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Legal Aid Case Management

In emergency settings, refugees and internally displaced persons (IDPs) often

The analysis of legal case management efficiency was conducted in Iraq during 2015. These projects all provided case management service to refugees, IDPs, and other persons of concern to assist them getting government documentation or accessing social services, as well as providing assistance on complex cases such as illegal detention. Among these six projects, some served fairly small populations within a limited geographic area, while others served much larger populations across multiple governorates. Three of these projects were directly implemented through IRC Protection Assistance and Reintegration Centers (PARCs) in Iraq, while another three were implemented by local partners operating their own PARCs. This mix of direct- and partner-implemented projects offers the opportunity to test the frequent claim that local implementing partners are a more cost-efficient option than international NGOs.

The funding for these projects was spread across several overlapping grants—the largest grant funded both the Direct IRC project #1 in nine governorates of Iraq, and also covered the sub-grants to local partners in 3 governorates. This analysis, consistent with IRC analyses of case management programs in other sectors, highlights the importance of considering all of the relevant funding streams when assessing the value-for-money.

For every project in the analysis, IRC staff collected data from relevant narrative documents, log frames, budgets, and expense reports to identify all necessary 'ingredients' of delivering case management services in that particular area. Staff separated costs that were not relevant for legal case

management specifically, and for each remaining ingredient they recorded the unit cost, number of units needed, and the percent of that item that was dedicated to legal case management rather than other aspects of the project. For projects that produced multiple outputs—for instance, some also operated women's Listening Centers—staff estimated the proportion of each line that was relevant for case management versus other outputs. Any funding which was shared among these projects was attributed proportionally to the number of cases served by that project. Lastly, ingredients were broken down into categories, and tagged as either programmatic costs (e.g. costs which contribute directly to frontline services, such as PARC management, lawyers' time, or building rental) or support costs (e.g. cross-cutting functions such as grant management, payroll, financial management, or security).

Legal case management efficiency was calculated as the average unit cost of legal case management divided by the total number of cases served during that time. To estimate the cost efficiency of such programming, staff combined all relevant costs over the course of 2015, and divided by the total number of cases served during that time. Cases ranged greatly in the exact services they provided: in some cases, PARC staff might simply have helped to fill out and file a request for documentation, while in other cases they might have provided legal representation during a lengthy detention case. The resulting cost efficiency estimates thus reflect the average length and type of services provided; estimates from other contexts, where the duration and nature of services may vary, will not necessarily be comparable.

The three local partners examined in this analysis achieved a lower cost per case than the IRC, but this was driven by a less intensive (proportional to cases served) programmatic structure rather than a less intensive support structure. For example, dividing the total costs of support functions by the number of cases served, projects run through local partners paid between \$96 and \$381 in support costs per case they served. Two of the projects operated directly by the IRC incurred \$27 and \$49 in support costs per case served, much less than the local partners. This is not a universal rule, though: the smallest project operated directly by the IRC actually incurred more than \$500 per case on support functions such as finance, HR, and supply chains, because these “fixed” costs were spread over so few clients.

The fact that much of the difference in observed local partners’ cost efficiency was driven by lower spending per case on legal staff and supplies suggests that services provided by these partners may have been less intensive than that provided by the IRC. On the other hand, some readers might wonder whether the IRC simply paid inflated wages to its legal staff, driving up the cost of legal supplies without any corresponding increasing in quality. The IRC does use an Iraq-wide pay scale in order to be competitive with other INGOs, in contrast to local partners who may only recruit from a local labor market and pay lower wages. However, re-running the same cost efficiency analysis substituting the IRC salary rates into partners’ cost models did not dramatically change the results. The cost per case rises at most 10 percent when the higher salary rates for lawyers are used. This suggests that it is the intensity of the services being provided, and

Table 2. Impact of Case Driven Higher Local Salaries on the IRC?

