601,792,753	383,601,261	62%
2013	474,428,380	351,077,966	74%

Source: FTS

The recent years' funding averages of oPt and South Sudan, both of which eschewed activity-based costing, show 62 and 64 per cent coverage rates respectively – better than the baseline rates of DRC and Zimbabwe, and not as good as their post-ABC results. This could arguably suggest a missed opportunity for a boost in funding coverage, but the evidence is not overwhelming.

Additionally, the waters are muddied by the fact mentioned previously, that the measure of donor funding 'going to the appeal' is an artificial construct in cases where projects are designated to be included under the plan only after they are funded. OCHA's own analysis points to the risk of clusters asking for more money than they can use, since needs often exceed collective implementation capacity.⁸

There is a general sense that plans have been getting more reliable globally through incremental process and capacity improvements (e.g., the HNO/SRP process, greater cluster coordination and information management capacity), while activity costing itself has not yet been attributed with transforming appeal credibility; arguably it would be too early to make this assessment based on available evidence.⁹

In fact donors seem to be fairly consistent in funding plans overall, with an average coverage rate of 60–70 per cent, though clearly the response to individual cases varies. Our interviews suggest that plans play an important part in headquarters discussions of relative need between crises in terms of global allocations, but the quality of individual plans does not really figure at

⁸ OCHA (2013) non-paper for CAP SWG on options for project planning: 'total CAP requirements in DRC shot up when they dropped project planning, from an average of \$330 million per year in the three years before the new approach to nearly \$600 million per year in the three years after, peaking at \$946 million in 2009.'

⁹ In the online survey, ABC and non-ABC countries had comparable confidence in the figures in their appeal, with 88% of respondents in ABC countries reporting feeling reasonably or very confident, and 85% of non-ABC countries saying the same.

this stage.¹⁰ Once global allocations have been made, further scrutiny of individual plans will determine how much faith is put in the analysis compared to other sources of data, but there seems little evidence to date that better plans lead to more funding. Donor allocations are relatively inelastic and relate to global priorities and a myriad of other factors including political considerations and availability of trusted implementation capacity. The quality of the plan may act as a proxy for donor confidence in coordination more generally.¹¹ The online survey results showed that respondents in ABC countries reported greater confidence that the costs in the SRP were closer to what was needed, compared to respondents in non-ABC countries, who significantly more often considered the ask to be inflated. ABC countries also felt costs there more closely reflected what could be realistically implemented, that is, capacity matched the plan.

From this perspective, donors do have an interest in accurate estimates in SRPs in order to ensure they make the best decisions on allocations between crises. In interviews, however, they did not seem closely engaged or informed on the pros and cons of activity-based costing.¹² They gave no sense of a strong preference either way, or that they had been consulted in depth by OCHA or IASC members. Where donors have been engaged, they have been supportive of the potential transparency and objectivity of using activity-based costing; for example in Zimbabwe, ECHO was identified as a key player in the introduction of the approach. However, as also shown in Zimbabwe, greater outreach to donors is needed to explain the implications of changes to their funding decisions for the process to work. The visibility implications of removing projects was not of great concern to donors interviewed – nor for that matter, to agencies, other than hypothetically since they do not rely on common appeals solely (or at all) as a fundraising tool. A distinction between donors with a field presence and those making funding decisions remotely from headquarters is that the latter rely more on planning documents but also relationships with counterpart agency headquarters.

The other dynamic is the pressure from HCs and agencies to make realistic requests and only ask for what is likely to be funded. A poorly funded inter-agency plan is seen to reflect badly on agencies. One advantage of an activity-based SRP seems to be that it can claim to be more objective and less driven by agency funding requirements. Another dynamic, stated by some agency headquarters respondents, is a concern that removing or deferring projects reduces the leverage they have over their country offices (which they see as sometimes inflating requests unrealistically beyond their capacity to implement). In the project-based system, an opportunity exists for agency headquarters to review (and reject or amend) projects.

¹⁰ Of donors surveyed informally by the 'hybrid group' of the IASC looking at ABC, the majority found the CAPs very or partly helpful for decision making and valued the cluster peer reviews for assurance that projects have been vetted, but opinions on how well the cap/cluster system coordinated and covered gaps was very mixed.

¹¹ In DRC and Zimbabwe, 'quite a few [donors] use the project list as a guide to who is proposing to do what and where, and that they do value the peer review of draft projects within clusters and the use of the coordinated project planning process to choreograph implementation responsibilities and coverage of needs' (OCHA/IASC, 2013).

¹² This is mirrored in OCHA's informal donor survey in 2013: in response to the question 'Does the appeal's approach of not specifying responsibilities in advance ("projectless" approach) provide you with sufficient information to make funding decisions with certainty that the proposal you are funding is coordinated?' Four said no, 3 said yes, and 3 said partly.

Linkage with pooled funds

Strong links exist between pooled funds and the implications of activity-based costing. For country-level pooled funds (e.g., the CHF in South Sudan or CHF/Pooled Fund in DRC), as well as for the global CERF, projects are the basic unit being considered for funding. For South Sudan, projects must be in the SRP/Crisis Response Plan to be eligible for CHF funding, and the same project sheet is used, so no additional work is involved, and participation in the project planning process is incentivised by the opportunity to apply for CHF funds. Removing or deferring projects would require other modifications of the planning process, which is already on a tight timetable due to seasonal access issues. In DRC, the linkage between the projectless HAP and the Pooled Fund is looser – project sheets are developed specifically for Pooled Fund applications.

The implication is that activity costing does not preclude or depend on a country-based pooled fund, but adjustments may be needed in the timing of the programme cycle to accommodate activity costing if projects are removed or deferred. For example for South Sudan, cluster strategies are already ‘defended’ in front of the HCT in advance of the normal project development phase. There would be nothing to stop further formalisation of an activity-based cost approach at this early stage – clusters already come up with rough response cost estimates at this point.

CERF is relevant from the point of view of the underfunded window, which is partly determined by the levels of funding reported on FTS. If OCHA offices / information management teams in ABC countries are not able to keep up with the work required to determine if funding is aligned or not in some countries, the playing field is not level in terms of this assessment. In practice, however, the CERF underfunded emergencies assessment takes into account a wider range of inputs, including agency expert judgment, rather than solely being based on FTS.

Value for money

The one issue on which donors such as UK/DFID and Australia are engaging concerns using unit costs as a window to value-for-money. In line with domestic pressure for accountability and results, these administrations are developing metrics and requiring partners to report on value for money. In its most sophisticated form this is presented as a diagnostic tool for interrogating project costs and prompting questions about why certain choices were taken, for example, in procuring higher priced items, or in relative transport costs between different regions of a country. Donors are beginning to look at the relative costs of service delivery between different actors and agencies are having concerns. These take two forms. First, experience from some contexts show the risk of a race to the bottom, as competitive contracts for service delivery are awarded to the lowest bidder, with insufficient assessment of quality aspects. Second, UN agencies are concerned that revealing more detail on costs will make them look expensive, given the higher salaries and operating costs of the UN compared to international and, certainly, national NGOs; and that certain sectors might be perceived as offering better value money when there are reasons why some are more costly than others.

