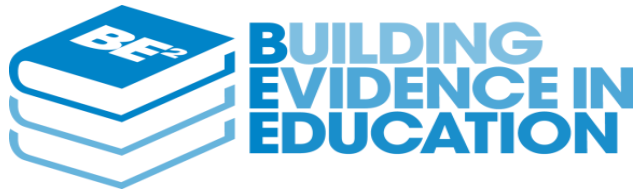


Cost Guidance in Education at



April 29, 2020



What is Building Evidence in Education (BE²)?

Building Evidence in Education (BE²) is a donor working group, launched in 2012, with the aim to engage bilateral and multilateral organizations and foundations. The objectives of BE² are to:

- promote the use of evidence in education programming;
- increase the quality of education research; and
- strengthen donor research collaboration.

Mission

To increase the production and use of rigorous evidence in education policy and implementation.

Rationale

More rigorous evidence is critical to ensure that the quality and equity of education provision improves in a timely and cost-effective manner.

Need for joint problem analysis and agreement on how to enhance the rigor of methods to generate excellence in the sector.

Value for money

Donors believe that resources could be maximised through

- **Greater communication and collaboration** among international donors.
- A broadened mix of disciplinary and methodological experts
- Strong partnerships between traditional and newer stakeholders.

Membership

- Institution-based: over 30 multilateral and bilateral donors and grant-making foundations with education research focus

Governance

- Steering Committee: DFID, USAID, the World Bank Group; rotating UN agency (currently UNESCO);
- Activities guided by Steering Committee and general membership;
- Supported by small-scale, rotating Secretariat;

Current Activities

- **In-person and virtual meetings** for learning, knowledge sharing and collaboration
- **Research Mapping, Research Collaboration**
To map on-going and future research and identify opportunities for coordination and collaboration among donors.
- **BE² Interest Groups**
To provide a platform for collaboration and to enhance debate on priority areas of research, including **ECD, education in conflicts and fragile situations, teacher professional development, youth employment (YEFG), cost guidance, and previously on post primary education for girls, .**

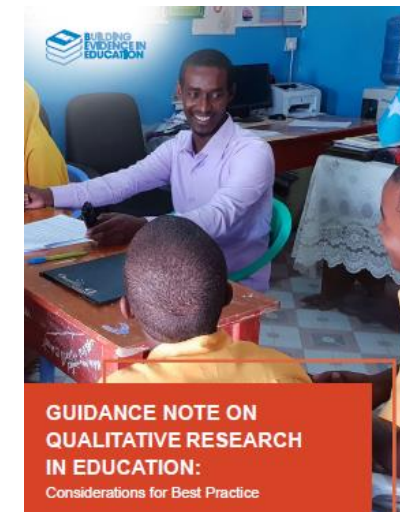
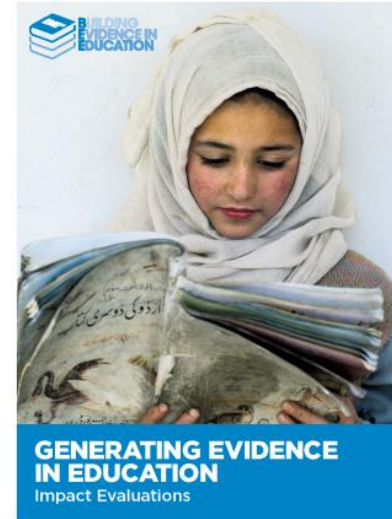
BE² Publications

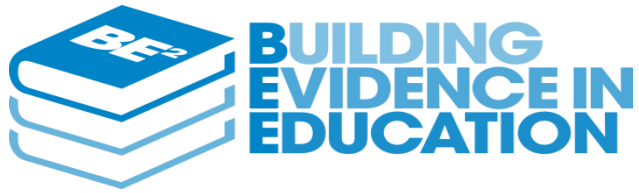
Guidance Papers on:

- ***Generating Evidence in Education: Impact Evaluations***
- ***Assessing the Quality of Evidence in the Education Sector***
- ***Qualitative Research in Education***
- ***Cost Measurement***

Why are guidelines needed?

- To define common language, processes, and standards in order to strengthen and generate sound evidence practices.
- To enable a clear unified voice when providing advice at a sector level to government decision makers.





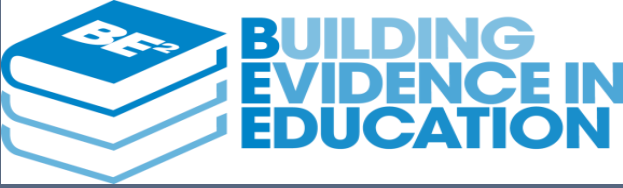
Virtual CIES session
on the
BE² Cost Measurement Guidance Note

Speakers:

Dr. Elena Walls, Senior Monitoring and Evaluation
Advisor, Bureau for Economic Growth, Education &
Environment, USAID

Dr. Alaka Holla, Senior Economist
Strategic Impact Evaluation Fund (SIEF) – Program
Manager, The World Bank





Cost Measurement in Education

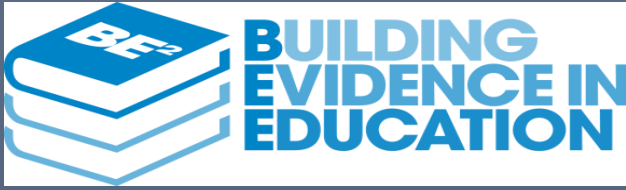
- Dr. Alaka Holla, The World Bank
- Dr. Elena Walls, USAID

A modern two-story house with a light blue textured facade and dark wood accents. The house features large windows and a two-car garage with glass doors. The interior lights are on, and the sky is a deep blue. A large circular text overlay is in the top right corner.

