



**USAID**  
FROM THE AMERICAN PEOPLE

# **Capturing Costs of USAID-Funded Activities in Education: Cost Reporting Guidance**

February 3, 2017

# Agenda

---

- Welcome
- Purpose of the meeting
- Background
- Overview of the Cost Reporting Guidance
- Piloting the Guidance
- Q&A

# Submit Your Questions!

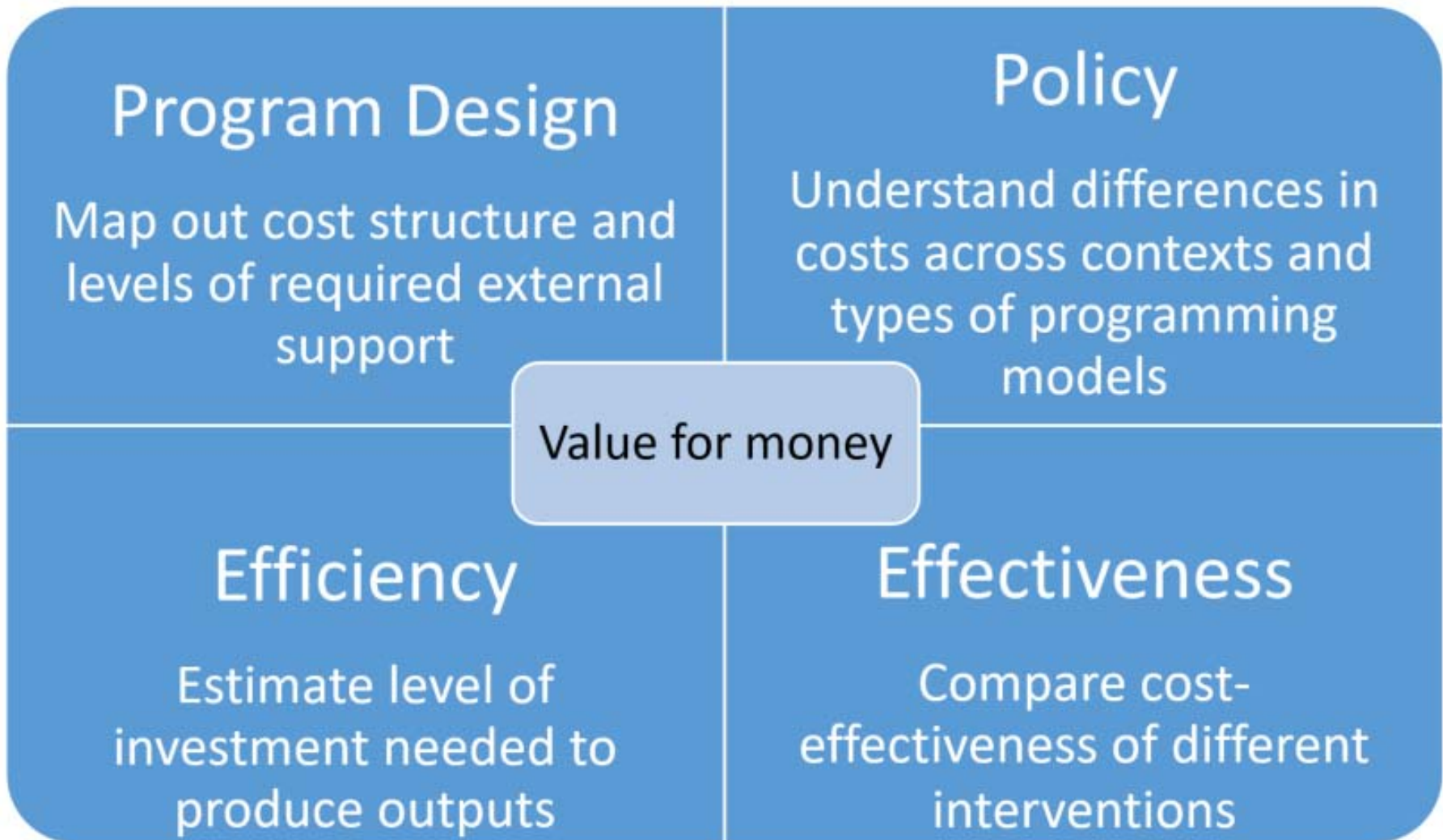
## In-person participants:

Please write your question on index cards and pass them to Nina W

## Virtual participants:

Type up your questions using the WebEx Chat Box

# Capturing costs: why?



# Cost Guidance process of development

- 2012-2013 efforts to isolate costs of development vs implementation of EGR projects\*
- Strategy-wide cost capture approach consultations started May 2016
- Approach builds on existing practices in the industry
- External expert review

\*EdData II Task Order 20: Costing Early Grade Reading Programs: An Examination of Various Costs and Issues Around Costing, Feb. 2014 Reviewed by experts, USAID

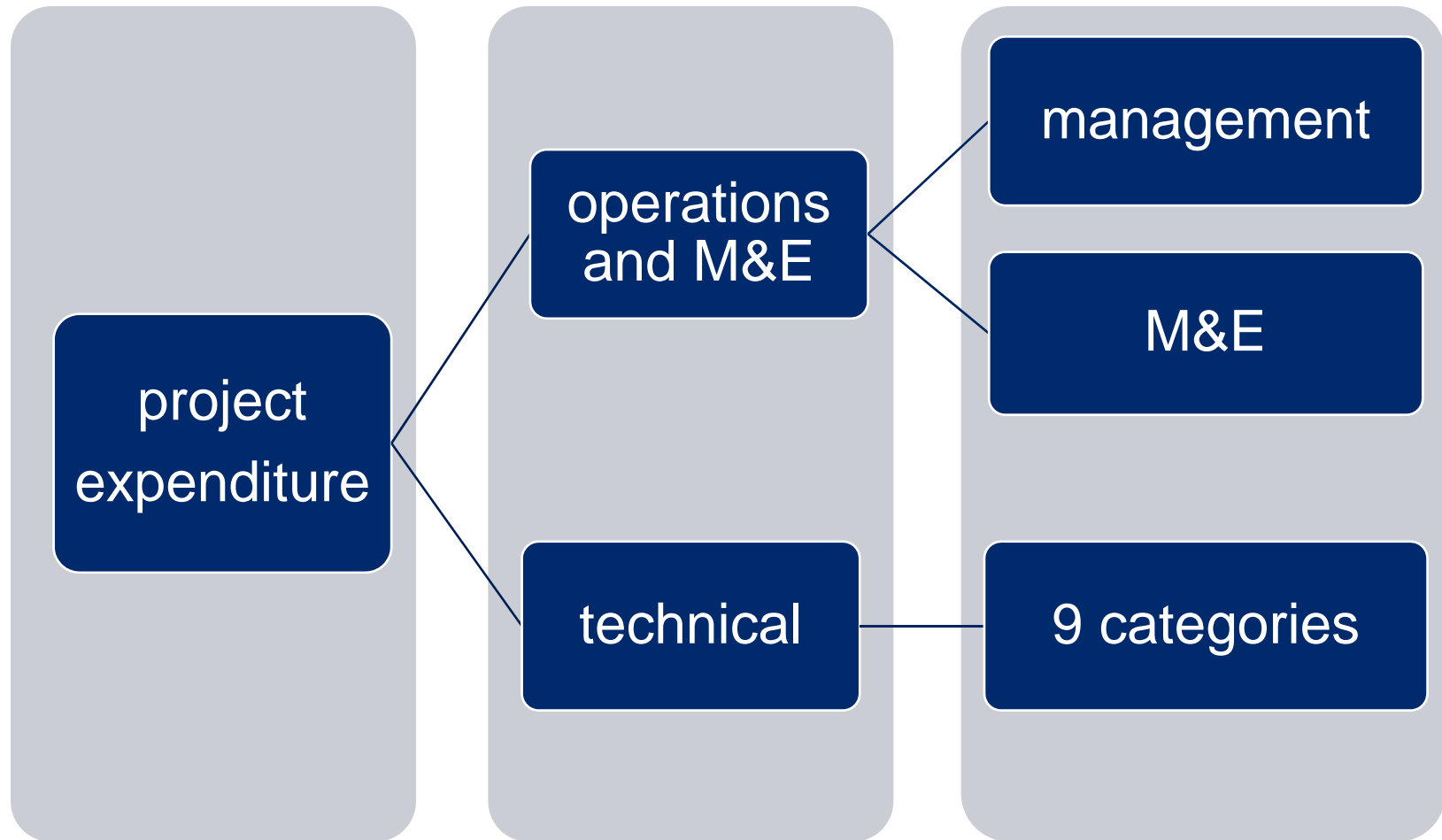
# Purpose of Cost Reporting Guidance

- The Guidance explains how implementers of USAID contracts and awards...
  - capture and report their expenditure