Project	Cost per Case		% Change in Cost per Case
	Actual Salaries	Substitute Salaries	
Local Partner 1	\$262	\$275	4.9%
Local Partner 2	\$1,161	\$1,272	9.6%
Local Partner 2	\$246	\$248	0.8%

not the different salary rates being paid which drives lower programmatic spending per case by local partners at PARCs in Iraq.

The evidence does not change the concern about the IRC and budgeting. One concern when INGOs are used to train and sub-grant money to local partners is that there will be a duplication of support functions, such as financial oversight, procurement, or HR. In Iraq, however, little duplication was evident. Looking at the ingredients listed in cost models, local partners had relatively fewer support staff, and what support staff they did employ focused on financial tracking and case monitoring. The IRC’s support staff handled grant management, financial compliance, as well as capacity building for legal aid staff across both organizations. For each of these cost models, ingredients were separated out by whether they were incurred by the IRC or its local partner, and the total spending by each was summed up. The support functions housed within the IRC formed only a small layer on top of the partners’ costs.

Figure 3. Project Level Cost per Case Compared to IRC. Local Partner

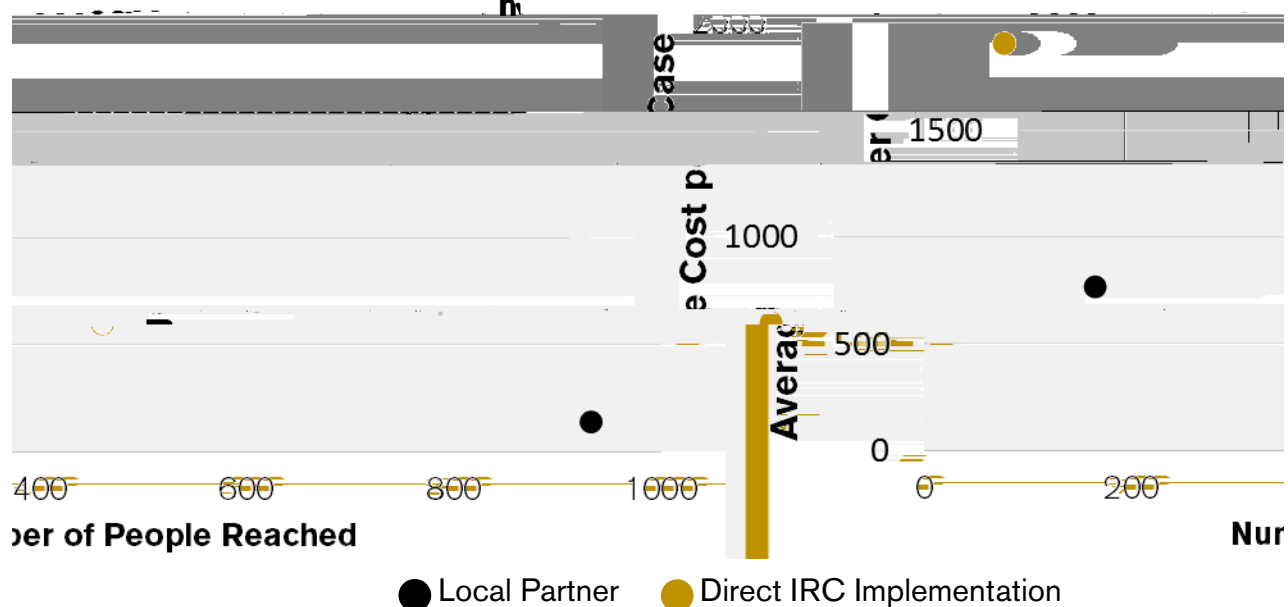
The case reach efficiency has a greater impact on the cost per case than the size of the project. Of the two projects which cost dramatically more per case than the rest, one was run by a local partner while the other was run directly by the IRC. Even if local partners do have leaner cost structures, the data shows that they cannot escape diseconomies of scale when projects are run at particularly small scale. The necessary costs of management and finance staff, even when minimal, still cost a great deal per case when they are only spread over a small number of cases served. This suggests that the key question when considering whether an organization will deliver legal aid cost efficiently is not "are they a local partner?" but "how wide is their reach?" Local partners can provide lower intensity legal services for a much wider pool of clients, complementing the more complex legal services provided by INGOs, and driving down the average cost per case.

