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COST REPORTING GUIDANCE FOR USAID- FUNDED EDUCATION PROJECTS

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Cost Reporting Guidance for USAID-Funded Education Projects

Office of Education, Bureau for Economic Growth, Education and Environment (E3)

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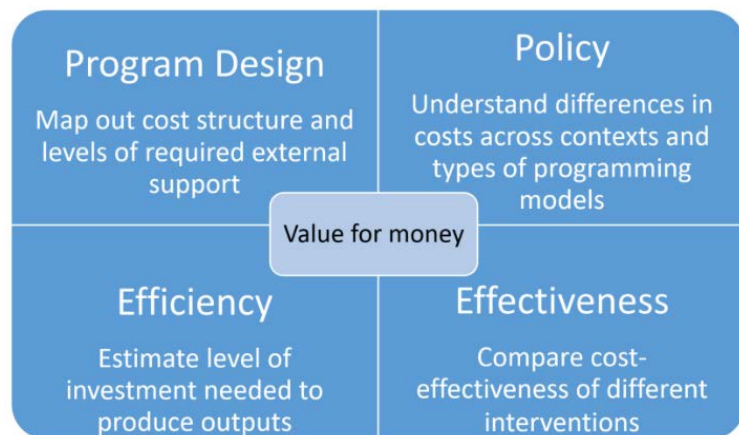
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1. Purpose

USAID’s investments in education have focused on improving educational outcomes in primary grade reading, education in crisis and conflict, workforce development, and higher education. With an increased emphasis on evidence-based programming a need for better data on effects as well as costs of USAID-funded interventions in education became apparent. While the field made great strides in recent years with raising the number and the quality of impact evaluations, their results are incomplete without cost data for these interventions.

At an even more fundamental level, the cost¹ for specific components of common USAID-funded interventions, such as teacher training or the production of teaching and learning materials is poorly understood. This is due to a lack of sufficiently detailed and categorized data on expenditure and external inputs. Routinely collecting such data to measure actual costs of education programming would allow the Agency to better understand the levels of investment needed to produce outputs and outcomes of interest, and will inform strategic decisions relating to education programming. An analysis of costs of USAID-funded interventions in education is therefore an essential part of improving accountability, transparency and value for money. A better understanding of the cost structure of donor-funded interventions will also help set realistic expectations and help maximize limited resources allocated to supporting education in developing countries. Specifically, collecting cost data will help USAID accomplish the following objectives (Exhibit 1):

Exhibit 1. Objectives of Cost Reporting



1. Estimate levels of investment needed to produce desired outputs;
2. Understand differences in costs of producing the same outputs across different contexts;
3. Map out program cost structure (cost of development, implementation, scale up; cost of management, monitoring, evaluation, and reporting, etc.) and levels of host government and private sector support needed;
4. Calculate cost per attributable outcome and cost-effectiveness of comparable interventions.

In order to accomplish the first three objectives, the Agency intends to standardize coding and reporting of project²-related expenditure across implementing partners and to inform how support from other

¹ While the approach described in this Guidance was informed in large part by the work of H. Levin, P. McEwan and others who developed the “ingredients method” in the cost-effectiveness analysis in education, the Guidance does not follow their definition of “cost” which is “the value of the resources that are given up by society to effect the result” (Levin 1995). Instead, this Guidance uses the term “cost” interchangeably with “expenditure”.

² Throughout this document, “project” is used to referred to what’s known as an “activity” in ADS 201: “An activity carries out an intervention, or set of interventions, typically through a contract, grant, or agreement with another U.S. Government agency or with the partner country government”. (USAID ADS 201, p.138, 2016)

sources is captured, as described in this Guidance. USAID will then conduct routine analyses of expenditure data reported by USAID-funded education projects across the world, associated context information and evaluation data, and report on the findings. The result of these analyses will be used to inform the Agency's understanding of the current structure of expenditure across its education portfolio, understand regional and program-related differences, establish relationships between levels of investment and results, and understand the role of such mediating factors as the amount of government and/or non-government support for projects, among other things. The findings will be used to inform government cost estimates as well as project design.