Donors are increasingly looking at these issues – driven by taxpayer and media concerns about value for money – although surprisingly less than expected in terms of activity costing and the potential to use it as an entry point to such value-for-money questions. While not always a sophisticated instrument, agencies are increasingly realising that they need to become more transparent and be able to justify where their extra costs add value – for example in supporting coordination and setting norms. Further outreach is needed to donors to explain these differences and the reality that unit costs are not a panacea for budgeting and planning, as

degrees of sophistication of approach exist. DFID for example, advocates using unit cost ranges rather than simple averages.

7. Transparency implications

The main area where donors (and clusters) noted a concern was on the reliability of FTS to track funds. In many of the activity-based countries, the comprehensiveness of FTS reporting has declined because even in contexts where agencies and donors fully report contributions to FTS, they do not report actual activities, and manual matching of donor commitments to agency activities has to be carried out either by OCHA country office or FTS in Geneva. Given the different reporting norms, this is not always accurate or timely. This is also relevant to the CERF underfunded window (see above).

FTS reporting mostly comes from donors, and is triangulated by agency reports. FTS maintains reporting relationships with UN agency headquarters, but not with NGOs (and consequently fails to capture a good deal of NGO private funding). As with any voluntary data collection system, its comprehensiveness and accuracy relies upon the willingness of participants to provide information combined with, in some places, additional field-level IM capacity to actively follow up. Because it is based on projects as the unit of measure (rather than multi-sectoral or population-based programmes), it allows the tracking of funding against needs within sectors and coverage comparisons between sectors. However, this projectised structure has caused problems for agencies such as UNHCR and others who programme differently and are asked to, in their view 'artificially', disaggregate their large programmes into separate projects for the purposes of FTS tracking, which is onerous, and often results in late reporting. To some degree, this is a semantic problem, in which 'project' has become in some sense a dirty word. If, for example, an agency has a large country-based programme such as a child survival programme, with various components for nutrition, protection and health, there should be no reason why these components cannot be reframed as three large 'projects' for the purposes of OPS and FTS tracking. Similarly, if an agency has multiple WASH projects spread out across one country, all can be combined as one project, and the agency could record just one project per cluster per SRP. While this approach doesn't solve the problem for an agency like UNHCR with a population-based programme model (refugees and IDPs) that conducts activities in multiple sectors, other agencies could adopt the practice of defining fewer, bigger 'projects' and greatly simplify reporting without losing any transparency or sector-specific information.

Flaws and weaknesses aside, FTS remains the single most comprehensive and current repository of global humanitarian financing data, and discontinuing or significantly weakening this instrument would be a major loss to transparency in the system. The Online Project System (OPS) augments tracking capacity, because every project that is approved in the field and uploaded on OPS is then placed on FTS as well. However, according to its users OPS is 'clunky', and allows 'too much room for verbosity'. In Yemen, a specific complaint was that because only projects that have been funded are uploaded, it is only a partial, and potentially quite distorted, picture of what is happening on the ground.

Activity-based costing will not solve the problem of project reporting and financial tracking, nor will it supplant or obviate the need for it. But, it might force the issue to the fore in a way that spurs new solutions to be found. A comprehensive review by a data scientist of the FTS and OPS databases, and the reporting formats they now rely on, would seem to be in order. Such a review could look at ways data can be gathered and updated more easily; and create more

closed-ended, circumscribed data fields that could be easily clicked by donors and agencies rather than the inconsistent, non-comparable reporting categories and information that FTS staff in Geneva must code and classify later.

8. Conclusions: Pros, cons, and prospects for wider use

Activity-based costing is a work in progress that is being adapted iteratively and experimentally to fit local circumstances. Where it has worked well, it has supported a more strategic coordination process producing costing estimates that are seen as more objective and transparent. On the other hand, it is no magic bullet that can overcome intractable challenges to launching timely, credible and strategic appeals that achieve high levels of funding. Many local and global technical obstacles exist to activity-based costing, including developing rigorous, consistent and transparent unit costing methodologies, adapting to local issues of seasonality and cluster capacity, and modifying the humanitarian programme cycle and associated tools to incorporate the approach.

A range of views exists on the potential of activity-based costing. Supporters of ABC take the view that the traditional project-based approach is so badly flawed that even a weak ABC approach is better. ABC sceptics consider the project-based approach to be demonstrating tangible improvement with SRPs, and ABC to be just as prone to inflation and manipulation, without really reducing workloads if projects are deferred rather than eliminated altogether.

In many respects, the distinction in discussions between following activity-based or project-based planning is artificial – they could be seen as different solutions to different parts of the humanitarian programme cycle, which can and maybe should co-exist to improve planning and budgeting. It should not be a question of either/or, but of which elements add value to which context and to global processes.

Awareness and detailed knowledge of activity-based costing is limited, which undermines sensible discussion. Many views on activity-based costing are either coloured by the rushed introduction (see below), or by a partial understanding of what it means, or by theoretical objections rather than ones borne out in practice. That is, activity-based costing at its most minimal involves the use of cluster-based costing to derive cost estimates; it is often also associated with the removal of upfront coordinated project planning.

The overall pros and cons of the different costing approaches are summarised in the following table.

Activity-based costing versus project-based costing

Approach	Pros	Cons
Activity-based costing	<ul style="list-style-type: none"> • Less administrative burden on appealing agencies in the early stages of the process • Shifts the focus of cluster coordination at the early stages from paperwork (project sheets) to objective-level planning, which can result in more cohesive, strategic and sector-focused planning • A clearer ‘whole picture’ estimate of resource needs, unobscured by multiple projects of different scales and scopes of coverage • For rapid deterioration of crisis where activity costs are benchmarked • More ‘needs-based’ costing, which may be more credible and transparent than project-based costing • Unit costs can be a useful diagnostic tool for project management • More credible plan may attract more funding (evidence on this is not clear) 	<ul style="list-style-type: none"> • Potentially greater administrative burden on clusters/OCHA/FTS, for which capacity is not consistent (for FTS capacity would need to be scaled up if ABC was to be rolled out in more countries with currently only two data entry people covering the whole world) • Loss of recent advances in quality control, such as the gender marker • Opportunity cost of a new approach when current approach is improving; SRPs are more credible due to cluster vetting • ABC could be just as prone to inaccuracy due to over-estimates/ inconsistencies of unit costs • Estimates take considerable work to make robust, could be abused by donors • Agency HQs concerned that removing or deferring projects reduces their leverage on country offices • Loss of government engagement in the process, if they no longer have a role vetting projects in the clusters • Loss of transparency, if projects were not later uploaded to FTS or OPS (and a lack of incentive to do so if funding is received prior to submitting project sheets) • Lack of transparency if costing assumptions are not published • Loss of visibility of NGOs to donors in the appeal documents
Project-based costing	<ul style="list-style-type: none"> • Established systems which are globally understood and coherent • Visibility of projects to donors may be easier to fund • Linked to country-based pooled funds • Allows cluster and HQ vetting and prioritisation of projects • Makes activity and financial tracking easier • Gender marker can be used 	<ul style="list-style-type: none"> • Can lead to inflated requirements estimates • Can be more time-consuming, especially for large crises • Do not include all actors (e.g., Red Cross/Crescent, MSF) nor all activities of participating actors • Does not take into account capacity to implement or division of labour

Overall, ABC countries offer useful experiences that suggest that current processes could be improved to strengthen cost estimates through incorporating elements of ABC. The key questions are (1) whether the additional work involved (if any) justifies the potential added value and (2) how universally applicable the approach is, or where it is best suited.