WHY IS
THIS NOT
MY
HOUSE?

How much
do our
interventions
cost?

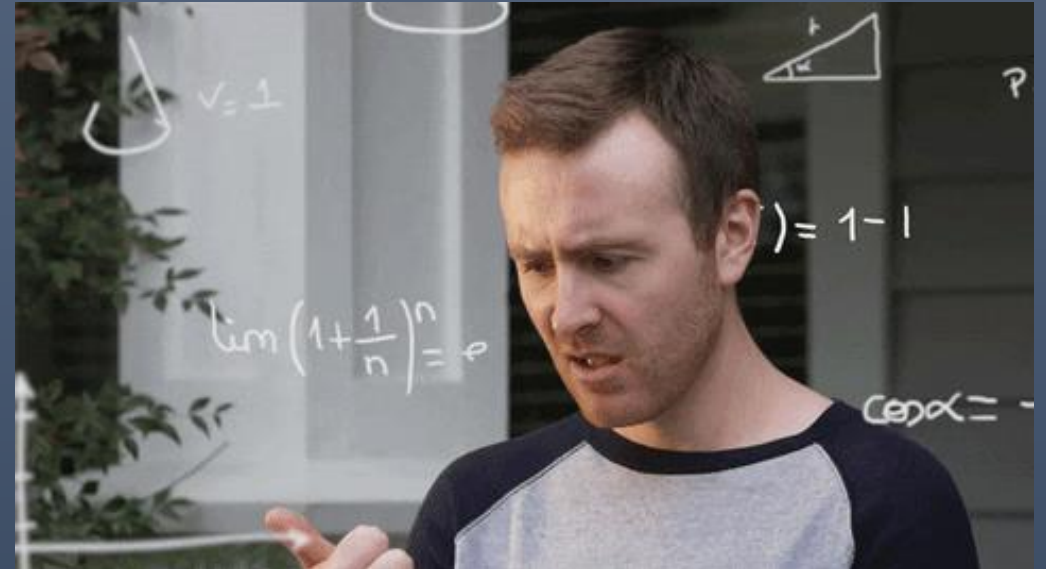




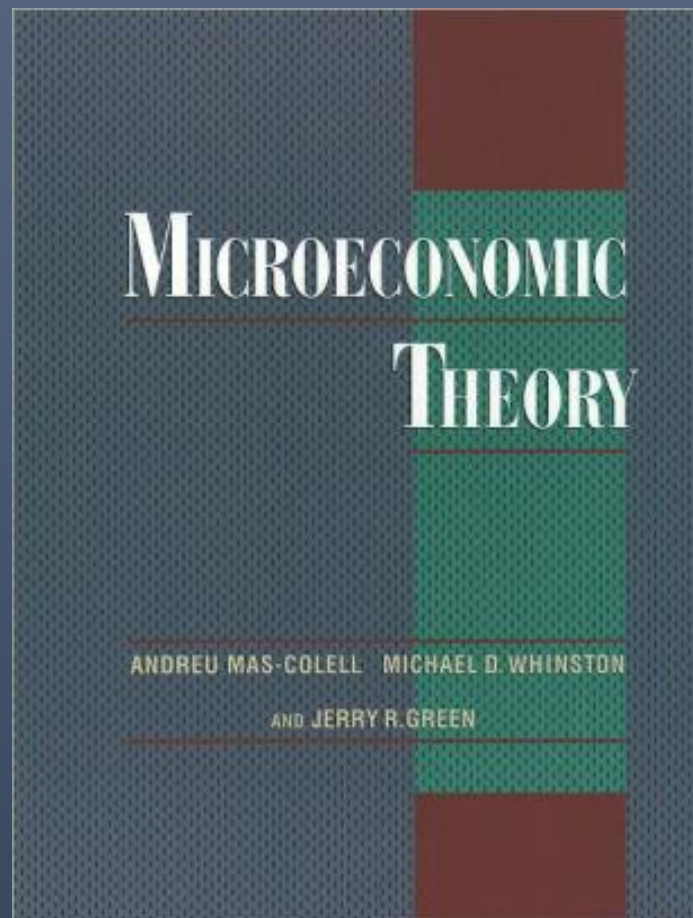
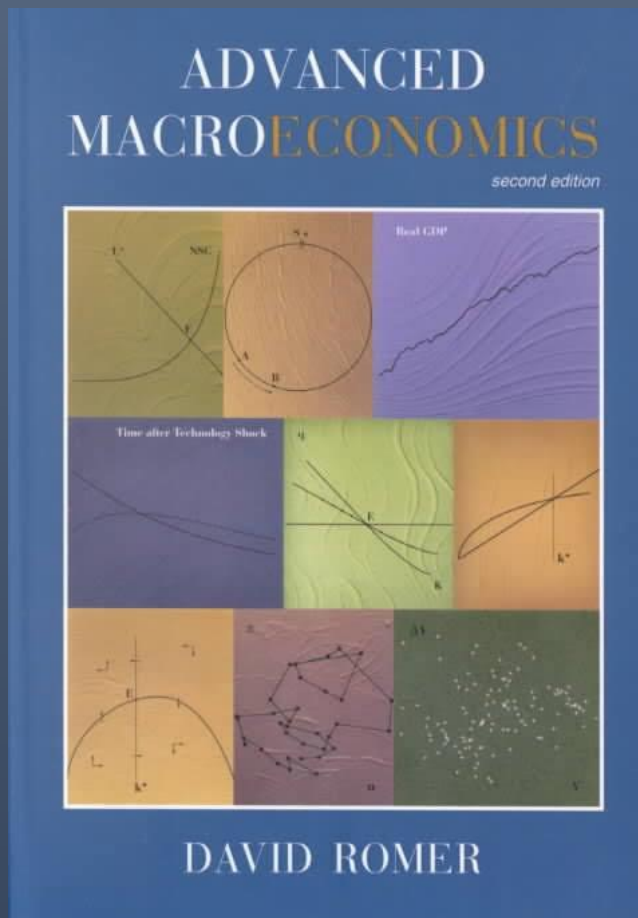
We rarely measure costs.