  - document and report activity-critical inputs from other sources
  - document and report details of the dosage of intervention

# Summary: key principles of cost capture

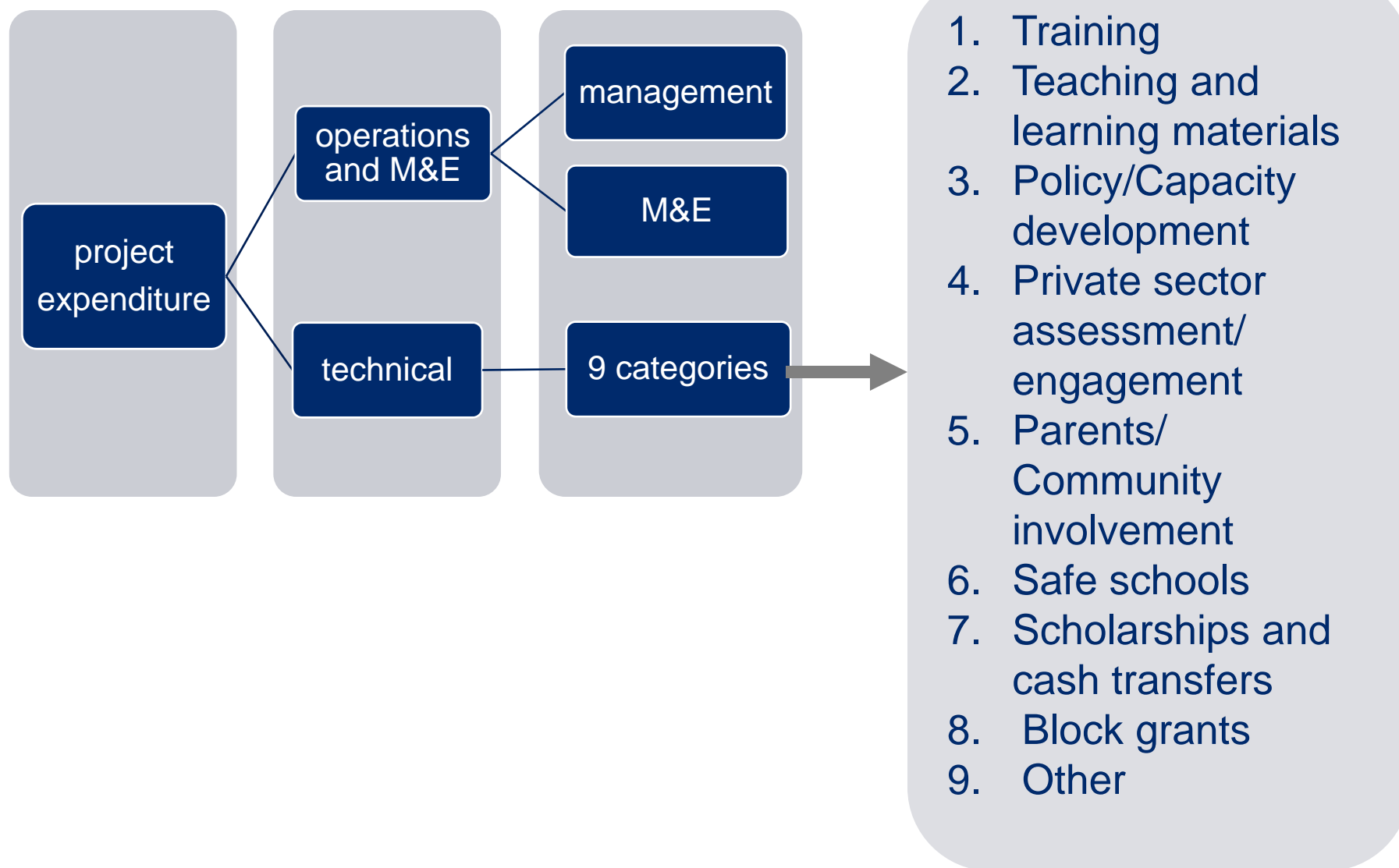
- All expenditure must be reported.
- Details of expenditure must be reported.
- Activity-critical contributions from other sources must be reported.
- The final code structure should be informed by the evaluation design or research agenda.
- Cost categories cannot be re-named or collapsed during the activity once they are established.
- Significant development expenditure must be coded in the “development” sub-category.
- All projects must include management and M&E categories.
- The final list of codes must balance the desire for precision with the need to reduce burden of using too many different codes.