In addition to the six existing countries, others are discussing incorporating elements of activity-based costing. Lessons learned from the pilots to date and future exercises should be analysed to continue maximising the potential of the activity-based costing approach. The following themes emerged from the case studies, suggesting common prerequisites of

approaches that would add value, and issues that need to be addressed in terms of capacity and support.

- **Strategic planning is supported by activity-based costing**

On the most practical level, the elimination of project sheets to be prepared, submitted, and reviewed in the run-up to the SRP has the effect of creating more time and 'headspace' for higher-level strategic planning among cluster partners. ABC is a logical companion in the preparation of SRPs as it attaches an overall price tag to the response. This helps agencies and donors to quantify the resources required at a gross level before detailed plans are developed, for resource mobilisation planning and prioritisation between crises.

- **Sector-based 'project' tracking is needed in some form**

While the removal of upfront project planning has been one of the key gains in reducing workload for agencies involved in SRPs, projects are needed in some form to allow activity and financial tracking for cluster and donor coordination. This can range from minimal, as 3Ws (who is doing what where) activity tracking through clusters, to detailed, as project proposals with indicators and budgets. The latter may still represent some time-saving, though not much if all parts of the process are included, as work may just be transferred to someone else –the process of cluster vetting often represents the burden that agencies find challenging as much as preparing documents. A 'projectless' HPC is hard to imagine even if an SRP itself is projectless. The timing of projectisation is what varies, along with the level of effort involved in preparing specific documents and cluster vetting.

In addition, the presence of a CHF/ERF has major implications for how projectisation happens, as these funds require proposals to be submitted for appraisal by clusters/review committees. A coordinated approach, which harmonises formats between the plan and CHF as in South Sudan, is one way to reduce the burden.

- **Transparency of and consistency in costing methods is needed, taking into account cluster differences**

ABC methods are currently very inconsistent, lacking technical depth, credibility and transparency in data sources and assumptions. This weakens their ability to convince stakeholders of their merits and their value as support to planning and resource mobilisation. This applies to both estimates of affected populations and the unit costs of responding to their needs. The issue is both in generating costing estimates and in communicating the margins of error based on the quality of data sources.

The burden on clusters is greater given that they are developing methodologies for ABC in their own ways. Many examples of good practice could be shared more widely. Global clusters could theoretically play a useful role in supporting standard approaches, but here again capacity to undertake such a task varies. This is particularly the case for clusters that tend to be less well-resourced and where the technical challenges to unit cost approaches are greater (e.g., protection compared to shelter). For 'service' clusters, good reasons exist to take approaches that differ from activity-based costing.

- **The process of introducing new approaches is very important, giving sufficient time and support and tailoring to context to allow buy-in**

OCHA produced guidance on the pros and cons of the different options to introducing activity-based costing, which are broadly in line with the analysis in this review. However, the consistent feedback during this review was that its introduction was not well handled. At the global level, IASC partners did not feel consulted and were not clear on the problem to be addressed; there were low levels of knowledge of the different ways in which activity-based costing has been used, and different variants. At field level, both OCHA and HCT partners felt the guidance was insufficient, and the timelines too ambitious, for implementation to be feasible.

The knock-on consequences of introducing the approach meant that it tended to be rolled out and spearheaded by individuals with direct experience or significant knowledge of the approach in a prior setting (often DRC or Afghanistan). As Zimbabwe demonstrated, the approach is a sufficiently major modification that a broad spectrum process of change to the new system is needed to ensure that everyone – from donors to clusters to government partners – is consulted, briefed and supported over time.

Global and country level clusters will need to ‘own’ ABC much more than they currently do if it is to be an effective coordination method. In countries where it has recently been introduced, the learning curve is still steep and participants said that initially it was something they were doing ‘to please OCHA’, and they only later realised the benefits to the cluster and the response as a whole.

- **Capacity of OCHA and cluster needs to be assessed and supported**

OCHA capacity in country and at headquarters to support the process is crucial. The lack of this capacity has been linked to slow or unsuccessful introduction of this and other initiatives. This capacity needs to include detailed and practical guidance, training or facilitation and follow-up through HPC support missions.

Furthermore, cluster capacity to undertake cluster-based activity costing needs to be boosted, particularly in the early phases as the new approach is introduced. Clusters are already overloaded with activities. It is appropriate that they be given freedom to design their own methodology for activity costing, but this implies a time investment in developing appropriate approaches. Global clusters may have a role here, and so might OCHA, in suggesting generic principles and providing examples of good practice from other crises.

Information management capacity is an important ingredient, particularly in situations where projects are eliminated but need to track funding and activities still exists. This applies to both clusters and OCHA.

- **A better reflection of donor needs is critical**

Donor requirements need to be built into any reworking of the system. Understanding what donors need and when to make timely and appropriate pledges and commitments continues to be insufficient. Further clarity from donors on critical elements of SRPs in terms of content and timing would be useful. The case studies show that the right information needs to be available to coincide with donor funding cycles.

Broadly speaking, this means having headline figures available in November or December – although not all donors follow this timing, so the predictability of knowing when the figures will be available is as important as the precise point in the year they appear. Donor tracking of funding is also important as they consider gap filling. This feeds through to agency planning where, if agencies can be confident of funds arriving, they can continue activities unabated, for

example by using internal reserve mechanisms or CERF (for UN agencies), even if there is a gap in timing.

- **Implications of ABC for HPC systems and tools are significant**

The tough nut to crack in existing ABC countries is how to handle the need for projects – as discussed above. Many interviewees felt that current tools, in particular FTS and OPS, are not suited to the accessible, flexible needs of different costing regimes, as they were not designed with this in mind. FTS was seen as more robust than OPS in terms of underlying architecture, but had developed incrementally so that it did not work in a consistent or reliable way. OPS by contrast, was seen as having a fragile underlying architecture that was not liked by users and was fragile if adaptations were needed. Further exploration of modifications or replacements to suit agreed HPC approaches would be worthwhile.

- **Tailoring to different contexts is needed**

A key question is whether the IASC ultimately moves towards activity-based costing as a standard, global approach. The experience to date suggests that more needs to be done to develop better awareness and technical guidance to achieve a fully working model. The question then is whether the specifics of each context make standardising it even possible. On the other hand, managing a process that is locally driven and varies by context will be a challenge for OCHA and donors alike.