When we do, we're pretty sloppy about it.

These are mistakes.

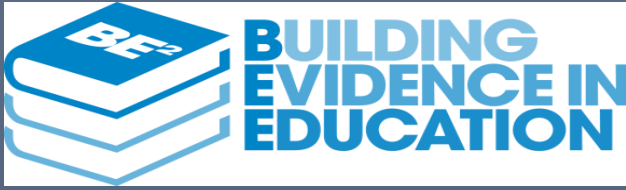


Don't forget that budget constraints are real



How much will
this cost?

What do we
need to
implement this?



Inaccurate cost data is probably worse than nothing

Numerical example

A program that costs \$500 per beneficiary that generates an average net present value of \$1000 in earnings.

Benefit to cost ratio: 2:1

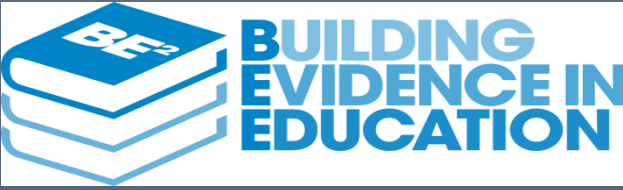
What if your costs were off by more than a factor of 2?

What if benefits were more realistic?



Real example

Costing preschool in Bangladesh



What is the cost of adding an extra year of preschool?

Implemented by Save the Children

Piloted in government schools

Accompanying impact evaluation

High impacts at mid-line

Program well implemented

But when we first ask for financial records....

...we get an aggregate budget

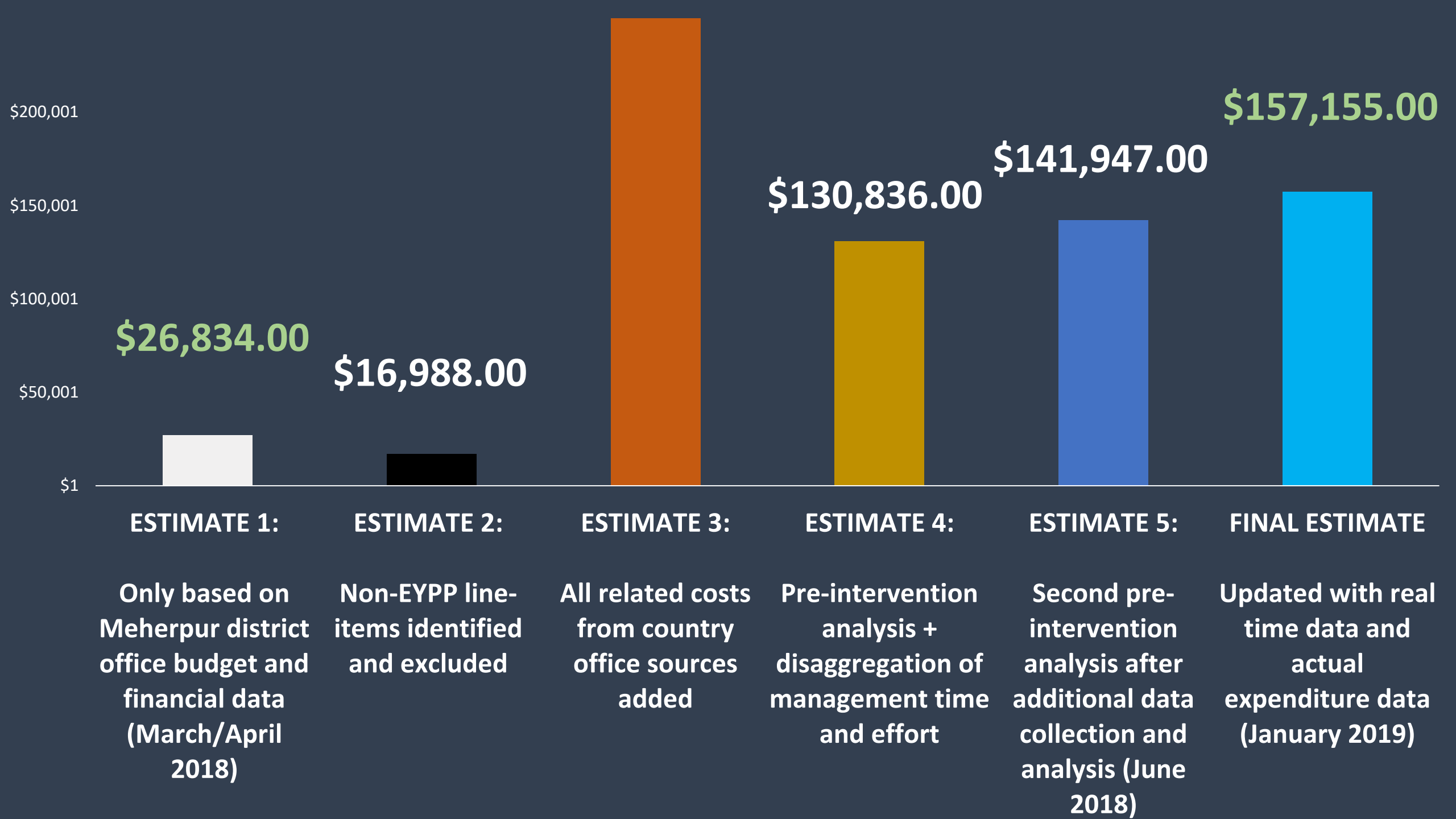
Ingredient	Cost (Bangladeshi Taka)
EYPP Stipend for teachers	980,000
Materials	1,500
Refresher training	117,300
Festival incentive	286,0000
Monitoring Visit	2,100
Preprimary Teachers Salary	525,000