The achievement of the fourth objective, to calculate cost per attributable outcome and cost-effectiveness of comparable interventions, will be achieved through targeted studies of select projects. USAID will determine which projects are included in such studies on a case-by-case basis. While standardized cost capture and reporting is a foundation for such analyses, the discussion of a cost-effectiveness analysis framework is beyond the scope of this Guidance.

2. Audience

This document is designed to provide guidance for USAID Agreement and Contracting Officer's Representatives (A/CORs) and their implementing partners on how to capture and report project expenditure as well as contributions of government and non-government partners. The guidance and templates are based on extensive consultations with USAID staff, implementing partners and researchers with deep experience conducting expenditure tracking and cost analyses.

This guidance is meant to be applied to USAID awards (e.g. contracts, grants, cooperative agreements) that include specific reporting requirements to capture and report cost data. A/CORs should work with their implementing partners to update their cost tracking systems to align with the guidance following its release³, but not retroactively apply it to data already collected and reported. This guidance does not apply to implementing mechanisms that do not include specific reporting requirements to capture and report cost data. Issues regarding contractual and agreement requirements for individual implementing mechanisms should be directed to the A/CORs and Agreement and Contracting Officers (A/COs) for those mechanisms.

3. Overview

3.1. Reporting categories

The Guidance outlines the standardized approach to expenditure tracking and reporting for all USAID-funded education activities. The approach is based on the Agency's experience with implementing projects to improve primary grade reading, access to education in conflict and crisis, workforce development, and higher education under the USAID Education Strategy 2011-2015. This new approach to tracking expenditure endeavors to build on existing practices of expenditure capture rather than introduce an entirely new process. Currently, implementing partners capture staff time spent on projects

³ It is recommended that such alignment be implemented with projects early in implementation. For projects in the last stages of implementation the costs of switching to a different financial reporting system would outweigh the benefits.

using time sheets and report to USAID Missions on their expenditure through quarterly financial reporting and invoicing. The approach outlined in this Guidance intends to modify these practices through the introduction of standard reporting categories that correspond to the most common technical activities of USAID-funded projects in education. These standard reporting categories, as listed below, are described in detail in section 4 of the Guidance.

1. General management and operations,
2. M&E and reporting,
3. Teacher training,
4. Teaching and learning materials,
5. Policy/capacity development,
6. Private sector assessment/engagement,
7. Parents/community involvement,
8. Safe schools and infrastructure,
9. Grants, scholarships and cash transfers, and
10. Block grants.

The Guidance aims to provide a clear explanation of reporting both **expenditure and ingredients** in categories specified by USAID. “Expenditure” data will include all labor, materials, travel and all other expenditure, as captured through partner’s accounting system for the reporting period, reporting according to USAID standard expenditure categories. Labor costs are to be captured in real time, using time sheets. In reporting, it is recommended to use standard invoice line items, including associated overhead recovery. “Ingredients” data will include a breakdown of labor, materials, rent, travel and other elements for which the expenditure is reported. The reporting of categorized expenditure is similar to a traditional quarterly financial reporting by contract line item numbers (CLINs); the reporting of “ingredients” is similar to a standard invoicing, although it should be reported disaggregated by standard categories as outlined in this Guidance.

The expenditure and ingredient data will be collected for the general categories of USAID-funded education projects, selected according to project objectives. While the **categories** of expenditure are expected to be adopted by implementing partners without modifications, most of the illustrative **sub-categories** presented in this Guidance are flexible and will be established through a consultative process with the USAID Mission, the implementing partner and, if applicable, the evaluation partner. It is not expected that any project will need to report on all categories; projects will select those categories that are most closely aligned with their scope of work and report on those only. All project expenditure must be captured in the selected categories.

Projects selected for external impact evaluations will be expected to collaborate with the evaluation partner to establish which categories are necessary to include to enable cost-effectiveness analysis of intervention models.

3.2. Selecting reporting categories

The steps below illustrate this process of selecting cost reporting categories.

Step 1. Match objectives of the project with expenditure categories; select the most appropriate categories. The “general management and operations” and “monitoring, evaluation, and reporting” categories are expected to be included in expenditure tracking for all projects.