A rapid-onset crisis in a context with established unit costs lends itself to quick costing estimates which ABC could provide. In a new rapid onset crisis without established clusters, agencies would struggle to generate credible figures, although this could be a way to generate indicative amounts for an initial plan if further work was done.

In a protracted crisis, a more critical factor is the size of the crisis and whether clusters have experience and capacity (including IM) to manage the strategic discussions and activity tracking. Case study country interviewees had varied views on wider applicability of the activity approach.

Seasonality is also a critical factor in terms of timing and sequencing. South Sudan shows that early cluster strategy discussions can precede project submission even where there is a tight timescale before critical seasonal events.

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Annex 2: People interviewed

Headquarters

OCHA

David Goetghebuer, OCHA CHAP Section, Geneva

Robert Smith, OCHA CHAP Section, Geneva

Paul Handley, OCHA HCSS, Geneva

Julie Thompson, OCHA FTS, Geneva

Lisa Doughten, CERF Secretariat, OCHA New York

Michael Jensen, CERF Secretariat, OCHA New York

Yuka Hasegawa, CERF Secretariat, OCHA New York

Andrea De Domenico, FCSS, OCHA New York

WFP

Darlene Tymo

Maria Sfarra

Giancarlo Cirri

David Matern

Other

Patty McIlreavy, Interaction

Andre Griekspoor, WHO

Sandra Aviles, FAO

Global cluster coordinators

Protection

Nicole Epting

Sarah Khan

Alexandra Krause

Early recovery

Jahal de Meritens

Food security

Graham Farmer

Cyril Ferrand

Nutrition

Josephine Ippe

Emergency telecommunications

Martin Kristensson

CCCM (Conflict)

Kimberly Roberson

Shelter

Graham Saunders

WASH

Paul Shanahan

Logistics

Thomas Thompson

Donors

Sheila Ahmed, Peter D'Souza, Nick Harvey, DFID

Country case studies**Afghanistan**

Aidan O'Leary, OCHA

Dominic Parker, OCHA

Janet O'Callaghan, OCHA

Ramon Shinkfield, OCHA

Jessica Bowers, OCHA

Farshad Tami, FSAC cluster coordinator

Elham Monsel, Nutrition cluster co-lead

Gwendoline Mensah, Protection cluster co-lead

Bo Shack, UNHCR

Olivier Rousselle, ECHO

Asa Piyaka, Caroline Haskins, USAID/OFDA

Zaman Raffiei, DFID Humanitarian Team Leader

Tage Zeineldin, SIDA

NGOs

Justine Piquemal, ACBAR

Kyriakos Giagli, DRC

Liz Cameron, Oxfam

Prasant Naik, NRC

Martin Rosselot, ACF

Zeenat Garowai, ACTED

Mohammed Wakil and Ed Shea, CARE

Gherardo Pontrandolfi, ICRC

Nigel Jenkins, IRC

CAR

Daniel Christensen, OCHA

Christian Cricboom, OCHA IMU

Andrew Cusack, CCCM cluster coordinator
Karine Deniel, WASH cluster coordinator

DRC

Steven Michel, Shelter NFI co-lead
Giulia Frontini, Shelter NFI NGO/Goma co-lead
Brigitte Pedro, WASH cluster
Anne Furubom-Gutter, Embassy of Sweden

Haiti

Claudia Rodriguez, OCHA
Eddy Felix, Nutrition cluster
Segolene de Beco, ECHO
Neil Barry, DFID

Yemen

John Ratcliffe, OCHA
Marius Campean, OCHA
Emma Fitzpatrick, FSAC coordinator
Federica Dispenza, ER cluster coordinator

Zimbabwe

Marcel Vaessen, OCHA
Fernando Arroyo, OCHA
Luke McCallin, OCHA CHAP Section
Paul Thomas, OCHA

oPt

Ramesh Rajasingham, OCHA
Alicia Burke, OCHA
Paul Skoczylas, WFP/FSAC
Ziyaad Lunat, Save the Children

South Sudan

Catherine Howard, OCHA
Thomas Nyambane, OCHA
Oliver Wright, WASH Cluster co-lead

Annex 3: Full survey results

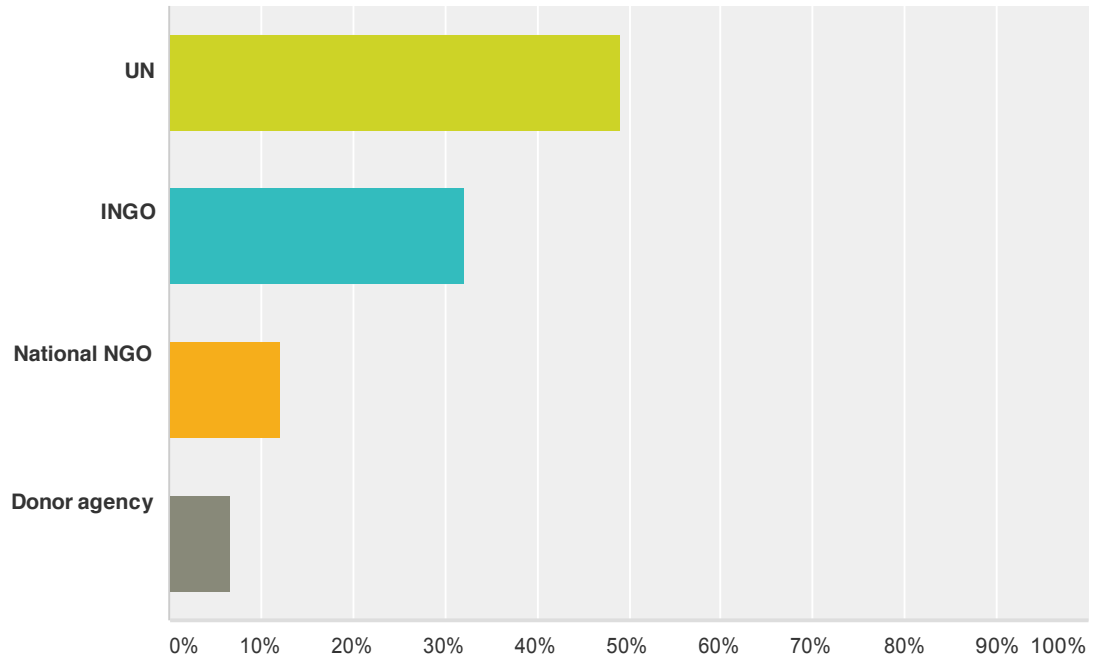
Q1 In which country do you work?

Answered: 149 Skipped: 0

South Sudan	21
Philippines	19
Afghanistan	17
oPt	15
DRC	10
Haiti	10
MALI	9
Pakistan	9
Sudan	6
Global/HQ	5
Burkina Faso	4
Senegal	4
Yemen	4
CAR	2
Mauritania	2
The Gambia	2
Ethiopia	1
Gambia	1
Georgia	1
Jordan	1
Kenya	1
Nigeria	1
Regional Asia and Pacific	1
Sierra Leone	1
Somalia	1
Zimbabwe	1

Q2 What is your organizational affiliation?