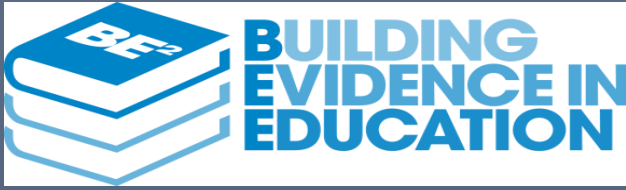


**Not
intervention
costs**

We collect data in real-time, from multiple data sources, and from all contributors so that it is **disaggregated** and **intervention specific**.....







Most studies underestimate costs

Governments
and donors

Mid-management
of SAVE

SAVE finance team

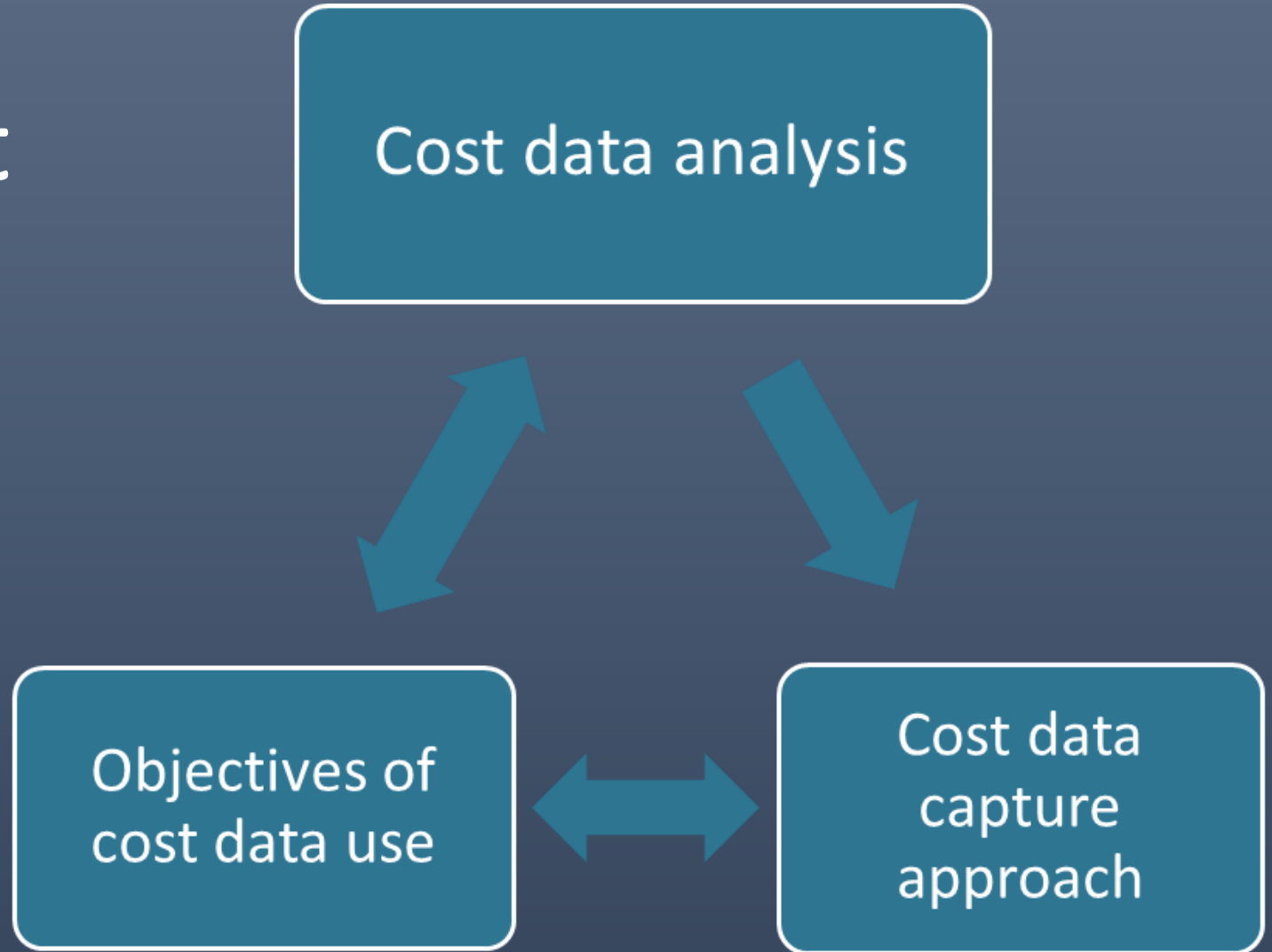
Project manager

Who do you think would want to see each of these cost estimates?

Type of cost metric	Total costs	Change from midpoint economic cost	Cost per child per year
Full economic cost of the EYPP program	\$157,155.38	NA	\$144.98
Cost-effectiveness	""	""	\$144.98 / .26 SD improvement in test scores