Step 2. Determine which categories will need sub-categories. For example, projects with large development components are required to separately track development and implementation activities within such categories as teacher training or material development.

Step 3. If the project is externally evaluated, determine if there is need to track costs of different intervention models. For example, if the project is implementing different models of entrepreneurship training and the evaluation is designed to compare the results, tracking of expenditure by model might enable cost-effectiveness comparisons of these different models. In such cases it would be necessary to track expenditure for different models separately.

The description of activities included in each of the cost tracking categories may help the implementing partner staff and its subcontracts to bill their time correctly. Such description should be developed in the first quarter of the project following the award and the selection of cost tracking categories, and be included in the project's policies and procedures manual.

A selection of sub-categories may be warranted if the anticipated expenditure for the sub-category is likely to exceed 5% of the total project budget⁴, or if it allows capturing expenditure associated with an implementation of distinct intervention modalities and will be used in evaluation data analysis.

3.3. Capturing inputs from other sources

In addition to routine reporting on the amount and structure of expenditure in each category selected by the project as appropriate for their scope of work, **projects are required to report estimates⁵ of host government, non-governmental, and other donor contributions to project implementation**, specifically:

1. Estimates of host government contributions:
 - a. Host government staff time;
 - b. Host government facilities, materials and other in-kind donations;
 - c. Other contributions.

2. Estimates of non-government, corporate and individual contributions:
 - a. Volunteer time;
 - b. NGO contributions (monetary or in-kind);
 - c. Corporate donations (monetary or in-kind).

3. Description of other donor contributions.

These estimates of host government, non-government and other donor contributions can be reported in non-monetary terms, per templates in Annexes A, B and C.

⁴ Five percent is proposed for moderately sized projects (10 to 25 mln); for large projects, the percent could be smaller; for small projects, the percent could be larger.

⁵ Estimates can be derived from a variety of sources, including verbal and written communication by authorized representatives of the host government; documentation and written communication by authorized representatives of NGOs and private entities; project own documentation, etc. No verification of host government contribution is required solely for the purpose of this reporting.

Only substantial and project-critical contributions⁶ are to be captured and reported. Only direct contributions that are distinctly different from the pre-project education delivery and that are directly linked to achieving project objectives should be captured⁷.

Recommendations on how to capture and report on these contributions is provided in the Annexes of this Guidance. Examples of **host government contributions** include:

- Government-owned facilities donated for use by project staff for the duration of the project.
- Government staff time donated consistently and/or in significant amount without which the project component(s) could not take place. Examples may include teacher time outside of normal hours when teachers were trained, coaches or mentors hired by the government to support the project, government inspectors conducting learning assessments.
- Materials donated by the host government, such as vehicles, generators, etc.

Annex A provides worksheet templates for tracking and reporting host government contributions to the project, with detailed examples.

Similarly, it is important to capture and report **estimates of non-government and private actors' contributions**, including, but not limited to, volunteer time and NGO and corporate donations (monetary or in-kind). Similar to the guidance on capturing government contributions, only substantial and project-critical contributions are to be captured and reported. Examples of such contributes include:

- Volunteer time spent to support project activities. For example, volunteer community-based tutors working with children after school to help them with homework and skill practice.
- NGO or corporation-owned facilities donated for use by project staff for the duration of the project;
- NGO or corporation staff time donated consistently and/or in significant amount without which the project component(s) could not take place. For example, NGO or private company staff supporting after-school activities on a pro-bono basis, NGO supporting learning assessments without any cost to the project, community volunteers engaging with children in reading clubs, etc.
- Materials donated by the NGOs, corporations or individuals, such as books, instructional technology (including computers, tablets and mobile phones), support for school renovation, etc.

Annex B provides detailed examples and a worksheet for tracking NGO, corporate and individual contributions to the project.

⁶ “Substantial” refers to the amount of the contribution which may differ depending on the size of the project. Annexes provide guidance on how to determine whether the contribution is substantial. “Project-critical” refers to the importance of the contribution in achieving project’s stated objectives.