Answered: 149 Skipped: 0



Answer Choices	Responses
UN	48.99% 73
INGO	32.21% 48
National NGO	12.08% 18
Donor agency	6.71% 10
Total	149

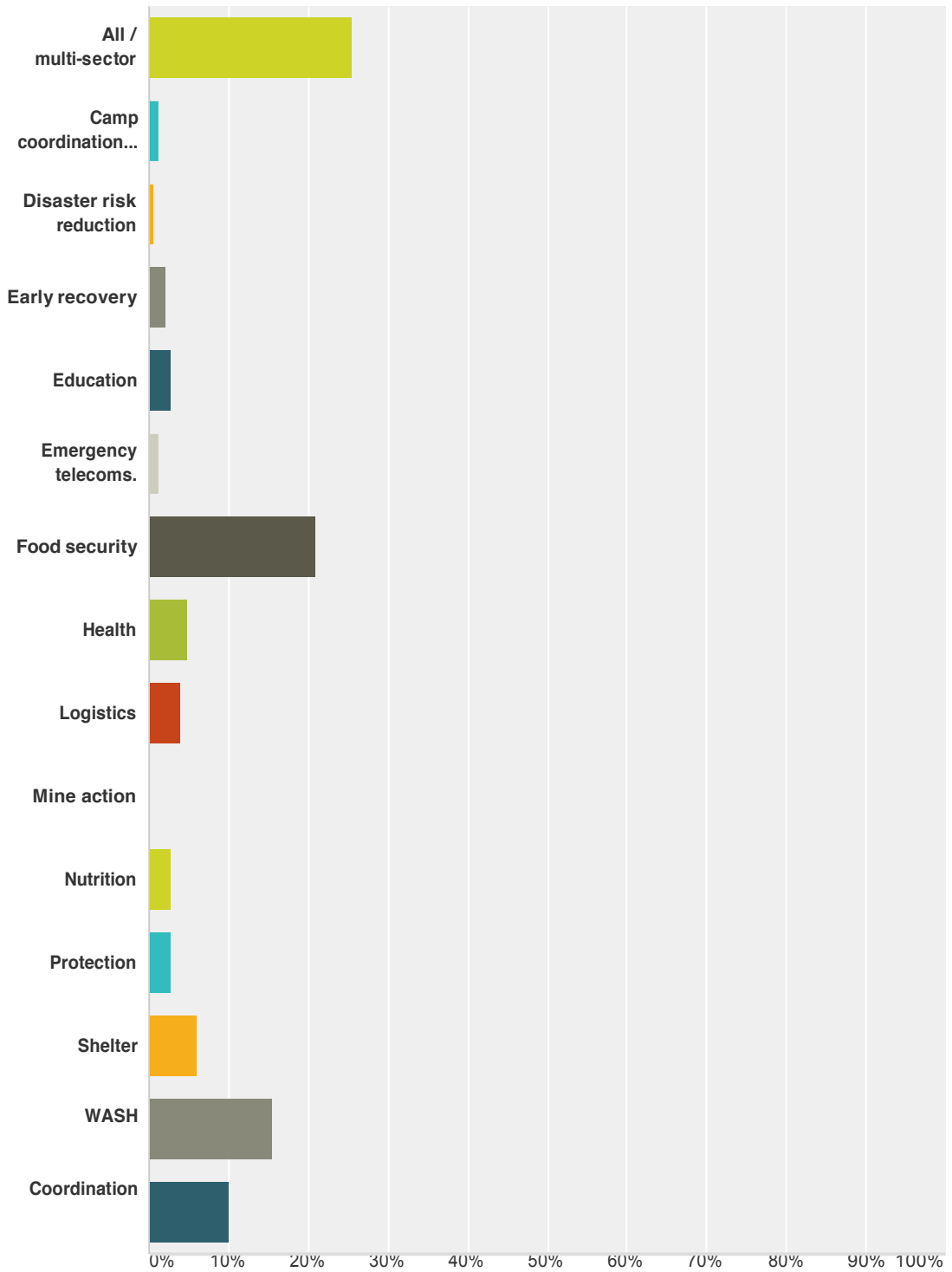
Q3 Agency/organisation name (optional)

Answered: 92 Skipped: 57

OCHA	12
WFP	11
FAO	10
UNICEF	8
Catholic Relief Services	3
Norwegian Refugee Council	3
DFID	2
Save the Children	2
Swiss Development Cooperation	2
Afro-Canadian Evangelical Mission.	1
Aga Khan Health Service	1
Agency for Technical Co-operation and Development (ACTED)	1
Australia	1
AWODA	1
Care of Afghan Families (CAF)	1
Church World Services – Pakistan/Afghanistan	1
Danida	1
East Eagle Foundation	1
Global Communities	1
Goth Seengar Foundation (GSF) -Sindh	1
Habitat for Humanity Philippines	1
Help Restore Youth South Sudan (HeRYSS	1
IFRC	1
IOM	1
Islamic Relief	1
LeyteSamar Rural Development Workers Ass'n (Labrador), Inc.	1
MEDAIR	1
Mercy Corps	1
Mundri Active Youth Association (MAYA)	1
Nile Hope	1
ONG Assistance-Education (AED)	1
OXFAM	1
PANAMERICAN HEALTH ORGANISATION	1
People in Need	1
Qatar Charity	1
Ruth Georget/ILO	1
Sindh Rural support Organization sukkur	1
SOLEIL DU MONDE INTERNATIONAL	1
SPEDP	1
UN RCO	1
UNHCR	1
UNOPS	1
UNRWA	1
WHO	1
World Vision International	1
YMCA	1
Solidarites International	1

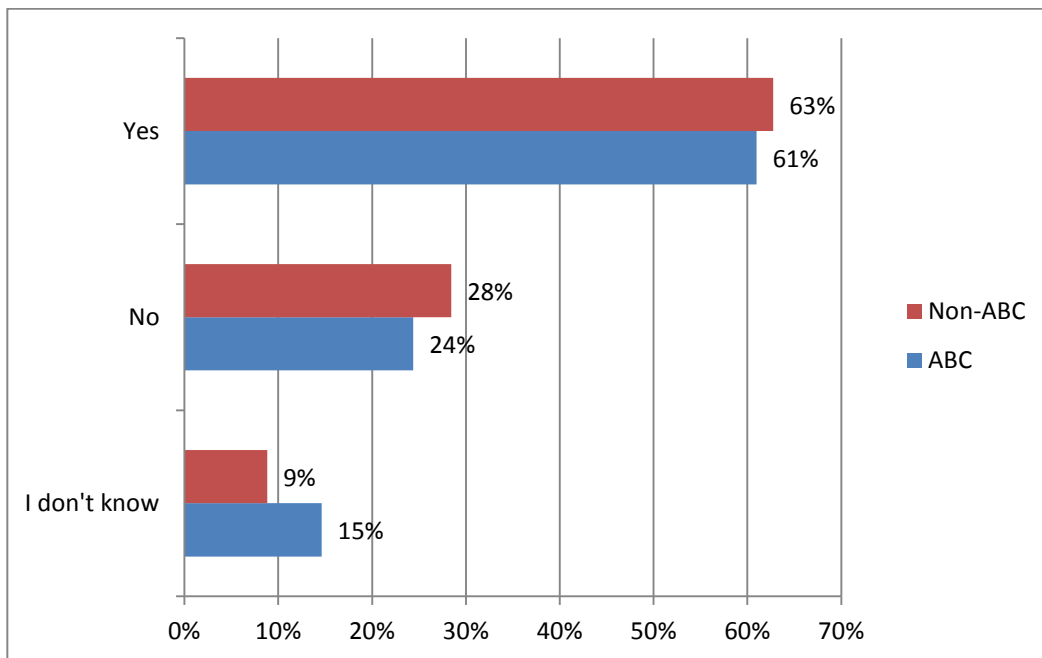
Q4 In which Cluster or area of work are you principally involved? (Choose 1)

Answered: 149 Skipped: 0



Q5 In your opinion did the last appeal in your setting realistically estimate the affected population numbers?