Full economic cost with sensitivity analysis range	\$109,778 – \$202,617	-30% - 29%	\$101.27 - \$249.22
Programmatic costs only (only frontline direct program inputs)	\$87,773.39	-44%	\$80.97
SAVE financial costs only (including overhead /management)	\$119,157.64	-24%	\$109.92
SAVE financial programmatic costs only	\$46,504.75	-70%	\$42.90

HOW do we measure cost?

Cost Measurement Framework



How Do These Pieces Fit Together?

Policy Objectives & Questions

- What goal are you trying to achieve?
- What question is being asked, about how to achieve that goal?

Cost Analysis Approach

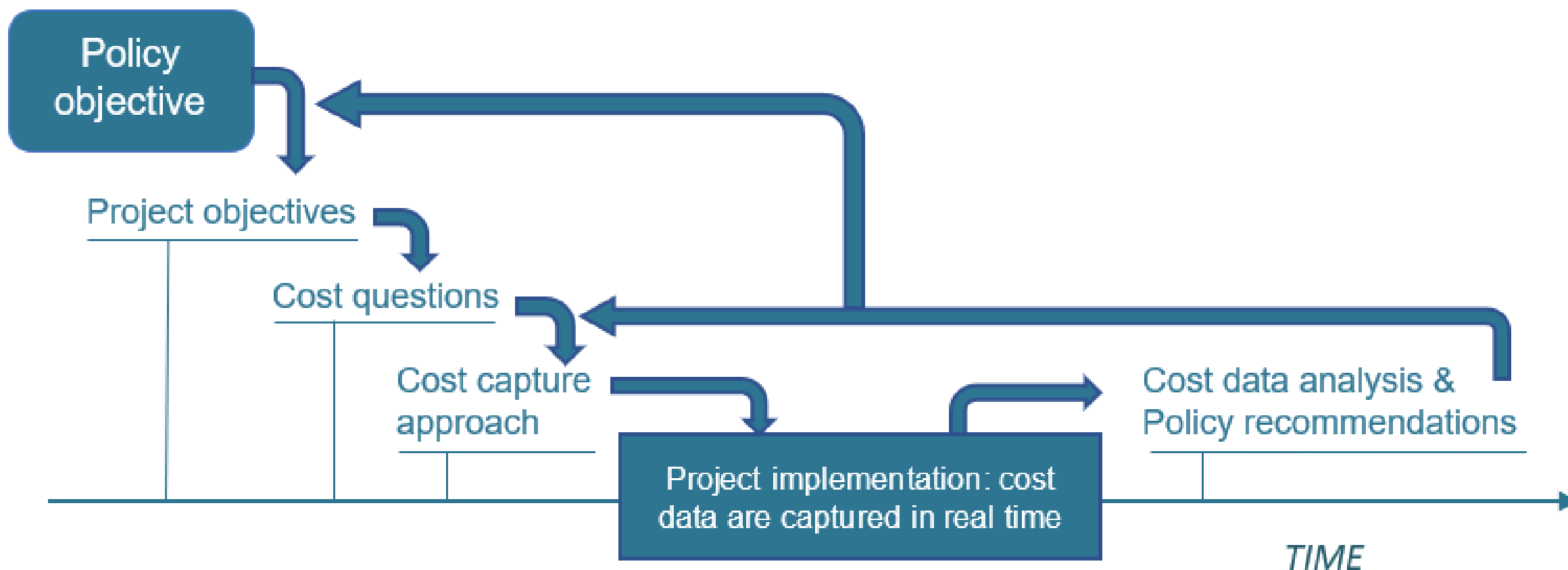
- What type of analysis will you do?
- What costs will you include (financial, social, etc)?

