

Approaches for Nutrition Costing and Financial Tracking in SUN Countries

The need to better cost and track nutrition funding in low- and middle-income countries has been recognised as a priority since the inception of the Scaling up Nutrition (SUN) Movement and continues to be central to ensuring that investments in nutrition are not just well accounted for but also directed to their best effect. Costing and tracking of nutrition investments are not only important for policymakers but also for citizens, the private sector and donors. **The purpose of this guidance brief is to summarise a collection of approaches and tools that can be used by countries at the national or subnational level to cost national nutrition plans (NNPs) and budgets and track financial resources for nutrition.**

As is shown in Error! Reference source not found. and described in this guidance brief, financial tracking is a cyclical, iterative and evolving process that naturally improves as plans are refined, data are improved, outcomes are reported and stakeholders become accountable for decisions and actions. Costing of national and subnational plans generally occurs near the beginning of the planning and implementation cycle, whilst financial tracking occurs throughout the cycle. 'Costing', for the purposes of this guidance brief, is used for estimating resource requirements and for budgeting, not for technical efficiency or economic evaluation.

Several costing and financial-tracking methods and tools are presented herein, highlighting budget analysis in particular because it has been shown to be a simple but effective tool for SUN countries to begin looking at their nutrition finances. This brief also reviews challenges with costing and financial tracking for nutrition, along with some options and recommendations for proceeding in a realistic manner.

Nutrition Costing Methodologies

For the purpose of this guidance brief, 'costing for nutrition' is the estimation of the value of resources required for nutrition services in a given setting, such as nutrition-specific or nutrition-sensitive interventions or programmes at the country level. Budgeting, on the other hand, values the resources or the nutrition services or programmes that are within a funding allocation. Narrowly defined, the budget is the government's forecast of revenue and planned expenditure, usually provided on an annual basis. Nutrition activities may be spread across various government-sector budgets, such as health, agriculture, education, social protection and water, sanitation and hygiene (WASH). This section focuses on costing for the purposes of financial planning and resource-requirement estimation, as well as budgeting and price setting. The former may include such things as informing budgets for national planning (NNP or CRF), whilst the latter may be used for predicting expenditures by budget holders, budget setting by managers and setting prices for specific services. This is distinct from research to compare intervention costs with output and outcomes and from economic evaluations such as cost-benefit analyses.

There are a number of possible approaches for estimating costs. One common way to categorise costing estimates is by top-down and bottom-up approaches. Top-down approaches are done by disaggregating high-level expenditures into cost categories or facilities, whilst bottom-up approaches aggregate individual cost elements.¹ Bottom-up costing approaches are generally more time intensive but have the advantage of providing more detailed, accurate and reliable cost estimates.¹ Ultimately, the decision about which costing approach to use is contextual and based on the amount of time, resources and data available. In many cases, a mix of different costing approaches is used; however, examples from country-level costing exercises for planning and budgeting and a review of methods used in models/tools appear to favour bottom-up approaches.

Figure 1. SUN planning and implementation cycle.