# Cost Reporting Structure

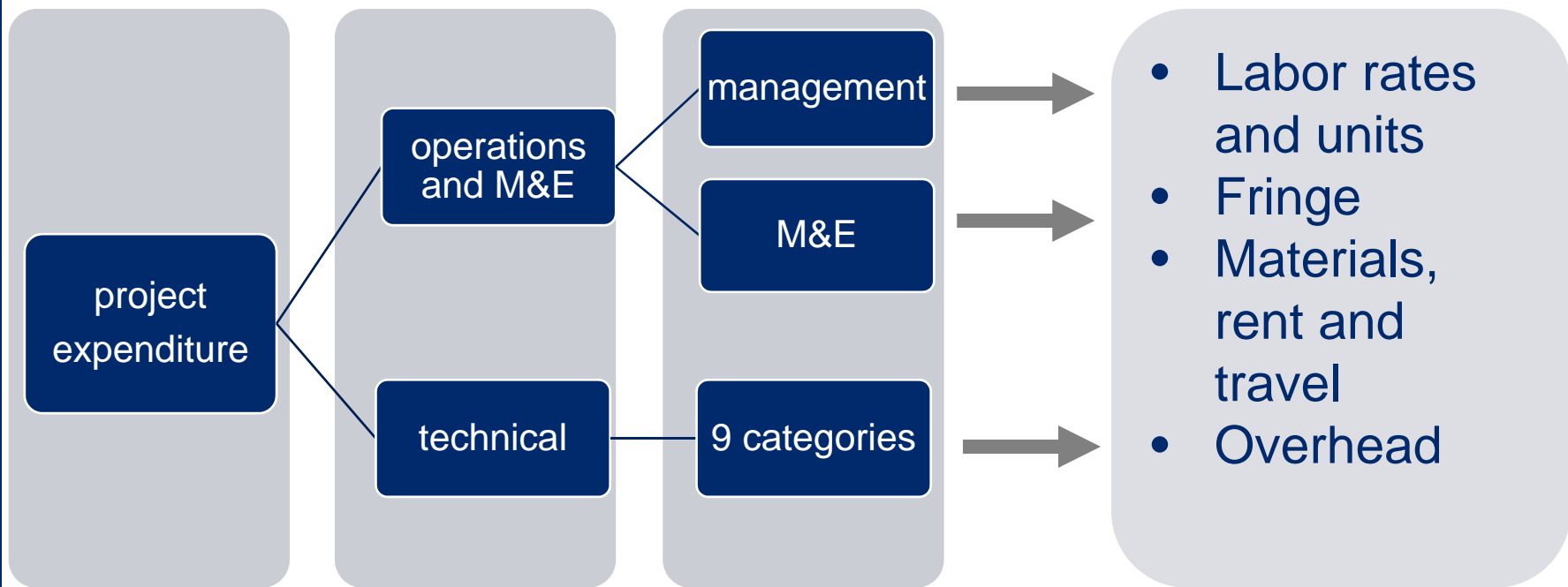




# Categories of costs relating to technical work



# Capturing both costs *and* ingredients



# Example from the Guidance: Management and operations category

## Definition

This category of cost reporting includes labor and other expenditure relating to coordination of human and material resources to achieve overall project goals, shared program costs such as cost of rent of in-country facilities, utilities, communication services, legal fees, software licenses, liability insurance, vehicle pool, security costs, and other expenditure relating to the general management and operations. It also includes the cost of starting the project up and closing it down.

