

Improving the costing of HRPs

Presentation to the Global Food Security cluster partners

Rome, 12 December 2017

In June 2017, the IASC Principals have endorsed that humanitarian country teams could cost their humanitarian response plans either by Unit based, or Project based costing

Project based

Unit based

Historically used in most HRP countries

At first chosen for its expected simplicity

Each Agency presents their requirements, by project

Budgets are aggregated by cluster

Cluster coordinators /committees vet the projects

More complex than it appears

Requirements of the HRP are presented by Agency, Cluster, Project

Involvement of cluster members not evident

Seen as un transparent by some - room for improvement

Lack of clarity about methodology

A brief overview

2006

- DRC pilots first unit-based HRP

2013

- OCHA attempts to make unit-based costing the standard - IASC rejects the proposal.

2014-2017

- Informal, then formal IASC discussions and creation of the IASC endorsed Costing Group
- June 2017: endorsement of both methodologies

Current situation and next steps

- ▶ The endorsed paper includes a preliminary guidance explaining the methodologies, pros and cons, and prerequisites
- ▶ It misses the “HOW” HCTs should do costing.
- ▶ The Costing Group is tasked with filling that gap, in consultation with the Global Cluster Coordinators
 - ▶ A questionnaire is being developed and will be shared with the GCCs
 - ▶ It will include general, and cluster specific questions
 - ▶ It focuses both on unit based, and project based costing
 - ▶ GCC consultations have started
 - ▶ The Costing group will compile into simple tip sheet
 - ▶ Dissemination of the tip sheet in time for the 2019 HRP cycle

Main questions still pending

- ▶ A review of the effectiveness of unit based costing should be done once there is enough matter for a study. In particular in terms of fundraising, enhancing (perceived) transparency, tracking of funding.
- ▶ For unit-based costing - what is a unit?
- ▶ What are the common issues and challenges when it comes to costing?
- ▶ What are cluster specific challenges that need specific guidance?