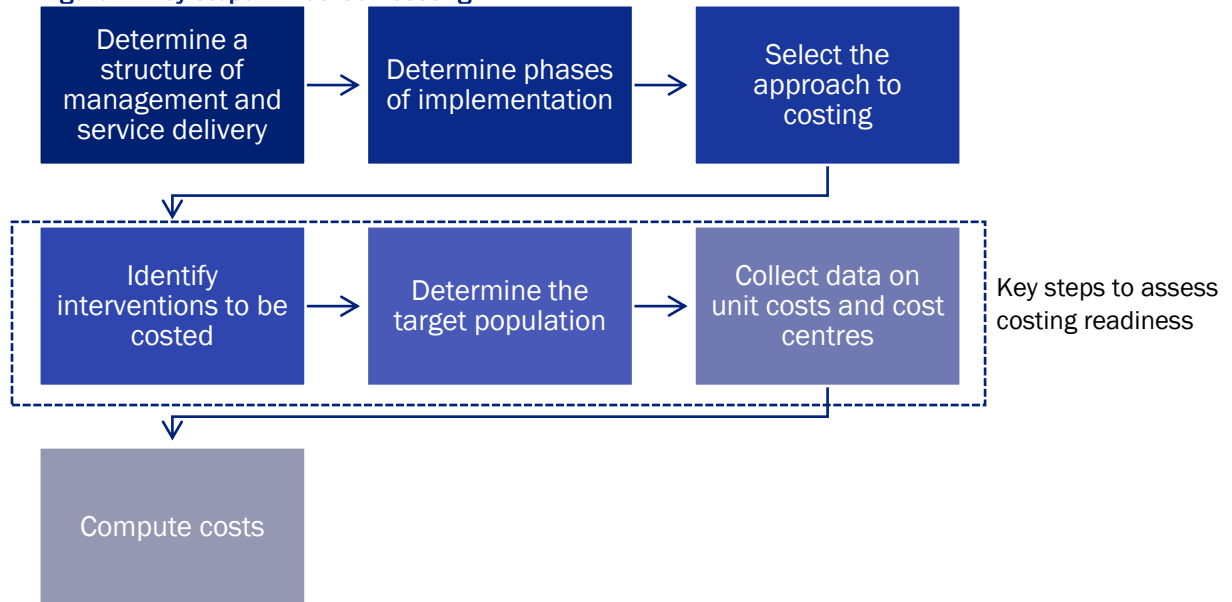


A common method of data collection for bottom-up costing is the ingredients-based approach, an approach often used for various types of planning. The ingredients-based approach estimates the quantity and price of all the resources needed for a given intervention or programme.¹ Another bottom-up approach commonly used in costing tools and for clinical services is activity-based costing (ABC).^a ABC is a more nuanced form of ingredients-based costing and assesses costs of activities identified for each service, or 'priority area', and objectives in a multisectoral nutrition plan. ABC first establishes a comprehensive list of 'cost centres', which are the categories of the activities and interventions to be undertaken, and it is important that they are mutually exclusive to avoid double counting. A related approach that is not usually classified as either top-down or bottom-up is to take the costs that exist for a current, similar programme and make relevant adjustments.² Multiple costing approaches can be used or combined for a more nuanced or tailored method.

Regardless of the method or approach used, Error! Reference source not found. highlights the steps that are most appropriate for costing financial plans and budgeting at the country level and further identifies the three key steps for assessing costing readiness.^{3,4}

^a Note that costing approaches have been defined and described in various ways in the literature. Some references describe ABC as a bottom-up approach whilst others describe it as a hybrid form of micro-costing that is not strictly bottom-up or top-down.²³

Figure 2. Key steps in nutrition costing.



Source: Adapted from USAID³ and MQSUN⁺.⁴

A Maximising the Quality of Scaling Up Nutrition (MQSUN) guidance note on costing finds several important elements to consider for guiding the costing process.⁵ The note highlights that costs should be based on the actual cost of delivering the interventions and that the following information should be included:

1. Clear and exhaustive understanding of each action in the plan.
2. Implementation targets for specific actions in the plan.
3. Target coverage.
4. Current implementation and spending.
5. Recurrent and other costs.
6. Shared (indirect) costs.

Whilst much of the nutrition costing guidance consists of nutrition-specific interventions, the MQSUN guidance note on costing attempts to lay out some of the issues for nutrition-sensitive costing. Nutrition-sensitive interventions will likely be more difficult to cost since they are more distal to the nutrition outcomes. They can consist of interventions that are subcomponents of larger interventions or parts of wider/integrated programmes. Not all nutrition-sensitive activities may be directly related to nutrition; therefore, consultations and assumptions will be needed to decide which activities are nutrition relevant and, thus, need to be costed. Further, there are several principles that should be adhered to when undertaking costing: *the costs should be transparent, exhaustive, user driven (consultative with stakeholders) and iterative.*

Costing Tools

Costing exercises can be conducted either from scratch or with available costing tools. Error! Reference source not found. 1 describes various tools that can be used for strategic planning, costing and, in some cases, budgeting and tracking. They may be explicitly focused on costing, or they may include a costing component or module. Whilst the scope of many of these tools is focused on the health sector, they also include a nutrition component (most commonly a nutrition-specific one) or can help cost and track nutrition-related activities or interventions, depending on the relevant sector (e.g. health, social protection, WASH, education, agriculture). The potential users vary by tool but may include planners at national, subnational and district levels. It is important to note that many of these tools require training prior to use, and default data may be outdated and need review and updating by users to improve accuracy and applicability to the country context.

Table 1. Tools for planning and costing with a nutrition component.

