

# Capturing the Start-up Costs Associated with Social and Behavior Change Interventions



Breakthrough RESEARCH is gathering, analyzing, and sharing evidence on the costs and impact of social and behavior change (SBC) interventions to support the case that investing in SBC is crucial for improving health and advancing development. A review of the SBC costing literature identified 147 studies on SBC costs, methodological shortcomings, and knowledge gaps that can be addressed in new SBC costing studies.<sup>1</sup> To address these gaps, Breakthrough RESEARCH issued the *Guidelines for Costing of Social and Behavior Change Health Interventions*,<sup>2</sup> which lay out 17 principles for conducting high-quality costing studies. This is the third in a series of brief reports intended to complement the guidelines and support a *Community of Practice around SBC costing* by highlighting important issues and practices for SBC costing.

A successful social and behavior change (SBC) intervention requires the investment of time and resources in the intervention's initial start-up phase, which is defined as the time from the project initiation until the project begins broad implementation. When conducting a costing of an SBC intervention, it is useful to capture these initial costs separately and allocate them appropriately over the life of the intervention. By examining start-up costs separately, the post-start-up implementation costs can be forecasted more accurately for future budgeting purposes and for determining the appropriate costs for scaling-up interventions.

## Start-up activities and cost components

Start-up costs include the resources used for the design and development of SBC interventions prior to implementation, including administrative costs such as hiring staff and setting up offices. The type of activities conducted during the start-up phase depend largely on the type of SBC intervention or package of SBC interventions being developed (e.g., mass media, interpersonal communication, community engagement) and the context in which it is being implemented (e.g., location and target population).

**Box 1** provides examples of SBC costing studies where start-up costs were examined separately and compared to project implementation costs for future planning purposes.

Examples of activities during the initial stages of intervention development include a situation analysis of the problem context, an audience analysis of the primary target groups, and a project analysis to understand the barriers and constraints to project success.<sup>6</sup> Creating, testing, and adapting the intervention materials, as well as training and developing monitoring and evaluation indicators are key development activities during the start-up phase.<sup>6</sup> A brand new SBC project is likely to require more formative start-up activities to define the problems and solutions compared to a follow-on project to a previous SBC project that requires program updates and adaptations but less formative work. In particular, SBC interventions that use a human-centered design (HCD) approach will likely have substantial start-up costs as HCD focuses on in-depth research, stakeholder analysis, and iterative prototyping to produce innovative solutions rooted in empathy, all of which precede the full-scale implementation of the intervention.<sup>7</sup>

Regardless of the specific activities involved, the cost components for the start-up phase of SBC interventions typically include those detailed in **Table 1**. The cost components listed in Table 1 distinguish between financial and economic costs, where:

**BOX 1 EXAMPLES OF SBC COSTING STUDIES THAT EXAMINE START-UP COSTS SEPARATELY**

A mobile job aid in Tanzania was developed to guide community health workers in effectively counseling community members on issues around pregnancy, family planning, HIV, and other sexually transmitted infections. The costing study found that 73% of the total first year costs of approximately \$26,000 were associated with the start-up phase and that subsequent years would require only \$7,100 for ongoing use of the intervention.<sup>3</sup>

In Zambia, the Adolescent Girls Empowerment Programme included group interpersonal counseling with mentors and peers in “safe spaces”, focused on life skills. A costing study found that approximately 20% of the intervention cost was for start-up costs and thus a scaled-up version would be less expensive.<sup>4</sup>

A school-based malaria prevention intervention in rural Mali calculated that the start-up costs associated with developing the health education materials and training the instructors accounted for 38% of the total costs.<sup>5</sup>

**TABLE 1 COST COMPONENTS OF START-UP PHASE ACTIVITIES**

Cost category	Financial costs	Economic costs
Personnel	All those working in the design and development of the SBC intervention and being compensated by the project, including technical staff, project managers, and consultants	Financial costs plus persons participating in or consulted during the SBC start-up phase who are volunteers or those not being directly compensated by the project, including stakeholders participating in meetings, interviewees, and focus group attendees
Travel and transportation	Flights, lodging, car hire, fuel, per diem	Financial costs plus donated travel and transportation
Meeting and training expenses	Room rental, catering, materials	Financial costs plus donated space (e.g., ministry of health conference room for a meeting)
Capital (goods lasting longer than one year)	Vehicles, computers, video equipment, phones	Financial costs plus any donated capital or equipment
Overhead costs	Rent, utilities, security, office supplies, printing and production of materials, branding materials, administrative staff	Financial costs plus any donated overhead costs

- **Financial costs** include all financial outlays for the SBC intervention, including expenses associated with personnel, travel, and transportation; meetings and trainings; capital and equipment expenses; other recurrent costs (e.g., rent and utilities); and other organizational overhead.<sup>8</sup>
- **Economic costs** are a measure of opportunity costs, or the value of foregone opportunities. Thus, economic costs include both financial costs and the full value associated with other resources such as subsidized goods or donations. These types of costs are often found in SBC interventions, such as donated volunteer time of stakeholders who participate in design and development activities but who are not financially compensated.<sup>8</sup>

## Specifying the time frame

As described in Principle 5 of the *Guidelines for Costing of Social and Behavior Change Health Interventions*, the timeframe of both the intervention and the analysis need to be specified.<sup>8</sup> Delineating the timeframe of the start-up phase for a particular SBC intervention can sometimes be challenging, as there are three points in time that need to be specified when the: 1) project begins; 2) intervention transitions from the start-up to the implementation phase; and 3) intervention ends. While there is no one-size-fits-all formula for every situation, we typically recommend the approach shown in **Figure 1**.