# Example from the Guidance: Management and operations category

## What to include:

- Staff time devoted to the overall management of the project, for example: time of Chief of Party, project director, project coordinator, financial analyst, human resources manager, logistics manager, communications manager, and Deputy Chief of Party for Operations.
- All shared program operations costs such as cost of rent of in-country facilities, utilities, communication services, legal fees, software licenses, liability insurance, vehicle pool, security costs, and other expenditure relating to the general management and operations.
- All short-term technical assistance (STTA) relating to general management and operations of the project, for example, trips of the project director, project coordinator, HR manager, security manager, etc.

## Example from the Guidance: Management and operations category

### What to code elsewhere:

Labor and other costs relating to management of specific components and deliverables (e.g., Technical Director, Component Manager, STTA relating to specific components) should not be included in the general management and operations category. Management of specific technical activities relating to components of the project should be reported in the relevant technical expenditure capture category.

# Example from the Guidance: Teacher training category

## Definition

This category of expenditure reporting includes all labor, materials and other resources expended for training teaching force, including facilitators, instructors, principals, coaches, mentors, tertiary level instructors/professors, with the objective of improving knowledge and practice of instruction. “Training” is understood as a transfer of knowledge in content area of instruction, assessments, pedagogical practices, capacity to provide a healing and supportive environment for students, language competency, use of instructional technology, among other areas.

# Example from the Guidance: Teacher training category

## What to include:

- Training master trainers in any type of education programming in a cascade model;
- Training instructors in teacher training institutions;
- Training facilitators/instructors in alternative education programs/alternative learning programs and workforce development projects;
- Training administrators and officials;
- Formative assessment of instructional practices, instructor beliefs and attitudes, to inform the development of teacher training approach;
- Development and implementation of instructor competency assessments if used to improve training/coaching;
- Training coaches who support practice improvement through routine visits and feedback;
- Development and production of materials for coaches who support practice improvement through routine visits and feedback;
- Study tours.

# Example from the Guidance: Teacher training category

## What to code elsewhere:

- Parent training should be reported under “parent/community engagement” category;
- Training of the government officials to support policy development should be reported under “policy/capacity development”.
- Payments to organizations to support teacher incentives for direct service delivery should be reported under “Block grants” category.
- Training teachers in new teacher accountability policies should be reported under “policy/capacity development”.