Tool	Description	Scope	Costing Approach	Things to Consider
Strategic Planning and Prioritisation Tools				
Lives Saved Tool (LiST)	A software tool that estimates the financial and human resources required to deliver a package of services and can evaluate intervention scenarios based on the impact on maternal and child mortality and morbidity and the cost associated with delivering the package of services.	Includes more than 70 maternal, newborn and child health and nutrition interventions; was updated for increased use in the nutrition community; includes stunting, wasting and some specific nutrition outcomes (low birth weight and maternal anaemia).	Ingredients-based approach.	<ul style="list-style-type: none"> • Is mainly an impact tool for planning, evaluation and advocacy. • Includes high-impact interventions. • Links with OneHealth.
World Health Organization OneHealth Tool	A software tool for government planners that determines the financial costs associated with activities and targets outlined in a health plan and assesses estimated health impact.	Includes reproductive, maternal, newborn and child health; vaccination; malaria; tuberculosis; HIV/AIDS; nutrition; and water, sanitation and hygiene (WASH).	Ingredients-based approach which multiplies quantities by prices.	<ul style="list-style-type: none"> • Includes sector-wide planning, such as scenario and bottleneck analysis, programme costing, health impact analysis, budgeting and financing of strategies. • Links to health targets. • Links with impact models (such as LiST).
United Nations Children's Fund (UNICEF) Equitable Impact Sensitive Tool (EQUIST)	A web-based free-access, analytical platform designed to help decision-makers develop equitable strategies to improve health and nutrition for the most vulnerable children and women.	Includes high-impact reproductive, maternal, newborn, child and adolescent health and nutrition interventions.	Incremental costing based on 'Marginal Budgeting for Bottlenecks'.	<ul style="list-style-type: none"> • Uses integrated consideration of inequalities. • Links with LiST and OneHealth tools. • Costing approach less apparent
Marginal Budgeting for Bottlenecks	A result-based planning and budgeting tool for identifying implementation constraints and estimating the marginal costs of overcoming them.	Originally designed for maternal, newborn and child health but includes 3 nutrition interventions.	N/A	<ul style="list-style-type: none"> • Used by UNICEF EQUIST and the World Bank. • Has costing approach that is less apparent.

Tool	Description	Scope	Costing Approach	Things to Consider
Optima Nutrition	A quantitative tool for governments that assists with the allocation of current or projected budgets across nutrition programmes.	Includes vitamin supplementation programmes, infant and young child feeding (IYCF) education, treatment of severe acute malnutrition, treatment and prevention of diarrhoea, fortification of foods, WASH, family planning and malaria-prevention interventions.	'Cost functions' relating to the cost of service delivery, the coverage amongst targeted populations and the influence on behavioural, clinical and epidemiological outcomes.	<ul style="list-style-type: none"> • Includes optimisation. • Has underlying framework based on LiST. • Focuses outcomes on stunting and mortality in children under five years old.
MINIMOD (Micronutrient Intervention Modeling)	A planning and management tool for cost-effective micronutrient interventions in developing countries.	Includes micronutrient deficiencies.	Activity-based costing.	<ul style="list-style-type: none"> • Includes optimisation. • Looks at effective coverage of interventions. • Can calculate number of child deaths averted.
Costing Preparation Tools				
MQSUN+ Nutrition Costing Readiness Assessment Tool	An Excel template and related guidance that assesses whether national nutrition plans (NNPs) contain the details and information required for costing.	Includes country common results frameworks (CRFs) and NNPs.	N/A	<ul style="list-style-type: none"> • Requires a CRF or NNP to be already in place. • Is Excel based and easy to use. • Provides concrete examples.
Costing Tools				
Food and Nutrition Technical Assistance (FANTA) CMAM Costing Tool	An Excel-based tool for estimating the costs of establishing, maintaining and/or expanding services for CMAM at the national, subnational and district levels.	Includes interventions for community-based management of acute malnutrition (CMAM) in children.	Activity-based costing.	<ul style="list-style-type: none"> • Looks at a single type of intervention (CMAM) without impact, or optimisation.
FANTA Nutrition Assessment, Counseling, and Support (NACS) Planning and Costing Tool	An Excel-based tool to help policymakers, programme managers and implementers plan for the design, financing, and management of NACS at national and subnational levels.	Includes priority nutrition interventions.	Activity-based costing.	<ul style="list-style-type: none"> • Looks at a single type of intervention NACS without impact, or optimisation.
World Breastfeeding Costing Initiative IYCF Financial Planning Tool	An Excel-based tool to estimate the cost of exclusive breastfeeding.	Includes exclusive breastfeeding.	'Programme experience approach' ^b	<ul style="list-style-type: none"> • Does not include default data, impact, or optimisation.

^b The 'programme experience' approach is similar to other bottom-up approaches in that it takes unit costs for all necessary resources and activities and scales it to the needed population. It is from the government perspective and includes such items as one-off costs of developing legislation.²⁴

Nutrition Financial Tracking Methodologies and Tools

Nutrition financial tracking at the country level is a continuous and iterative cycle of collecting, reviewing and monitoring financial resources for nutrition. This covers a broad spectrum of actions along the SUN planning and implementation cycle, which can be grouped into two main areas:

- i) **Budget and expenditure analysis.** This is an approach that assesses government nutrition budget (and sometimes off-budget) allocations and expenditures. Often the goal is to look at budget commitments and disbursements, comparing them and mapping each against funding need.
- ii) **Resource-/expenditure-tracking and monitoring exercises.** These forms of analysis look to track funding after disbursement through the respective delivery agents to specific outputs. They can help governments understand the effectiveness and efficiency of funding and can be quantitatively measured within a specific project or qualitatively through user/staff feedback.