Answered: 144 Skipped: 5

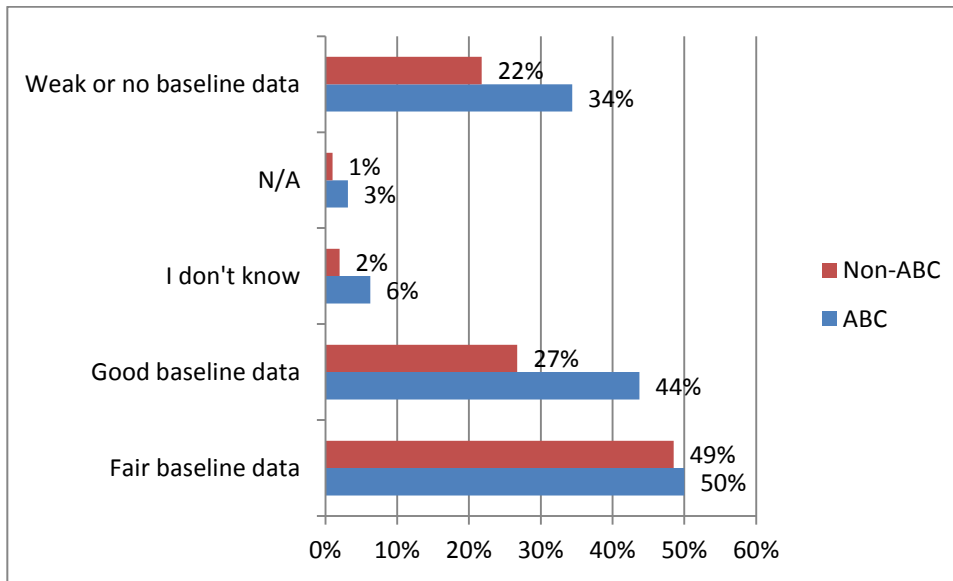


A:

There was no significant difference in how well affected population numbers were estimated between ABC versus non-ABC countries, according to respondents' perceptions.

Q6 Did your sector/Cluster have:

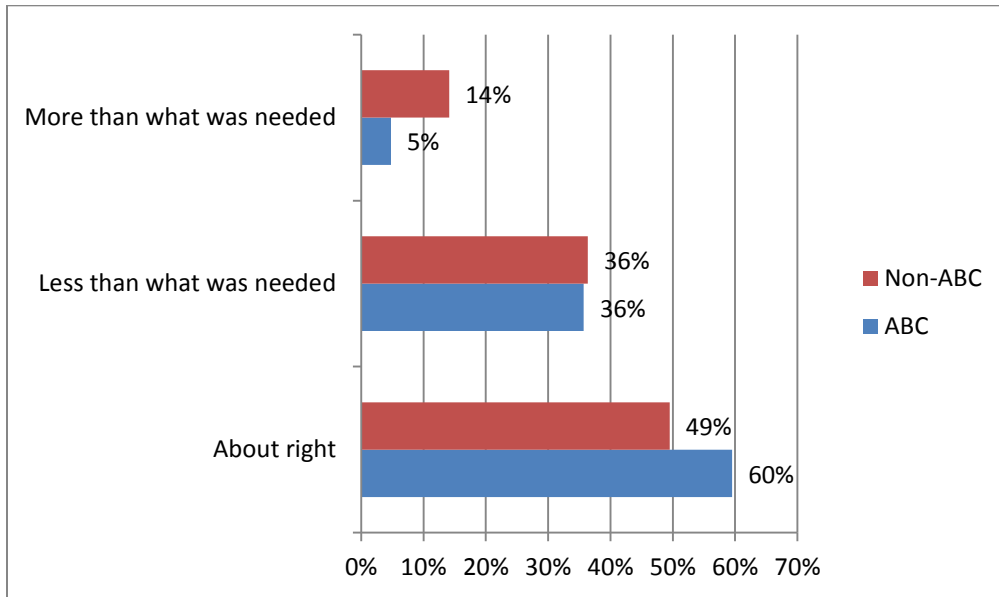
Answered: 145 Skipped: 4



A:

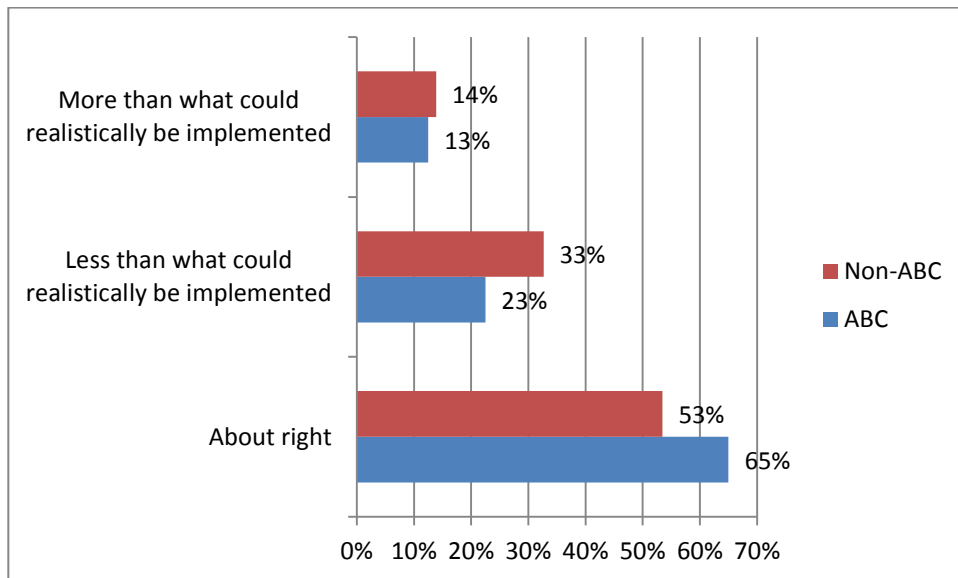
ABC countries reported slightly better baseline data overall, but also a higher proportion of contexts with very poor baseline data