⁷ It might be challenging for projects designed to specifically build/support government capacity and that are fully embedded in the government operations to capture such estimates. In such cases, Missions might consider waiving a host government contribution capture portion of the reporting if the burden of tracking these contributions is considered excessive.

Additionally, if other donors are funding projects that aim to achieve similar results among the same beneficiaries, it is important to capture and report a presence of these projects, the scope of their activities and other relevant information. Direct contributions of other donors to the USAID-funded project should be reported, as well. **Annex C** includes a template for reporting contributions of other donors.

Reporting on contributions of third parties should be based on written communication with contributors and on existing documentation, and it might be imprecise. Projects are *not* expected to engage in any verification activities to establish accuracy of contributions reported by third parties. Reporting on contributions of others is understood to be an estimate and will not be subject to an audit.

3.4. Piloting the Guidance

Throughout 2017, E3/ED will be collecting feedback from Missions and implementing partners on the Guidance and on the accompanying templates. E3/ED will also conduct a number of in-depth case studies to document partners' and Missions' experiences. Collected feedback, data from initial cost reports and data from case studies will inform revisions of the Guidance and reporting templates. The revised Guidance is anticipated to be released in January, 2018.

Key principles of cost reporting:

1. The ten main expenditure categories cannot be re-named or collapsed.
2. All projects must include the first two expenditure categories ("General management and operations" and "Monitoring, evaluation, and reporting") in their reporting. Other categories should be selected based on the project's scope of work.
3. The entirety of the project expenditure must be reported; expenditure must be reported in the category nearest to its intended end result.
4. Both expenditure *and* ingredients must be reported. Ingredients include disaggregated salaries and wages, equipment and supplies, rent, travel and per diem, participant costs, grants under contract/award.
5. For specific components of the project, associated management and technical assistance must be reported in the corresponding expenditure category, not general management.
6. Where relevant, the expenditure capture should be informed by the MERL design.
7. If the project has development of an intervention as its important component, relevant expenditure must be reported in a dedicated "development" sub-category.
8. Use of sub-categories may be warranted if the anticipated expenditure for the sub-category is likely to exceed 3-5% of the total project budget, depending on the size of the project.
9. The final list of categories must balance the desire for precision with the need to reduce burden of using too many different sub-categories.
10. Estimates of contributions of the government, private actors and description of other donors' contributions must be documented and reported.

4. Detailed Description of Reporting Categories

This section of the Guidance offers a detailed description of the ten cost categories and illustrative sub-categories for reporting. Table 1 offers examples of illustrative sub-categories for each of the ten standard reporting categories:

Table 1. Standard Expenditure Reporting Categories

STANDARD CATEGORY	ILLUSTRATIVE SUB-CATEGORIES
Category 1. General management and operations	a. Project management and operations b. Management of local subcontractors
Category 2. Monitoring, evaluation, and reporting	a. Monitoring b. Evaluation c. Learning assessments
Category 3. Teacher training	a. Development b. Implementation
Category 4. Teaching and learning materials	a. Development b. Production and distribution
Category 5. Policy/Capacity development	a. Host government capacity/policy b. Local NGO/CBO capacity
Category 6. Private sector assessment/engagement	a. Labor market assessments b. PPPs c. Internships/direct placement
Category 7. Parents/Community involvement	a. Development b. Implementation
Category 8. Safe schools and infrastructure	a. Development b. Implementation c. Construction, furniture and equipment
Category 9. Grants, scholarships and cash transfers	a. Scholarships b. Grants to individuals c. Conditional cash transfers
Category 10. Block grants	a. To government institutions b. To non-government organizations c. Payments for direct service delivery
Category 11. Other (if applicable)	As appropriate

The distinction between **development** and **implementation** sub-categories is meant to capture differences in upfront, non-recurring⁸ investments in the creation of different components of an intervention (“development”) and in expenses for implementing each of them, including necessary adaptations along the way (“implementation”). Some activities may include a substantial development component in their scope of work, e.g., around or exceeding 3 to 5% of the overall budget. Such development work may include developing and piloting materials, developing and piloting teacher training approach, conducting an evaluation of a pilot of an intervention in a small number of schools