Data Capture

- How will you capture cost data?
- How will you measure outputs & outcomes?

Objectives Drive Cost Measurement

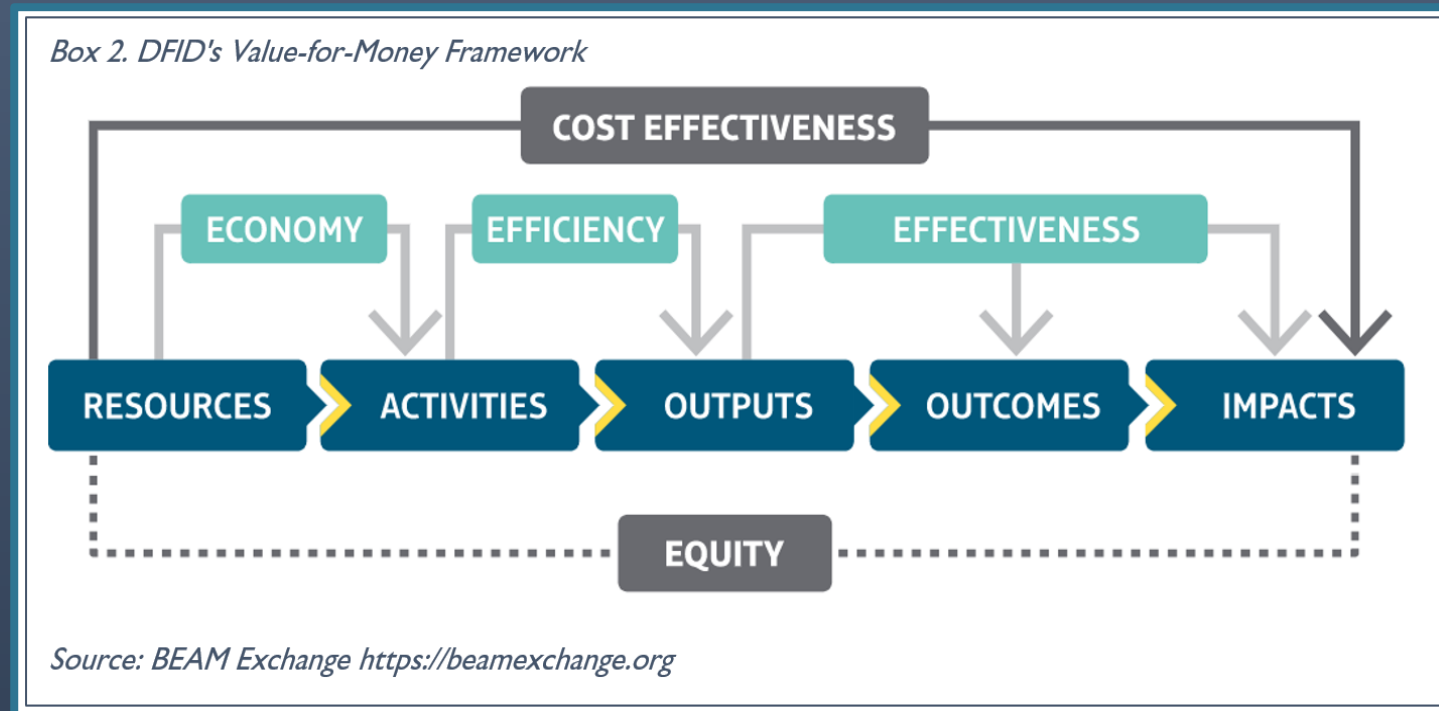
Cost measurement questions are informed by donor/government policy objectives; data are captured in real time