Financial tracking is a relatively new phenomenon in the nutrition arena, particularly for low- and middle-income countries. In the field of nutrition, financial resource tracking has been defined as **‘the process of routinely collecting, analysing and monitoring resources flowing into and within a system’**.⁶ In this way, financial tracking was shown to be **a continuous process that needs to happen throughout the planning and implementation cycle**. Financial tracking is thus critical throughout the SUN planning and implementation cycle. Financial tracking has been undertaken for a long time in other sectors; much of the concepts and terms used in nutrition draw on what has been established elsewhere. **The following box** details the desired features of a financial-tracking system.

Desired features of a financial-tracking system

Comprehensiveness: The financial-tracking system should encompass all activities of all levels of government and extra-budgetary funds, such as donor funding, to get a complete picture of government resources and expenditures. The system should also cover both capital and recurrent expenditures.

Timeliness: Both financial and nonfinancial information should be made available on a regular and timely basis so that governments have the relevant information to guide their actions.

User-friendliness: Individuals should have the ability and the means required to use the system. This includes not only knowledge and ‘know-how’ but also system capacity, such as rules and regulations for engagement and the ability to generate pertinent information on input and output.

Alignment and harmonisation: Alignment with existing structures increases efficiency. A tracking system should be supportive of government structures and harmonised with donor efforts. It should improve coordination, simplify procedures and share information to avoid duplications. This also means that, in cases where a certain tool is already used to track resources more generally, it should be examined as a possible mechanism for tracking nutrition financing.

Ownership: The system must be owned by those authorised to use it and by those responsible for overseeing it, including donors, all ministries with some responsibility in the implementation of nutrition interventions and local-level service delivery units, such as health clinics.

Incentives: Individuals must have incentives to carry out their responsibilities. Reporting mechanisms, such as a financial-tracking system, should be used to ensure responsibility, and if they are fostered through sanctions and rewards, the incentives to deliver are much higher.

Source: Adapted from Picanyol.⁶

The starting point for tracking financial resources is to define and delineate what is to be tracked (i.e. the area of relevance for tracking). In countries where there is a multisectoral CRF or NNP, this will delineate the nutrition priorities and interventions or programmes in the country and the resources needed to address them (see costing section above), and together this forms the basis of what should be tracked financially. If the country does not have an NNP (costed or not), there may be particular challenges tracking finances devoted to nutrition, such as clearly defining nutrition-sensitive interventions and accounting for multisectoral nutrition initiatives, including those that cut across traditional sector boundaries, like health, education, WASH, agriculture and social protection. Once the boundaries of nutrition interventions have been defined, the subsequent steps will depend on which methodology or tool the country chooses to use.⁶

There are five main globally developed tools for tracking financial resources that are specifically focused on nutrition or have nutrition elements within them (**Table 2**). These tools vary in terms of coverage, frequency of data collection, time and financial resources needed to use them.⁶ Governments will have a range of other tools that can support nutrition financial tracking—including Public Financial Management, health and education management systems or other monitoring and evaluation functions—but are not specifically focused on nutrition.

Table 2. Financial-tracking tools for nutrition.