In your opinion, was the total amount requested for your Cluster in the appeal:



A:

ABC countries reported greater confidence that the costs in the appeal were closer to what was needed, compared to non-ABC countries, which showed a significantly higher 'inflation' of asks

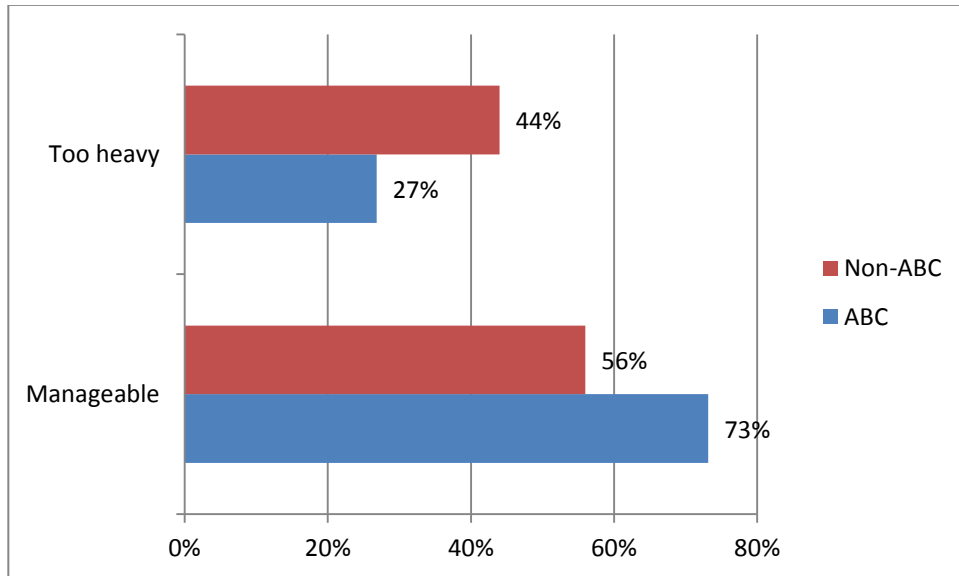


A:

ABC country cluster representative felt the costs in the appeal more closely reflected what could be realistically implemented, compared to non-ABC countries.

How was the workload for the appeal process (on agencies and NGOs)?

Answered: 141 Skipped: 8

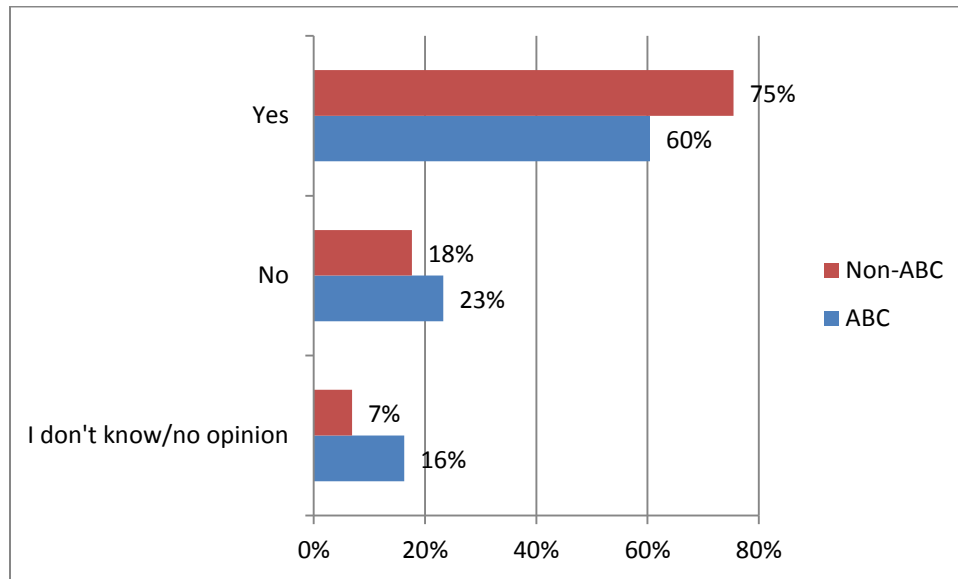


A:

While most country respondents overall felt the administrative load associated with the appeal was 'manageable', a considerably greater percentage of non-ABC country respondents reported that the administrative burden of the appeal was 'too heavy' compared to non-ABC countries.

Q10 Were the activities presented in the appeal meaningfully prioritized as part of a response strategy?

Answered: 145 Skipped: 4

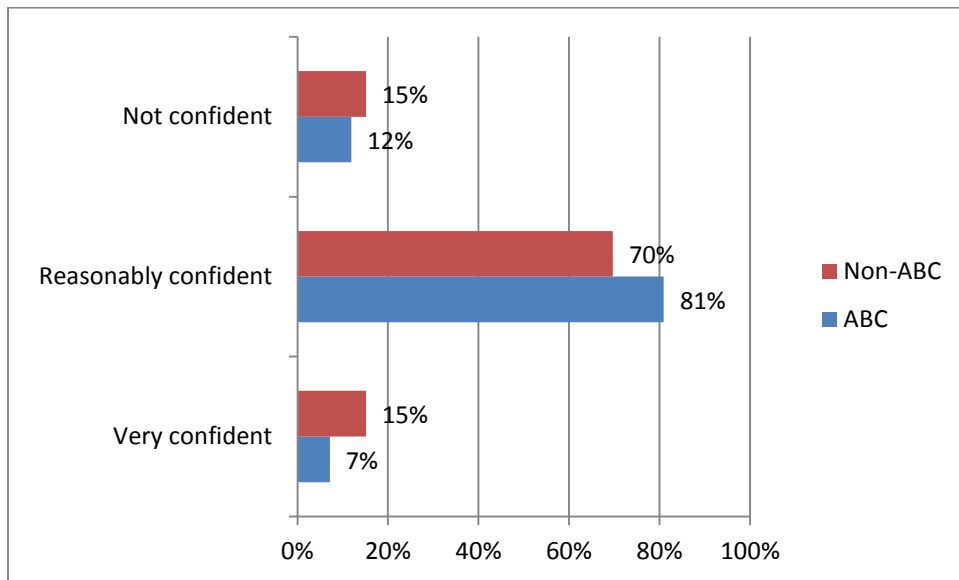


A:

ABC countries had weaker confidence than non-ABC countries that a coherent strategy was presented in the appeal with activities appropriately prioritized

Q11 Overall, how confident are you with the figures presented in the appeal?

Answered: 141 Skipped: 8













A:

ABC and non-ABC countries had comparable confidence in the figures in their appeal, with 88% of respondents in ABC countries reporting feeling reasonably or very confident, and 85% of non-ABC countries saying the same.