The smallest project operated directly by the IRC cost more than \$1,900 per case to serve 196 cases, but there was much less difference in cost per case for the other two directly implemented projects—one of which served more than 460 cases while the other served more than

20,000 cases. For projects by implementing partners as well, the smallest (serving around 250 cases) was the most expensive per case, costing nearly \$800 per case when support costs were excluded. But the two larger projects—one of which served 360 cases while the other served more than 900 cases—both cost between \$100 and \$130 per case. This is consistent with several other cost efficiency analyses which show that the greatest efficiency returns are achieved by moving from very small to moderately sized projects.²

These results should not be over-interpreted to mean that there is some threshold around 350 cases at which legal aid projects suddenly became cost efficient. Rather, the intuition is that very small projects must incur some "fixed" level of administration and support costs, which drives up their cost per case served almost exponentially. As projects serve more people, these fixed costs can be spread over a larger and larger pool of beneficiaries, driving down the cost per person. Then at some point, as reach expands, implementers will need to begin hiring more finance or monitoring staff and doing more capacity building and monitoring of these newly hired staffers, to accommodate that increase in cases served, causing cost per case to level out. This also suggests that sharing support costs across multiple projects—for example, by bundling protection monitoring with legal case management services which, is likely to increase each individual project's cost efficiency.

Figure 4. Cost Efficiency by Project Size (Excluding Support Costs)



2. See, for example, the findings of the 2010 study by the American Bar Association and the American Psychological Association, "Cost Efficiency Analysis: Legal Aid Case Management," which found that the most cost-efficient projects were those that served between 350 and 1,000 cases.

Cost Analysis at the IRC

The IRC is committed to maximizing the impact of each dollar spent to improve our clients' lives. As the IRC's CEO wrote in a 2015 article in *Foreign Affairs*, "Donors need to not just double the amount of aid directed to the places of greatest need but also undertake reforms that seek to double the productivity of aid spending." The Best Use of Resource initiative is focused on improving the reach and impact of the IRC by using internally available data to better understand the cost of delivering key IRC interventions. Generating evidence about cost efficiency and cost effectiveness will enable the IRC to cost and compare different approaches and their related impact, ultimately allowing decisions that achieve the best use of resources.

"Cost efficiency analysis" compares the costs of a program to the outputs it achieved (e.g. cost per latrine constructed, or cost per family provided with parental coaching), while "cost effectiveness analysis" compares the costs of a program to the outcomes it achieved (e.g. cost per diarrheal incident avoided, cost per reduction in intra-family violence). Conducting cost analysis of a program requires two types of information:

- 1) Data on what a program achieved, in terms of outputs or outcomes, and
- 2) Data on how much it cost to produce that output or outcome.

Analysing Outputs: What Data Points to Produce?

Units across the IRC produce a wide range of outputs, from obvious items like nutrition treatment or shelter kits to more intangible things like protection monitoring or case management. Cost analysis requires us to focus in on one output (for cost efficiency) or outcome (for cost effectiveness), such as the number of items produced or the number of people provided with a service. Such outputs will not necessarily encompass all the work that a program has done. For example, a WASH program may build water pipelines, latrines, and solid waste disposal pits; each of which could be defined as a single output. The Best Use of Resources initiative focuses on analyzing the IRC's key outputs, such as access to sanitation in refugee camps, malnutrition treatment, and case management services. The focus is not to dismiss other dimensions of our program's work, but to concentrate on one output, allowing for comparison of cost efficiency across programs and contexts in ways not possible if budget data at the program level was the only factor considered. The Best Use of Resources initiative team works together with IRC's Program Quality Unit to identify the most important outputs and understand how to quantify these outputs to improve the accuracy and efficacy of the results of analyses and use these improved results in programming decisions.

Analysing Outputs: How Much Data to Collect?