Tool	Nutrition covered/excluded	Frequency of data collection	Guidance for countries	Country use
Nutrition Budget Analysis	National budget allocations and expenditures when available, by ministry, department, agency and subnational. Isolating relevant nutrition budget lines depends on details of the budget structure, which generally stops at the programme level. The budget analysis is multisectoral.	Performed annually. In some cases, it can be more frequent if there are quarterly or midyear execution reports.	Guidance can be found at: <ul style="list-style-type: none"> • SUN Budget Analysis Guidance Note. • SPRING Nutrition Budget Analysis Tool. • Action Contre la Faim, Save the Children and SUN Nutrition Budget Advocacy. 	Over 50 countries by 2019
Nutrition Public Expenditure Reviews (PERs)	Typically, government expenditures (not private investments) and, where possible, investments from external sources (foreign assistance). A PER defines its own classification boundaries and can therefore cover multisectoral interventions such as nutrition. It can assess issues of funding efficiency.	Usually designed as a ‘one-off’ study; not institutionalised or carried out with a certain regularity.	No specific guidance is available for nutrition. Some general guidance is available from the World Bank PER tools .	Tanzania, Bangladesh, Pakistan, Uganda, Sri Lanka, Ethiopia
System of Health Accounts	Public and private nutrition expenditures with a health purpose, including those from various sectors and external sources. Where possible it uses actual expenditure (not budget allocations or commitments). Spending on nutrition is focused on ‘nutrition deficiencies’ where data are available from health expenditures by disease indicators and where locally defined.	Intended to be produced annually where possible. However, detailed nutrition-expenditure tracking covering health-related nutrition expenditures may be done less regularly.	Nutrition activities within the health sector are covered in the Guidelines on the implementation of the System of Health Accounts 2011 .	Global Health Expenditure Database’s data on nutrition for 38 countries .
Clinton Health Access Initiative Resource Mapping Tool	Design that covers health expenditures from the national budget and from donor resources, with the possibility of importing private expenditures. It includes budget allocations as well as actual expenditures. Boundaries are loosely defined and can be adapted to cover nutrition within health but the tool is not multisectoral.	Designed to be carried out regularly. Three out of the five countries using this tool have done annual iterations.	None is available.	Malawi, Rwanda, Liberia, Lesotho, Zimbabwe
Public Expenditure Tracking Survey (PETS)	Tool for public units involved in service delivery. PETS relies heavily on administrative and accounting records, and as such, the possibility to isolate nutrition expenditures depends on the extent to which these are isolated in the administrative units.	Usually designed as a ‘one-off’ study; not institutionalised or carried out with a certain regularity.	No specific guidance is available for nutrition. Some general guidance is available from PETS lessons learned .	29 countries worldwide as of 2009 ⁷

Source: Adapted from Picanyol.^{6,8}

Nutrition Budget Analysis Approaches

The most common starting point to tracking investments in nutrition is to undertake a budgetary analysis. Having reliable finance data is essential to policymakers to prioritise, to plan and to make decisions on resource allocation, as well as to monitor and evaluate policy implementation. Budget analysis consists of tabulating relevant budget data and comparing budget allocations (and expenditures when available) across years and sectors, such as health, education, agriculture, social protection and WASH. It usually covers budget allocations and, when available, actual expenditures to estimate execution rates (allocated versus actual expenditures). The depth of the analysis depends on the level of detail in which the budget data are presented. For example, in some countries budget data are limited to the main economic classifications in each department—for example, personnel, overhead and capital expenditures within each department—whereas other countries provide budget details by programme and input within each department.⁶ When planning for nutrition budget analysis, it is important to be realistic and to time the data collection and analysis to relevant events when data can be presented and used by decision-makers to affect funding allocations and expenditures.

Since its launch in 2015, over 50 countries have conducted a nutrition budget analysis using the SUN 3-Step Approach. The approach has evolved rapidly, incorporating feedback and comments from numerous stakeholders, and resulted in an annual [Budget Analysis for Nutrition: A Guidance Note for Countries](#).⁹ The current SUN budget-analysis 3-Step Approach guidance consists of:

- **Step 1: Identification.** Identify the relevant budget line items (e.g. programmes or departments) based on the NNP (where available) and through a search of key terms.
- **Step 2: Categorisation.** Assess whether the programmes or departments found fall under the category of ‘nutrition-specific’ or ‘nutrition-sensitive’ investments.
- **Step 3: Weighting (optional).**^c Attribute a percentage of the allocated budget to nutrition (weighting). This percentage should be based not only on categorisation (step 2) but also on a judgement call by national experts to estimate investments towards nutrition components or activities in the programme.⁹

The SUN guidance note on *Budget Analysis for Nutrition* stresses the importance of defining what the purpose and objectives of the analysis in the preplanning stages are and also who should be involved in the process. The starting point should be the multi-stakeholder platform for nutrition. In addition, it is helpful to have nutrition technical staff and budget and planning technical staff, as well as, in some cases, external support that can be facilitated by the SUN Movement Secretariat (SMS).⁹ There are advantages to this approach in terms of transparency, affordability and replicability, but at the expense of accuracy, amongst other limitations. Importantly, there is a strong need to avoid comparisons across countries, as it could lead to misinterpretation; the added value is on being able to make comparisons over time within a country.¹⁰

This represents a simple, flexible approach for analysing the budget, which can be adapted at the country level depending on the amount of data available and purpose of the exercise. A budget analysis is therefore a first simple taking-stock to estimate how much governments are investing in nutrition through their national budget. From here, more sophisticated and complete mechanisms could evolve to routinely collect financial data on nutrition investments. An example would be the

^c Note that, moving forward, arbitrary or normative weighting (e.g., 25%, 50%, 75%) will no longer be recommended. Countries wishing to weight will be advised to do a detailed evidence-based weighting exercise.

case of Guatemala. Their Public Financial Management system allows for all financial flows to be tracked live across the country through all levels of government, as well as the outputs towards which they are contributing.