Cost Analysis Approach

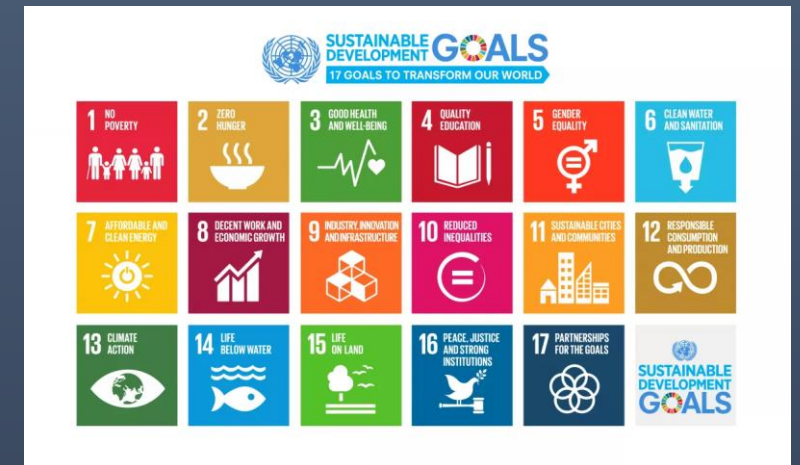
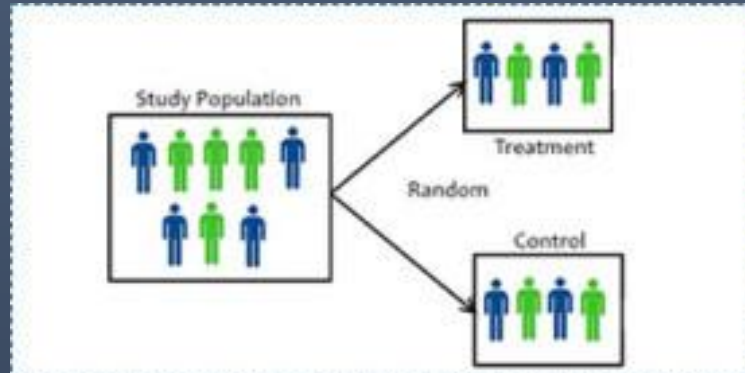
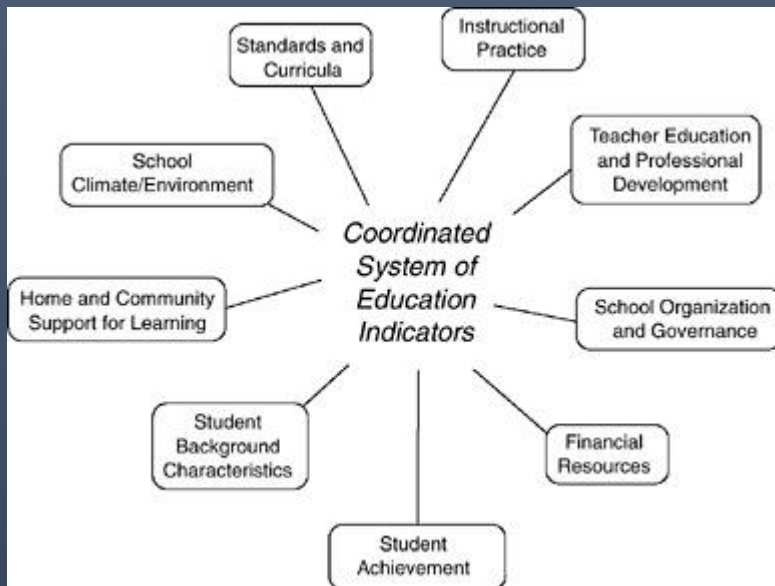
Cost measurement analysis approach is based on DFID's 4E value-for-money framework:

- Cost-economy analysis
- Cost-efficiency analysis
- Cost-effectiveness analysis
- [Cost-benefit analysis]