⁸ Adaptation of the implementation approach or specific content is not considered to be “development”. For example, if a project is being gradually rolled out in multiple provinces, an adaptation of the strategy, materials, etc., may be necessary in each new province. Generally, such adaptation does not warrant a creation of the “development” sub-category. Furthermore, projects are generally expected to routinely learn from their implementation process and adapt in response. Only substantial, non-recurring development activities should be captured under “development” sub-category.

before scaling the intervention up. In those cases, the difference between expenditure on the development and implementation should be reported through dedicated sub-categories. This may be particularly relevant for the following categories: Category 3. Teacher training; Category 4. Teaching and learning materials; Category 7. Parents/Community involvement; Category 8. Safe schools and infrastructure.

Adaptations, course corrections and adjustments made during implementation as part of adaptive management of the project are considered a part of the implementation process. The development category will largely include costs of developing curricula, teaching and learning materials, various training materials, websites, online platforms, etc. The implementation category includes costs of the actual delivery of the intervention, including labor and all other expenditure to enable training, costs of printing and distribution of books and other materials, etc. Table 2 shows an example of how an early grade reading project might be capturing its expenditure.

Table 2. Illustrative Code Structure for an Early Grade Reading Project

COMPONENTS OF AN EGR PROJECT	PROJECT CODE
(1) General management and operations	XXXX.XX.01.000
(2) Monitoring, evaluation, and reporting	XXXX.XX.02.000
(3) Teacher training	Development: XXXX.XX.03.001 Implementation: XXXX.XX.03.002
(4) Teaching and learning materials	Development: XXXX.XX.04.001 Production/distribution: XXXX.XX.04.002
(5) Policy/Capacity development	XXXX.XX.05.000
(7) Parents/Community involvement	Development: XXXX.XX.06.001 Implementation: XXXX.XX.06.002

It is reasonable to anticipate that some project staff might work on more than one component of the project. In such cases, it is recommended that staff record their time on a timesheet according to the tasks that they spent time on. The detailed description of each category below should help clarify how to allocate staff time and other direct costs across reporting categories.

Category 1. General management and operations

“General management and operations” category 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.

EXAMPLES:

WHAT TO INCLUDE: “General management and operations” category 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.

WHAT TO REPORT 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.

For projects with an expected high level of management effort devoted to building capacity of local partners/sub-contractors it is recommended to establish a dedicated “Management of sub-contractors” reporting sub-category. Sub-categories are not mandatory.

Category 2. Monitoring, Evaluation, and Reporting

The monitoring, evaluation, and reporting category should include all monitoring, evaluation, assessment and reporting activities that are designed to monitor progress against performance management targets, evaluate project results, and report to funders and stakeholders. Data collection, analysis and reporting activities designed to inform the general management of the project should also be included. Those data collection, analysis and reporting activities that are designed to support specific intervention components should be reported in the appropriate cost reporting category.

EXAMPLES:

WHAT TO INCLUDE: Staff time of the M&E team, M&E STTA, M&E data collection expenses, expenses for early grade learning assessments (reading, math or other subjects) such as staff time, travel expenses, technology and other materials for assessments, etc.; data quality assurance staff time, travel and materials. Data collection designed to support implementation such as fidelity of implementation tracking implemented through lot quality assurance sampling or other models, continuous conflict assessments, gender assessments, etc. may also be included.

WHAT TO REPORT ELSEWHERE: Routine data collection designed to improve instruction and local accountability (such as classroom formative assessments, school report card development and implementation) should be reported under “teacher training” category; institutional and organizational assessments not associated with any performance monitoring indicators should be captured under “policy/capacity development” category, labor market assessments to inform the development of interventions should be reported under “private sector assessment/engagement” category. Needs assessments should be reported under the main technical category which it is designed to inform or split across main technical categories of the project.

It is anticipated that under the adaptive management model some projects will extensively use M&E data to inform technical implementation. To avoid confusion with coding of the M&E activities, this Guidance recommends coding all data collection, analysis and reporting associated with indicators specified in the project’s monitoring and evaluation plan under the “monitoring, evaluation and reporting” category. Standard sub-categories may include a) monitoring; b) evaluations; c) learning assessments. Sub-categories are not mandatory.