Annex 4: Example details of ABC appeals

DRC: Total persons in need and estimated cost of cluster response plan (from SRP 2014)

	Personnes dans le besoin (en milliers)	Personnes ciblées (en milliers)	Coûts (en millions de \$US)
 Abris et articles menagers essentiels	3 647 000	2 326 000	80 149 215
 Sécurité alimentaire	6 356 000	4 0767 000	256 250 208
 Eau hygiène et assainissement	33 255 000	9 200 000	70 639 045
 Santé	15 200 000	13 300 000	75 000 000
 Education	3 900 000	800 000	57 821 830
 Nutrition	5 800 000	783 000	89 074 023
 Protection	3 330 000	3 330 000	65 773 590
 Logistique	N/A	N/A	60 734 754
 Réponse aux besoins spécifiques des réfugiés	326 000	326 0000	58 654 585
 Coordination			18 000 000
TOTAL	N/A	N/A	832 097 250

DRC: NFI/Shelter cluster excerpt of SRP estimated response budget showing unit costs (from SRP 2014)

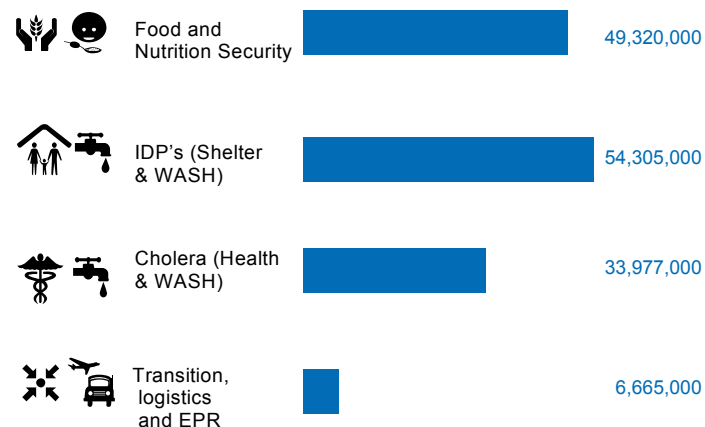
AME-NFI

Crises humanitaires	Activités	Population ciblée (personnes)	Coût unitaire (USD)	Total (USD)
Activités prioritaires				
	AME / NFI			
	Activité 1a - Kit Standard	331 549	28	9 283 084
	Activité 1b - Kit Essentiel	378 823	17	6 405 998
	Activité 2a - Foires Standards	608 851	25	16 746 274
	Activité 2b - Foires Essentiel (Familles d'Accueils)	127 396	18	2 293 128
	Activité 3 - AME Spécialisés aux Individus *	30 712	50	1 535 581
	Activité 4 - Renouvellement AME			
	* population ciblée pas inclus dans les totales car attente que les ménages de ces individus étaient aussi ciblés			
	Sous-Total AME/NFI	1 505 619	24	36 264 061
	ABRIS d'URGENCES			
	Activité 1 - Matériel de Renforcement d'Abris	222 518	5	1 112 572
	Activité 2 - Kits d'Abris d'Urgences	178 431	26	4 639 210
	Activité 3 - Abris Essentiels / Appui Abris Fam. d'Acc.	105 546	50	5 277 284
	Activité 4 - Abris Transitionnels	22 710	140	3 179 428
	Sous-Total Abris d'Urgences^A	529 205	27	14 208 494
	SOUS-TOTAL Conflit avec Violence - Activités Prioritaires			50 472 555
	^A pas inclus dans le total car attente des ménages ciblés pour Abris était aussi ciblé pour AME			

Haiti HAP 2013 Costings by objective

REQUIREMENT PER OBJECTIVE (en million USD)

144,267,000 millions USD



Excerpt from Nutrition element of Strategic Outcome 3 of Haiti 2014 HAP



Sector lead agencies	UNITED NATIONS CHILDREN'S FUND (UNICEF) Government Counterpart: MSPP
Funds required	\$ 6,500,000
Contact information	Eddy Daniel FELIX, Nutrition Specialist (UNICEF) (edfelix@unicef.org)

Outputs	Indicators	Key activities	Number of beneficiaries	Estimated Funding (\$)
Children U5 with Severe Acute Malnutrition receive timely quality care - At least 70% of estimated caseload (17,000) of severe acute malnutrition in children 6-59m admitted to USN or PTAs.	<ul style="list-style-type: none"> Community mobilization facilitated by partners: <i>Number of children 6-59m old, screened for acute malnutrition), number of defaulters being followed by an health agent in the community;</i> <i>Number of children with SAM admitted to USN or PTAs.</i> 	<p>Top Priority Activities</p> <ul style="list-style-type: none"> Procurement of supply : therapeutic foods, essential medicines and anthropometric equipments Training of community health workers Strengthen the technical capacity of health institutions in the management of SAM. Active case finding by community health workers. Timely and adequate monitoring and reporting of programmatic data at departmental and National levels 	17,000 for children with SAM 350,000 6-59 month children screened	2,500,000

Figure: Nutrition summary from Zimbabwe 2012 CAP

4.5.3 Nutrition

Summary of cluster response plan

Cluster lead agency	UNITED NATIONS CHILDREN'S FUND
Co-lead	MINISTRY OF HEALTH AND CHILD WELFARE (National Nutrition Department)
Cluster member organizations	Batanai HIV/AIDS Service Organization, Beacon of Hope & Joy Trust, Bio-Innovation, CADEC, CADS, CAFOD, CARE, CCORE, Clinton Health Access Initiative, Child and Guardian Foundation, CPS, CRS, Concern Worldwide, CPT, Christian Care, Crown Agents, Cultiv Agro Zimbabwe, Dananai Child Care, DAPP, FACT- Rusape. FCTZ, FEWSNET, FAO, NFC, Global Heritage, Goal, HKI, Help Age, Hilfswerk Austria International, HIFC, ICRAF, IMC, IOM, ISL Trust, Island Hospice, Jubilee Empowerment Trust, MedRA, NAYO, OPHID Trust, Oxfam, PENYA Trust, PI, Prison Friends Network, SC, Shalom Children's Home Trust, Thamaso Zimbabwe, UNICEF, Upenyu Health Group, UMC, University of Zimbabwe, Value Addition Project Trust, WFP, WVI, ZAPSO, Zimbabwe Orphans Support Through Extended Hands, ZVITAMBO
Number of projects	3
Cluster objectives	1. To reduce acute malnutrition-related morbidity and mortality in disaster-prone areas/disaster-affected men, women, boys and girls. 2. To prevent acute malnutrition among disaster-affected boys and girls, through improved infant young child feeding (IYCF) and caring practices.
Number of beneficiaries	123,000 (of which over 8,000 acutely malnourished, 15,000 moderately malnourished, about 50,000 mother/care taker and infant/child pair benefit from preventive IYCF interventions).
Funds required	\$5,600,000
Contact information	Tobias Stillman - tstillman@unicef.org ancikaria@yahoo.com

Disaggregated number of affected population and beneficiaries

Category of affected people	Number of people in need			Targeted beneficiaries		
	female	male	total	female	male	total
Acutely Malnourished	5,604	5,173	10,777	4,268	3,939	8,207
Children under five	520,000	480,000	1,000,000	7,800	7,200	15,000
Women of reproductive age	3,000,000		3,000,000	75,000	25,000	100,000
Total						123,277