# Example 1

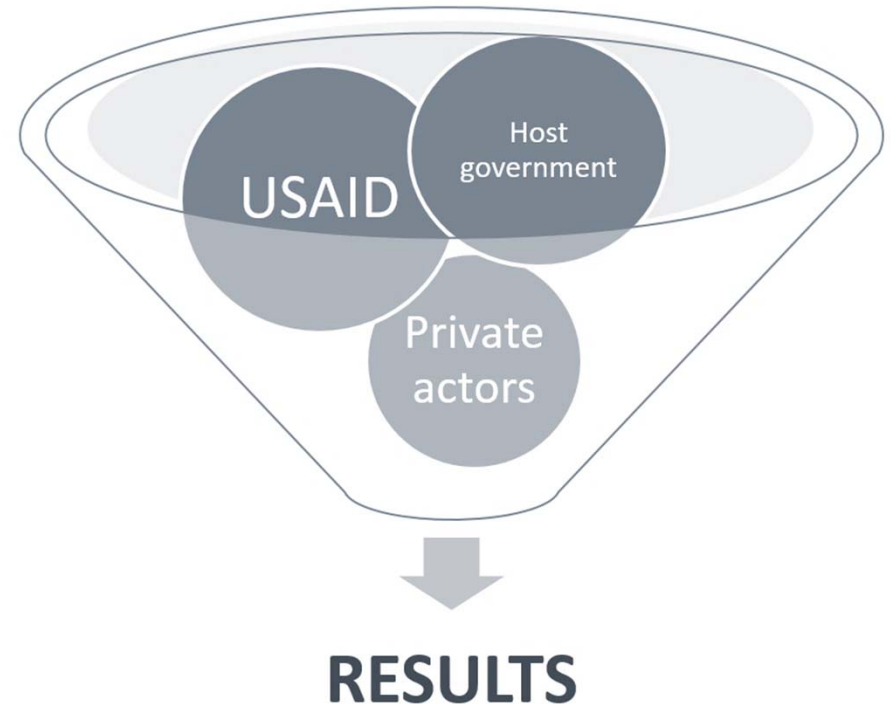
Cost Code	Cost Ingredient Category	Task Code
<b>1</b>	<b>General management and operations</b>	<b>0001</b>
1.1	<i>no subcategories necessary</i>	0001-101
<b>2</b>	<b>M&amp;E and reporting</b>	<b>0002</b>
2.1	M&E	0002-101
2.2	Learning assessments implementation	0002-102
<b>3</b>	<b>Training</b>	<b>0003</b>
3.1	Development	0003-101
3.2	Implementation	0003-102
<b>4</b>	<b>Teaching and learning materials</b>	<b>0004</b>
4.1	Development	0004-101
4.2	Distribution	0004-102
<b>5</b>	<b>Policy / capacity development</b>	<b>0005</b>
5.1	Policy development / research	0005-101
5.2	Learning assessments capacity building	0005-102
5.2	EMIS / systems strengthening	0005-103
<b>6</b>	<b>Parents / community involvement</b>	<b>0006</b>
6.1	Development	0006-101
6.2	Implementation	0006-102
<b>7</b>	<b>Other</b>	<b>0007</b>

## Example 2

0214446.001.000	Management
0214446.001.001.001	L1: Materials and App Dev
0214446.001.002.001	L2: Materials and App Dev
0214446.001.003.001	Tharu: Materials Dev.
0214446.001.004.001	Maithili: Materials Dev.
0214446.001.005.001	Awadhi: Mat. and App. Dev
0214446.001.006	Policy Systems / GON BC
0214446.001.007	Comm / Parental Eng / BC
0214446.001.008.001	M&E and Assessments
0214446.001.009.001	Grants
0214446.001.010	Materials Printing & Dist
0214446.001.011	Training
0214446.001.012	Coaching

# Reporting on inputs from other sources

- Estimates of contributions
  - Host government (contributed labor, facilities, materials)
  - Private actors (volunteers, private donations)
- Other donors' activity
- How?
  - Templates included in the Guidance
  - USAID will establish monetary value



# Challenges we are addressing

- Providing clarity regarding this new requirement to:
  - USAID Missions
  - USAID Offices and Bureaus
  - Implementing Partners
- Data submission
  - Establishing a secure and reliable mechanism for data transfer
- Data use
  - Establishing clear parameters for data use
  - Establishing data analysis framework
- Reducing burden
  - Providing supporting documentation
  - Providing direct technical assistance