Category 3. Teacher training

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 areas⁹.

EXAMPLES:

WHAT TO INCLUDE: Examples of labor and other costs in this cost category 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/coaching¹⁰;
- Training coaches¹¹ who support practice improvement through routine visits and feedback;
- Development and production of materials for coaches¹² who support practice improvement through routine visits and feedback;
- Study tours.

WHAT TO REPORT 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”.

Standard sub-categories may include a) development; b) implementation.

⁹ Standard indicators corresponding to this category are ES.1-6 - Number of primary or secondary educators who complete professional development activities with USG support; ES.1-7 - Number of primary school educators who complete professional development activities on implementing evidence-based reading instruction with USG assistance; ES.1-8 - Number of primary or secondary school educators who complete professional development activities on teaching students with special educational needs with USG assistance; ES.1-9 - Number of primary or secondary school educators who complete professional development activities on peace education, conflict sensitivity, or conflict transformation with USG assistance; ES.1-12 - Number of education administrators/officials who complete professional development activities with USG support. If reporting on any of these indicators, labor and expenditure for the associated activities should be reported in this category. Performance Indicator Reference Sheets for these indicators contain relevant information on a range of activities captured in this category.

¹⁰ If used for reporting purposes and has an associated performance monitoring indicator, report under “Monitoring, evaluation, and reporting”.

¹¹ This can include head master/principal training if the content of the training is on improvement of teacher instructional practices.

¹² Including materials for head masters/principals if the content of the materials is on improvement of teacher instructional practices.

Category 4. Teaching and Learning Materials

This category includes expenditure on all labor, materials and other resources that have the end goal of delivering teaching and learning materials into the hands of final beneficiaries for whom they are designed, including virtually¹³.

EXAMPLES:

WHAT TO INCLUDE:

- Development or revision of curricula for reading or other subjects¹⁴, including for alternative basic education programs;
- Development or revisions of workforce development/entrepreneurship curricula; conflict prevention/peace building or civics education curricula;
- Development, piloting, production and distribution of books, guides, scripted lessons, formative assessments, and other materials that are used to support instruction and learning. The intended users could be for master trainers, teachers, facilitator, mentors, coaches, students, learners, parents, local organizations, individuals or entities.
- Development, piloting, production and distribution of books and other materials that are distributed in schools, learning centers, workforce development centers, communities, through mobile libraries, parent-teacher associations, and other means;
- Development, piloting and distribution of instructional software and content;
- Procurement and distribution of instructional technology (e.g., cell phones with speakers, MP3 players with speakers, tablets, e-readers, radios, solar panels or generators to power instructional technology).

WHAT TO REPORT ELSEWHERE: Cash grants to organizations for purchasing equipment or materials should be reported under “Block grants” category.

Standard sub-categories may include a) development/piloting of teaching and learning materials; b) procurement and distribution of teaching and learning materials, including curricular materials, online platforms, software, and hardware.

Category 5. Policy/Capacity Development

This category of expenditure capture includes all labor, materials and other direct costs that have the end goal of strengthened systems and improved capacity of the host country government institutions to provide high quality education services¹⁵.

EXAMPLES:

¹³ Standard indicators corresponding to this category are ES.1-10 - Number of primary or secondary textbooks and other teaching and learning materials (TLM) provided with USG assistance; ES.1-11 - Number of primary school classrooms that receive a complete set of essential reading instructional materials with USG assistance. If reporting on any of these indicators, labor and expenditure for the associated activities should be reported in this category. Performance Indicator Reference Sheets for these indicators contain relevant information on a range of activities captured in this component.

¹⁴ Other subjects can also be reported in this category, e.g., math or science, life skills.

¹⁵ Standard indicator corresponding to this category is ES.2-1 - Number of host country tertiary education institutions receiving capacity development support with USG assistance.