The SUN Monitoring, Evaluation, Accountability and Learning country dashboards aim to assess progress and identify patterns in performance across all SUN countries for a standard set of indicators, including financial data for nutrition. The [2018 dataset](#) includes data from each country's most recent budget-analysis exercise, such as nutrition-specific budget allocations.

In 2015 USAID's Strengthening Partnerships, Results, and Innovations in Nutrition Globally (SPRING) project has also developed a tool to help nutrition stakeholders learn where the funding is.¹¹ Their *User's Guide to the Nutrition Budget Analysis Tool* provides the background information for undertaking the budget-analysis process using a Microsoft Excel-based Budget Analysis Tool that can be downloaded from the [SPRING website](#). The *User's Guide* proposes three broad stages, further broken down into steps: collection, validation and analysis. The experience of using the SPRING Nutrition Budget Analysis Tool in Nepal and Uganda has been published, with a presentation of the list of challenges and adjustments made.¹²

Civil society has played an important role in pushing forward the agenda on financial tracking. In 2017, the SUN Civil Society Network published its own guide, *A Handbook on Nutrition Budget Advocacy for Civil Society*. The handbook aims to provide an improved understanding of nutrition budget advocacy targeting civil society organisations. It provides guidance and examples on preparing, delivering and monitoring budget advocacy and defines budget advocacy as 'the structured lobbying of fiscal policies by an organisation or group of people'.¹³

With SPRING, Action contre la Faim (Action Against Hunger) and SUN, budget analysis has become the commonly used method for tracking financial investments in nutrition at the country level.^{9,11,13}

In *Putting Budget Data to Work*, SPRING identifies three complementary ways for how the budget-analysis activities have been used:¹⁴

1. To identify and coordinate nutrition across sectors.
2. To advocate for increased funding for nutrition.
3. To track and manage the use of nutrition funding.

Analysing the government's budget is thus a powerful tool for demonstrating how much money is being used to provide nutrition-related goods and services, and it shows how the government prioritises different strategies and programmes through the sums of money allocated. The allocation size defines the government's intention to pursue a particular policy or strategic objective.¹⁵

Challenges and Recommendations

Financial tracking for nutrition poses a number of challenges, particularly related to the multisectoral nature of nutrition actions. Costing is also particularly challenging in the case of nutrition because, for many countries, formal nutrition services may not exist in the national programme, and there may not be any CRF or NNP to be costed. Where plans do exist, they may be limited in scope or incomplete, making costing exercises difficult. Nutrition services often exist across multiple government agencies and sectors, therefore maintaining consistency in costing and financial-tracking methods, and data across these sectors pose additional challenges.³

Selection of the most appropriate method for the context

Understanding the various costing and financial-tracking methods and selecting the most appropriate one for the given country context can be challenging.¹⁶ In some cases, using various methods or approaches may be an appropriate way to move forward. It can also be helpful to review what has been done in other similar contexts—sharing experiences across countries can help improve selection and use of these methods—and to link national economics and finance experts with regional and global specialists.¹⁶

Data quality and availability

The availability of cost, contextual, and budget data remains a large challenge for conducting costing and tracking of nutrition activities and therefore will drive some methodological decisions and assumptions. Costing estimates are affected by reliability, accuracy, thoroughness, uniformity, consistency and validity of data and assumptions, which can be challenging to gather and define. There are two types of data challenges: (1) having access to the needed data and (2) having quality data relevant to the context, including geography, such as subnational budgets. It is also often the case that there is more data for nutrition-specific activities than for nutrition-sensitive ones. Addressing data gaps can involve making educated assumptions, eliciting values from experts, reaching out to various stakeholders and translating information from other settings. The scope of financial-tracking exercises should be adaptable to countries based on data and capacity. Some countries may decide to start by only looking at one sector and a limited set of interventions, perhaps with more disaggregated data, whilst other countries may be ready to convene multiple sectors and use the budget analysis as an opportunity to discuss nutrition in a coordinated way.^{9,13}

Integration of services across health system delivery platforms

Whilst integration of services across system delivery platforms is a critical issue to consider when undertaking costing analyses,¹⁷ it can make the costing exercise more complicated and difficult. In terms of costing, integration across platforms means that there will be shared costs to consider and that resource use across other areas of the health system and other sectors will be important to consider, including the opportunity costs of investment in certain sets of interventions, and also often means that costs will decrease. It is important to be clear about what is being costed and within which platform a new programme is being implemented or scaled up.