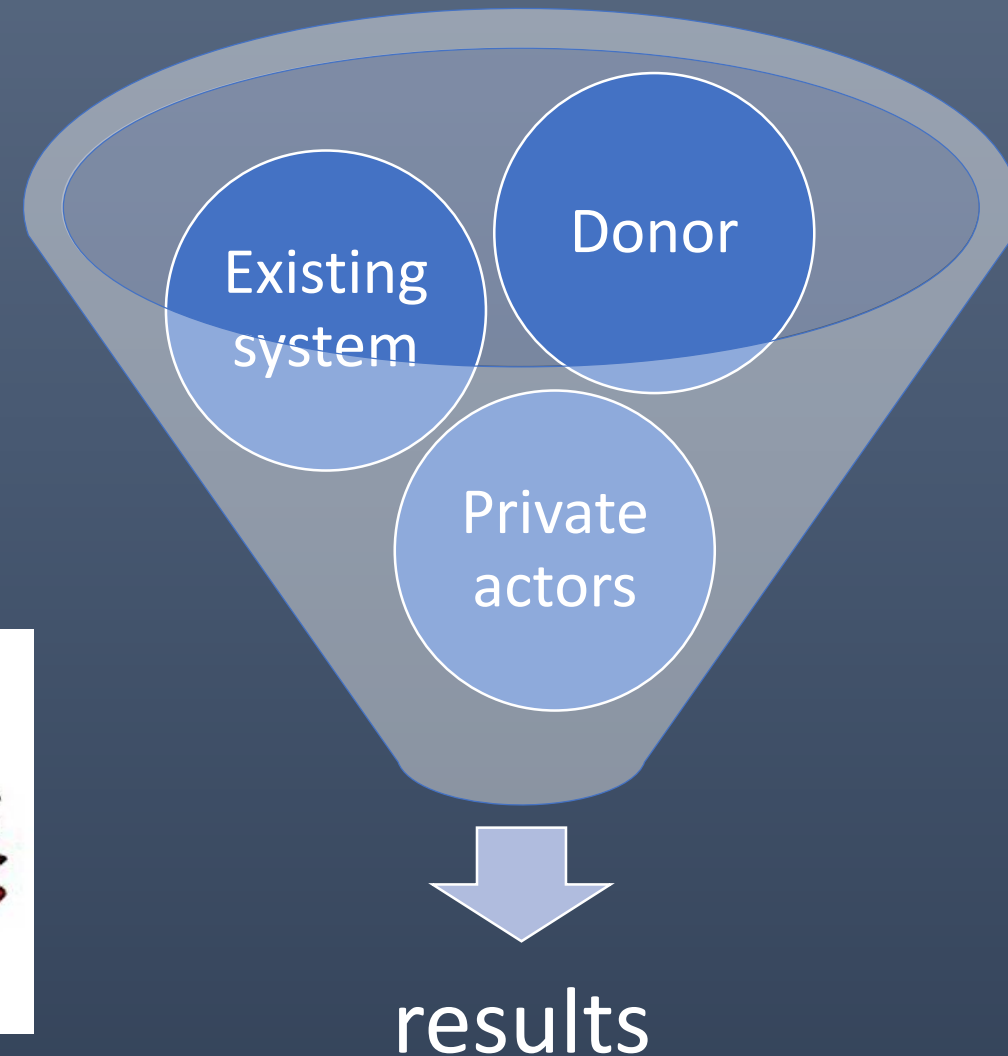
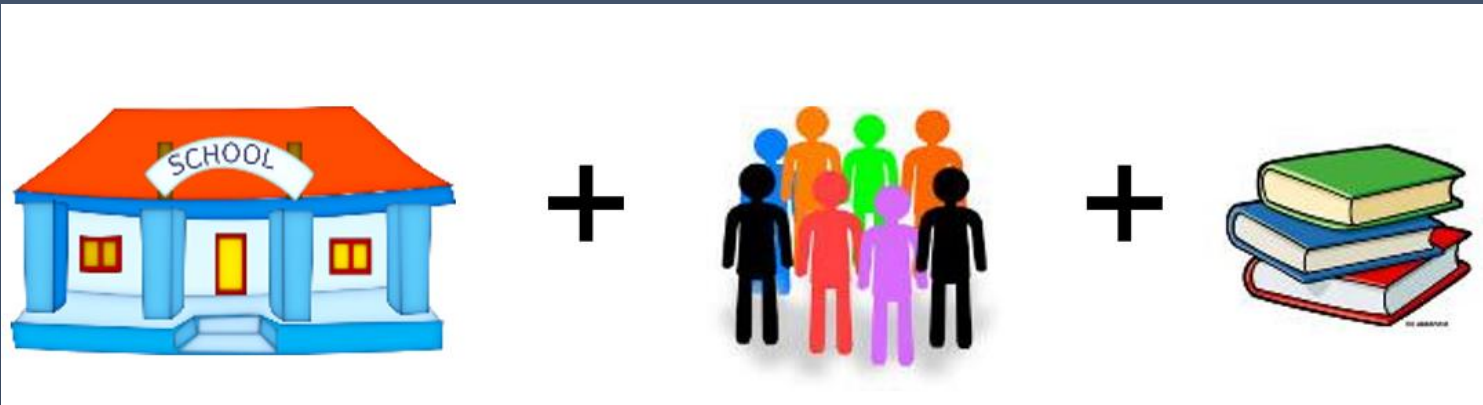
Data: Measuring Outputs and Outcomes

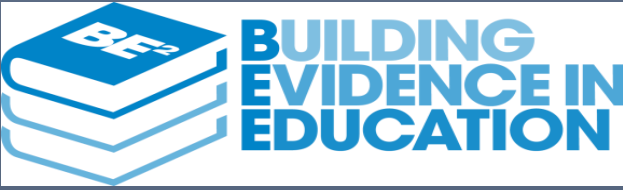
Ensure output and outcome data are collected using common metrics and methodologies and included in the cost data analysis



Data: Cost Capture Approach

- Activity-based costing
- Includes expenditure as well as contributions and opportunity costs





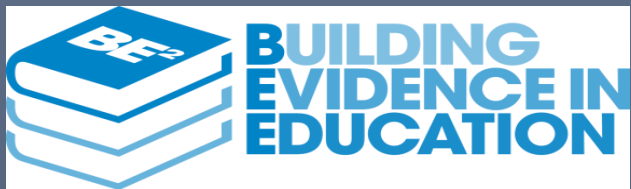
What about Value for Money?

- There are no formulas
- Investment objective-driven
- Not about whether the \$\$ were minimized, but **whether we produced the most public good possible given our objectives**

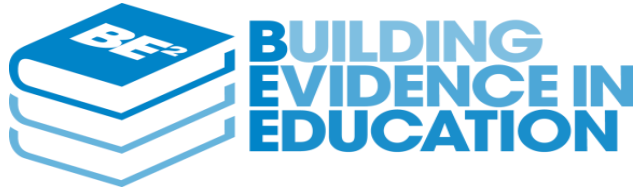
Cost Measurement Guidance Note

- The note was developed for BE² by USAID with input from the World Bank, IRC, DFID, and comments from other BE² members, and CIES and other meeting participants
- Main objective is to help harmonize cost measurement approaches across donors and organizations
 - *Not* a detailed methodological guide (e.g. USAID)
 - *Not* guidance for a reporting process (e.g. 4Es)
 - Trying to build a common mindset and language which underlies the existing methods or process efforts
- Builds on experience with collecting and analyzing education cost data over the past decade





DISCUSSION



Thank you!

If you have not already registered and would like to have a copy of the slides, please contact Maria Brindlmayer:

maria@makingcents.com