WHAT TO INCLUDE:

- Professional and organizational development for ministries, state/provincial and local/district educational agencies, and local NGOs;
- Establishing/strengthening national education policies, frameworks or standards, including, but not limited to, reading proficiency benchmarks, student or instructor standards, youth employment policy, non-formal education policy or other education-related policies;
- Strengthening capacity of vocational training or non-formal education institutions;
- Developing/implementing emergency preparedness policies and plans (including disaster risk reduction, early warning systems, etc.);
- Establishing/strengthening national assessment system;
- Introducing/revising laws, policies, regulations or guidelines on national, regional or sub-regional level that affect provision of and access to education and the process of education delivery;
- Developing, Strengthening or implementation of education management information systems (EMIS);
- Developing/implementing education system accountability systems, including school report cards.

WHAT TO REPORT ELSEWHERE: Cash grants to schools, vocational training institutions or other organizations or government bodies for construction/renovations, direct service delivery, purchasing equipment or any other purpose should be reported under “Block grants” category.

Standard sub-categories may include a) host government capacity building and/or policy development work; b) local NGO/CBO capacity building work. Sub-categories are not mandatory.

Category 6. Private Sector Assessment/Engagement

This category includes expenditure on all labor, materials and other resources that have the end goal of increasing private sector involvement in support of the project objectives, including private sector assessments for tailoring intervention approach to existing private sector conditions. This category is particularly relevant for workforce development projects.

EXAMPLES:

WHAT TO INCLUDE:

- Labor market assessments;
- Development of private/public partnerships;
- Internships/placement activities;
- Job fairs;
- Development of an industry-recognized skills certification exam/system;
- Development and support for websites and online platforms for connecting private sector with education institutions and job seekers, including job match software, portal for connecting various job seekers and industries, websites for disseminating market and job-related materials for entrepreneurs, job seekers, training institutions, etc.

- Information systems to support market information dissemination implemented as part of workforce development programming.

WHAT TO REPORT ELSWHERE: Development, production and distribution of curricular materials for entrepreneurship training, teaching and learning materials for vocational institutes, etc., are to be reported under “Teaching and learning materials” category. Activities for institutional strengthening of vocational training, such as development of an instructor evaluation system, revision of graduation criteria, development of an internship/job placement program, etc., should be reported under “Policy/capacity development” category.

Standard sub-categories may include a) labor market assessments; b) public-private partnerships; c) internships and direct placement of young people in employment. Sub-categories are not mandatory.

Category 7. Parent and Community Involvement

This category includes expenditure on all labor, materials and other resources that have the end goal of involving families and communities in support of the project objectives. For example, in youth development projects this may include community awareness activities on youth issues or creating opportunities for youth to meaningfully participate in community affairs. In projects aiming to increase access to education, this may include back-to-school or on-time enrollment campaigns. In early grade reading projects this would mean increasing parental support for reading, community involvement in school governance, and improvement in accountability of local education system to communities and families. Training of volunteers in after-school tutoring and other activities designed to support learning may also be included in this category.¹⁶

EXAMPLES:

- Behavior change communication campaigns to contribute to education outcomes (such as promoting on-time enrollment), change of livelihoods practices relating to climate change, youth-led community activities, etc.;
- Training school-based management committees, parent-teacher association members, and the like;
- Training community-based organizations;
- Training community volunteers.

Standard sub-categories include a) development/piloting; b) implementation.

Category 8. Safe schools and infrastructure

This category includes expenditure on all labor, materials and other resources that have the end goal of improving safety of schools for all children and teaching staff. Examples include school safety/infrastructure surveys, revisions of school policies relating to safety, updating school infrastructure, activities designed to prevent school-based and gender-based violence, etc.

It is recommended that this reporting category be selected if it constitutes a distinct component of project’s scope. In cases where safety topics are integrated in the general teacher training or policy work, it is not necessary to create a separate sub-categories to capture these activities.

¹⁶ Standard indicator corresponding to this category is ES.1-13 - Number of parent teacher associations (PTAs) or community governance structures engaged in primary or secondary education supported with USG assistance.

Expenditure associated with construction of new schools or refurbishing of existing classrooms/buildings should be reported in this category¹⁷.