Costing of a subnational or national nutrition plan

There are several challenges with costing nutrition plans, such as having an appropriately formatted plan, having the ability to adjust the plan in line with budget realities and having access to the needed information and personnel at national and subnational agencies. It may be helpful to ensure that costing does not start after the people who wrote the plan have completed their work. The plan might not be written in a costing-friendly manner, or preliminary costing results could indicate the need to revise proposed activities if the budget looks to be unrealistic for the country. If the people who developed the plan are not available anymore when the costing is being conducted, it could be a challenge to make the needed adjustments.¹⁸ A country without a costed plan should begin by identifying current activities and budget allocations, whilst a country with a costed plan should assess capacity and expenditure and calibrate estimates with a view towards implementation.¹⁶ Costing methodologies and tools should depend on country context and resources.

Tracking at the subnational level

Subnational budgets can account for a substantial proportion of government nutrition expenditures.^{19,20} Subnational governments are also responsible for the delivery of primary services often relevant or specific to nutrition. Even when the proportion of subnational expenditures may be

low, large amounts may be nutrition relevant. Two main challenges include (1) the costs of tracking budgets at the subnational level, which could be considerably higher as the process would often involve repeating the central-level exercise by as many times as there are subnational units; and (2) the risks of double counting due to expenditures at the subnational level often being financed through central-level transfers. A pragmatic approach is to start with making a considered judgement at the outset of the financial-tracking exercise regarding the likely percentage of nutrition spending that would be captured at the subnational level.¹⁹ The experience of the SMS is that, if roughly 20 percent or less of funding occurs at the subnational level, it is not worthwhile tracking it. Prior to undertaking the (potentially lengthy) process of tracking at the subnational level, it is important to define what the purpose or goal of subnational tracking is, how the information will be used and what process it will inform.

Tight timescale and limited budget to perform budget analysis

The time scheduled for a budget analysis is often underestimated, because there can be long delays with accessing key stakeholders (ministries in particular). Usually stakeholder interviews and the collection of budgetary data take a great deal of time. The data-collection phase can be prolonged by schedules, holidays, fiscal year calendars and travel.¹³ One recommendation is to ensure that the analysis is a good fit for the purpose; the goals and use of the results should be clear from the outset to promote efficiency. Following the first budget-analysis exercise, countries just have to update the information with new data points, which makes the task of incorporating new stakeholders and sensitising them to the relevance of nutrition in their budgets easier. It is recommended that countries start ‘small’ in the first year, develop a baseline and then engage stakeholders strategically in the following years to get a bigger picture. Additionally, the timetable for the budget studies should be carefully defined and attention paid to holiday periods. Additionally, if the time and budget available are very tight, an option would be to only include expenditure by the country’s ministry of health.¹³

Nonalignment of budget lines with activities in the multisectoral NNP or CRF

In many cases, national plans and budgets are not fully aligned. For example, the NNP may not be reflected in the national budget, or there may be programmes in the national budget that are not covered in the NNP. Consequently, it is more difficult to find out whether the plan has been effectively financed by the government and, if it has, to what extent. A short-term solution (as part of the budget-analysis exercise) would be to identify the budget lines that come closest to the plan’s activities and estimate the plan’s level of financing on this basis. In the long term, it is important to push for the budget lines/codes to be aligned with the plan’s activities or, at the very least, the plan’s pillars / major priorities.¹³

Management of highly aggregated budget line items

Depending on the structure and format of the budget, the line items may represent very high-level allocations, possibly even at the ministry level. Some budget line items may represent capital costs or be sector-wide in nature (e.g. drinking water supply or rural infrastructures). These activities have the potential to address key underlying determinants of malnutrition, but it is not possible to determine or directly measure their impact on nutrition outcomes. These activities will also be further removed from the nutrition impact pathway. If information on reach, coverage or potential outcome is not available, it is deemed better to exclude the budget line item from the analysis.⁹

Lack of expertise amongst nutrition technical staff to perform the analysis

Countries doing a budget analysis for the first time may need technical support. In some cases, countries that repeat their analysis may require specific expertise if they wish to have a more

detailed scope, such as including off-budget spending and expenditures in addition to allocations and subnational budget data. The SMS has been assisting countries in conducting nutrition budget analysis since 2014. It has a roster of experts available to support countries in the process.⁹

Tracking off-budget data

Off-budget data are allocations and expenditures that are not included in national government finance documents. Off-budget data are harder to track, but countries may be able to find estimates of donor and/or implementing-partner investments with the following resources:

- [Aid Management Program \(AMP\)](#) (25 countries). If accessible, the AMP database should be the first source for off-budget data, as it is endorsed by the ministries of finance.
- [Development Assistance Committee \(DAC\) Creditor Reporting System \(CRS\)](#) of the Organisation for Economic Co-operation and Development.