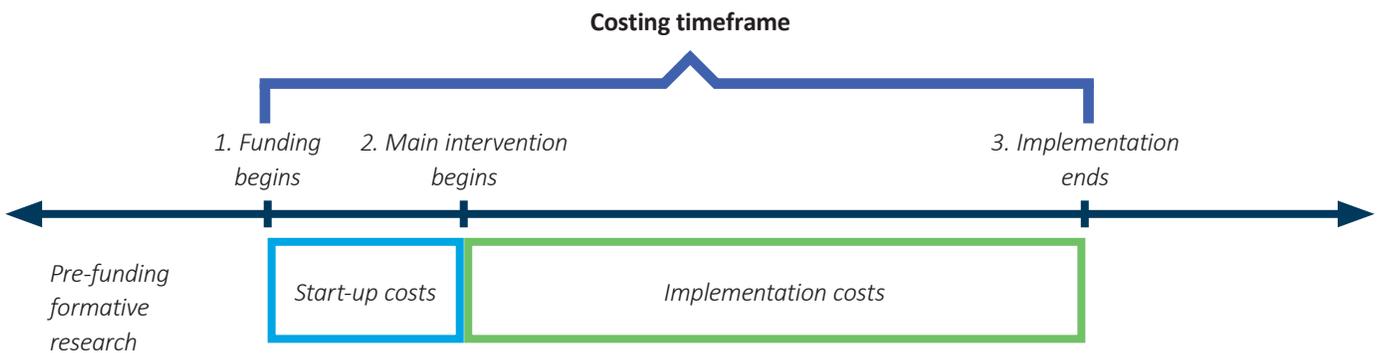
For the purpose of costing, we recommend “starting the clock” when funding has been awarded. Prior to this start

date, there are typically personnel and other resources used for conceptualizing the problem and formulating potential solutions, including generating concept notes and proposals. While these resources may contribute to the eventual SBC intervention design, these “pre-funding” costs are typically captured in the organizational overhead as part of business development.

Next, pinpointing the date when the intervention shifts from start-up to implementation may not be obvious. SBC intervention design and development often uses initial feedback to revise the intervention. Thus, SBC design, to a certain degree, is an ongoing process throughout the life of the intervention. As such, those in charge of costing should discuss with those involved in the initial stages of the intervention development to determine the most relevant point in time when the project shifted from “start-up” to “implementation”. Typically, pilot testing and subsequent adaptations would be considered part of start-up costs; however, some larger pilot programs may have start-up costs within a pilot program they want to isolate. Because there is no fixed rule on how to establish the transition point, it is important that the timeline and rationale is documented for transparency and replication purposes.

Finally, the end point should be when the intervention is no longer being implemented by the project. This typically aligns with the end of the implementation, often when a project transitions from implementation into a close-out period.

**FIGURE 1 TIME FRAME FOR START-UP AND IMPLEMENTATION COSTS**



## Amortizing start-up costs over the project lifespan

When calculating annual project costs, the initial start-up costs should be allocated over the life of the project to better represent the project costs for each year of the project and understand the annual costs for project continuation. **Figure 2** shows an example where an intervention incurs initial start-up costs of \$50,000 for a five-year intervention. There are three different approaches for allocating these costs:

- **Option A** shows all \$50,000 allocated to Year 1. This approach is used when determining necessary financial outlays, i.e., the actual funding that is required in each year.
- **Option B** evenly distributes the start-up costs among the five years at \$10,000 per year. This approach is used when conducting an economic evaluation using financial costs.
- **Option C** also distributes the start-up costs over five years but includes the opportunity costs by including the amount of interest the funds would have earned if they were not used for the intervention.<sup>9</sup> This approach is used when conducting an economic evaluation using economic costs of an SBC intervention, where the opportunity costs of not investing the funds elsewhere are included.

This tool has been developed to calculate the amortized economic start-up costs by entering the: 1) total calculated start-up costs, 2) number of years the project will be implemented, and 3) discount rate. The Global Health Cost Consortium Reference Case recommends reporting results using a 3% discount rate, for comparing interventions internationally.<sup>10</sup> A discount rate is the rate of return used to adjust future cash flows to their present value; here, it would be similar to the real interest rate for borrowing money.

Identifying start-up costs separately from implementation costs in SBC interventions is a critical component of implementing a high-quality costing of an SBC intervention. Many times, the initial design and development costs of an SBC intervention are substantial, while implementation costs are lower; this distinction is important for budgeting purposes. Further, to the extent that the initial design is re-used in a future SBC intervention or if implementation continues after the funding ends, understanding the portion of costs associated with implementation only is critical for planning going forward.

More information on SBC costing can be found at <https://breakthroughactionandresearch.org/technical-areas/cost-effectiveness/>. Please join us in developing a costing community of practice on the SBC costing group on [Springboard](#).

**FIGURE 2 OPTIONS FOR ALLOCATING START-UP COSTS ACROSS THE LIFESPAN OF THE PROJECT**

### OPTION A. FINANCIAL OUTLAYS—NO AMORITIZATION

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Design costs	\$ 50,000					\$ 50,000
Implementation costs	\$ 15,000	\$ 55,000	\$ 75,000	\$ 90,000	\$ 86,000	\$ 321,000

### OPTION B. FINANCIAL COSTS—STRAIGHT-LINE DEPRECIATION

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Design costs	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Implementation costs	\$ 15,000	\$ 55,000	\$ 75,000	\$ 90,000	\$ 86,000	\$ 321,000

### OPTION C. ECONOMIC COSTS—AMORITIZATION INCLUDING OPPORTUNITY COSTS

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Design costs	\$ 10,918	\$ 10,918	\$ 10,918	\$ 10,918	\$ 10,918	\$ 54,589
Implementation costs	\$ 15,000	\$ 55,000	\$ 75,000	\$ 90,000	\$ 86,000	\$ 321,000

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