# Next Steps

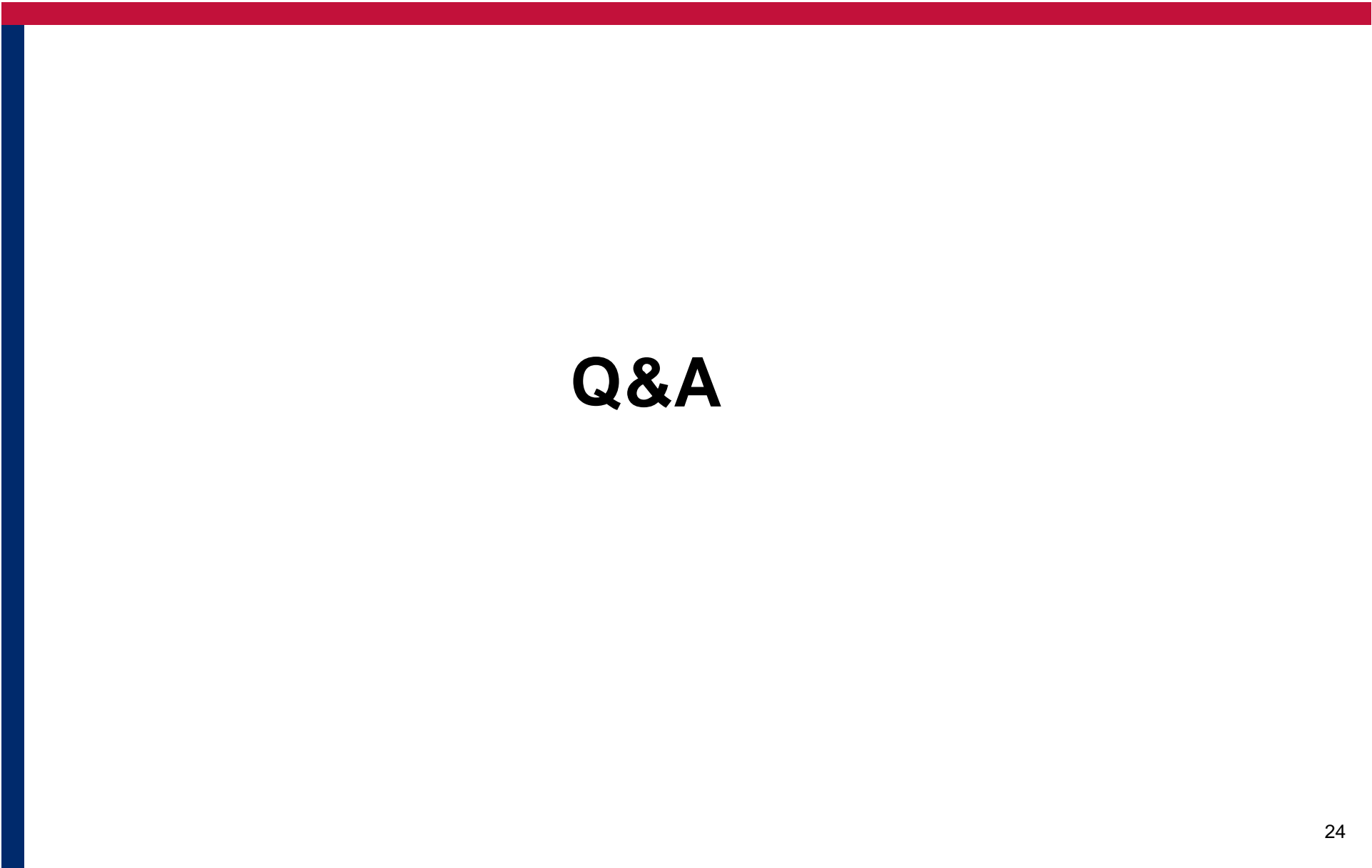
- Release of Cost Reporting Guidance (Pilot Version)
- Feedback from Missions and implementing partners on guidance implementation
  - Understanding potential structural obstacles and finding ways to resolve them
  - Facilitating IPs' engagement with Missions around cost reporting issues
- Development of data submission procedures
- Development of data analysis framework
- Development of data use parameters

# Pilot of the Guidance: Feb to Dec 2017

- Pilot objectives:
  - Effect on activity management, adaptation and learning at the country level
  - Assess quality and utility of cost data reported
  - Understand implementing partners' experience
  - Need for additional guidance, templates, examples

# Pilot activities

- Seeking input from implementing partners:
  - Quarterly IP survey to solicit feedback on using the Guidance
  - Routine review of submitted reports
  - 2-3 case studies (Sept/Oct 2017)
- Supporting Implementing Partners:
  - Quarterly webinars with Q&A
  - TA upon request (coordinated by the Missions)
- Information for Implementing Partners:
  - Quarterly newsletters with updates, FAQs, results of the quarterly surveys, etc.



# Q&A





**THANK YOU!**