Both AMP and the DAC CRS report aid data using Gregorian calendars, which should be noted if a country has a unique fiscal year calendar.⁹

Accounting for nutrition personnel costs and salaries

One of the challenges in conducting a budget analysis is how to identify and assess personnel costs such as salaries and benefits for nutrition-related staff. Prior to carrying out the budget-analysis exercise, countries should identify whether it is important for them to assess the amount allocated in the budget for nutrition-related personnel and salaries. It can be difficult to find nutrition-related human capital within a national budget, and it can be difficult to assess or estimate the amount of time personnel in various sectors spend on nutrition-related activities. The nutrition community is clear on the need to integrate nutrition into other services (health, education, agriculture, etc.), so countries should be cautious about the fact that calculating the amount of time staff spend on nutrition could be detrimental to the push for integration.^{9,13}

Countries may wish to consider the following options for assessing nutrition-related personnel costs and salaries:

- a) Exclude personnel costs, staff time and salaries from the analysis but revisit them in the future.
- b) Only include personnel and staff time for nutrition-specific activities, since these may be clearer and easier to calculate.
- c) Attempt to calculate the amount of budget allocated to all nutrition-related personnel and salaries by, for example, taking the proportion of the total ministry budget that is allocated to nutrition and applying that proportion to line items for human capital in the appropriate thematic sectors/ministries. Governance staff for nutrition would be considered under 'enabling environment'.²¹

Accounting for nutrition governance activities

Governance activities, such as coordination and communication, can be considered essential for having an enabling environment for nutrition actions, which is one reason why it may be important for countries to consider tracking them in the budget analysis. Governance refers to any activity that impacts on the system and service provision more broadly, such as information management, monitoring and evaluation, surveillance, research, coordination, advocacy, communication, capacity building and policy development.²² Governance activities may be included in country operational or national plans but can be very difficult to track, mainly due to lack of disaggregated budget data. Governance activities are important for nutrition and should be tracked when information or data allow but should be excluded from the analysis if tracking them becomes burdensome or difficult for

countries. Governance-related activities may fall within the nutrition thematic sectors or ministries (e.g. information management related to a particular nutrition programme in the agriculture sector). Governance activities that are more overarching or at a national level may be considered ‘crosscutting’ or part of the broader ‘enabling environment’ and may be found in national budgets or ministry of finance and planning budgets as opposed to sector ministry budgets.²¹

Ways to handle theoretical weighting

Step 3 of the [SUN 3-Step Approach](#) is the weighting of budget line items. Weighting refers to the proportion of a budget item that is theoretically nutrition relevant.^d The current guidance to countries is that the weighting is optional. Weighting is never required when national budgets are disaggregated to a sufficient level to allow a clear delineation of the budget amounts contributing to nutrition outcomes, but it has been helpful for some countries when budget data are highly aggregated. Updated guidance from SUN is now that **weighting should not be recommended** as part of the SUN budget-analysis exercise because it is subjective, imprecise and confusing. Countries without a highly disaggregated budget should be prescriptive about only including budget lines that are very clearly nutrition specific or nutrition sensitive. They can then include all of these budget lines in their analysis with no need for weighting. Budget lines that are not very clearly identifiable as nutrition specific or nutrition sensitive should be excluded from the analysis, and countries should then work to improve their data quality and availability in the future.²¹ Those countries without a highly disaggregated budget that have the time, resources and data available may choose to do an ‘**evidence-based weighting**’ exercise, where they utilise significant documentation and stakeholder interviews to estimate how much of a line item or programme is related to nutrition and include that amount in the budget analysis.

Conclusion

Nutrition costing and financial tracking at the country level is a continuous and iterative cycle of collecting, reviewing and monitoring financial resources for nutrition. Helping countries better plan, cost and track financial investments for nutrition has been and will continue to be a priority for ensuring the effective and efficient use of resources and implementation of key actions. In order to aid in this effort, MQSUN+ has compiled the available information for nutrition personnel, policymakers and technical consultants to use when costing programmes and national plans and monitoring or tracking nutrition financial investments and budgets over time. When it comes to costing a nutrition plan and tracking government and donor investments for nutrition, one size does not fit all. Every country is different in terms of its nutrition needs, programmes, government structure and financial-management system. When utilising this document, it is important to evaluate which tools and methods will be appropriate for each particular context. The hope is that this guidance brief will highlight the importance of planning and tracking nutrition financing at the country level and offer tangible and realistic tools and options for carrying out this work and overcoming challenges along the way. When nutrition financial tracking improves, the contribution of this work translates into increased funding and efficient spending for nutrition and can have an important impact on advancing efforts for improved nutrition outcomes in countries where they are needed most.

^d ‘Nutrition relevant’ is anything related to nutrition; it may be nutrition specific or nutrition sensitive.

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