Standard sub-categories may include a) development/piloting; b) implementation; c) construction/refurbishing. Sub-categories are not mandatory.

Category 9. Grants, scholarships and cash transfer

This category of expenditure capture intends to capture amount and type of cash transfer to individual beneficiaries or families in support of education project objectives, such as scholarships for attending an educational institution, grants to individuals to start business, or conditional cash transfers to families housing orphans or vulnerable children (OVCs) to support their schooling¹⁸. This category captures both the actual amount of cash transfers as well as management and logistics costs associated with transferring the cash in cases where there is a dedicated position to support these cash transfers.

Standard sub-categories may include a) scholarships; b) grants; c) conditional cash transfers. Sub-categories are not mandatory.

Category 10. Category 10. Block Grants

This category includes the amount of cash grants¹⁹ transferred to government and non-government organizations in support of specific purchases or activities that aim to contribute to achieving project's objectives. In cases when the implementing partner transfers money for direct education delivery (for instance, to pay teachers in refugee camps), such payments should also be captured in this category.

This category is not to be confused with sub-contracts or sub-awards to local partner organizations where local organizations are to perform a set of specified activities and are subject to USAID reporting requirements. Those will use standard expenditure categories and report following general guidance.

Standard sub-categories may include a) block grants to government institutions.; b) block grants to non-government institutes; c) direct service delivery. Sub-categories are not mandatory.

In reporting expenditure in this category, the purpose should be included and, if possible, aligned with categories 3 through 9. For example, if a grant under contract is awarded to a local CBO for procuring technology for a community center, in reporting on this grant the purpose should include a reference to "teaching and learning materials".

5. Reporting

The timeline and schedule for submitting expenditure data by implementing partners to USAID Missions will be set by the terms of the implementing mechanism (e.g. contract, agreement). Quarterly submission is recommended, to align this reporting with the standard financial reporting. Once USAID Missions

¹⁷ Standard indicator corresponding to this cost category is ES.1-14 - Number of primary or secondary classrooms built or repaired with USG assistance.

¹⁸ Standard indicator corresponding to this category is ES.2-3 - Number of individuals attending tertiary education institutions with USG scholarship/financial assistance

¹⁹ These are typically invoiced to USAID as "grants" or "grants under contract".

receive such data from their partners, they should transmit it to E3/ED within 60 days. Each report will contain the following:

1. Expenditure by category;
2. Details of expenditure, including labor costs (salaries, fringe benefits), other costs (materials, travel, etc), and overhead recovery;
3. Information on government and non-government contributions to the project (based on the templates in the Guidance Annexes), and description of other donors' contribution;
4. Details of the intervention (based on the templates in the Guidance Annexes).

The templates and instructions for reporting on #3 and #4 are provided in the Annexes to this Guidance:

Annex A: Worksheet for reporting host government contributions to USAID-funded projects;
Annex B: Worksheet for reporting non-government contributions to USAID-funded projects;
Annex C: Worksheet for the description of other donors' contributions to USAID-funded projects;
Annex D: Template to report on details of the intervention and dosage at the beneficiary level.

E3/ED will provide additional clarification and examples to Missions and implementers through regular webinars, newsletters and on-demand technical assistance.

6. Data analysis and use

To accomplish objectives of cost capture and reporting state in the opening section of the Guidance, USAID will conduct analyses of reported expenditure data. All reported estimates of contributions of host governments and non-governmental entities will be costed by USAID to ensure consistency of the costing approach.

Cost and ingredient data will be analyzed along with the data on external contributions and reported outputs and outcomes. In cases where rigorous evaluation data are available, cost data will be used to link costs of the intervention to outcomes of interest to enable calculations of cost per outcome.²⁰ The results of data analyses will be used internally for project design, internal government cost estimates, as well as for other purposes. Summaries of findings²¹ may be disseminated externally for accountability as well as advocacy purposes.

²⁰ A separate guidance will be released for USAID evaluation partners to standardize cost-effectiveness analyses.

²¹ In cases where summaries of cost data analysis will be published, USAID will ensure to protect confidentiality of financial information of individual implementing partners and will only report aggregated summaries.

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