

Research costing in low- and middle-income countries



Bellagio FRC

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ESSENCE
on Health Research

ESSENCE: contributing to harmonizing policies and practices of research funders

ESSENCE (Enhancing Support for Strengthening the Effectiveness of National Capacity Efforts) on health research is a collaborative framework between development agencies, research funders, philanthropists and multilateral initiatives to:

- **Strengthen research capacity** and conditions for doing research, especially in Africa;
- **Implementation of** Paris Declaration and Accra Agenda principles in interactions between funders and recipients.

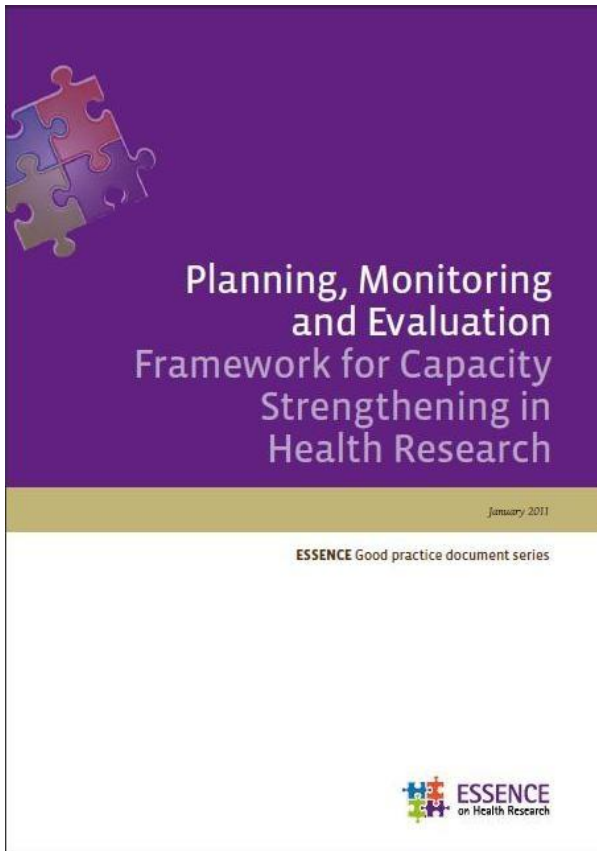


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- **Bill & Melinda Gates Foundation (USA)**
- **UBS Optimus Foundation, Switzerland**
- **GIZ/BMZ, Germany**
- **Assoc. Commonwealth Universities, the UK**
- **The United Kingdom Department for International Development (DFID)**
- **EDCTP European & Developing Countries Clinical Trials Partnership**
- **FIOCRUZ, Brazil**
- **Fogarty International Center, NIH, USA**
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- **International Development Research Centre (IDRC), Canada**
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- **US State Department, Office of the Global AIDS Coordinator (OGAC)**
- **Wellcome Trust, the UK**
- **WHO/TDR – ESSENCE Secretariat, Geneva, Switzerland**



PM&E Framework for capacity strengthening



- makes it easier for recipients of funding to fulfil the PM&E obligations
- facilitates synergy in funding and sharing of knowledge among funders



Identified need

Determining and recovering research costs is a gap area and major challenge for institutions in LMICs that are seeking to develop and maintain sustainable research environments



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Purpose

Better understanding of the challenges
and requirements of research costing



Approach & Acknowledgement

- Coordination: ESSENCE secretariat at WHO/TDR
- Funding: IDRC
- Initial surveys (funders and (Afr. grantees): Accordia Foundation and FIC/NIH
- Survey analysis, Case studies and Literature review: Research Africa & IDRC
- Draft: consultation with African research management associations





Five keys to improving research costing in low- and middle income countries



Outline of the Five Keys



Define and categorize direct and indirect costs



Determine indirect cost rates



Institutionally manage research grants



Develop relevant skills and competencies



Bridge the gap between funders and research institutions





Defining and categorizing direct and indirect costs

Study Finding: Definitions and categories of costs form the basis of research costing but they vary within and between research institutions and funders.

Good Practice Document: This key provides what seem to be fairly widely accepted definitions and practices.

Additional Information: Case studies that illustrate factors that can influence the categorization process.





Determining indirect-cost rates

Study Finding: Many institutions in LMICs base their indirect cost rates on estimates, or simply use the rates set by funders, instead of calculating accurate costs and negotiating appropriate rates with donors.

Good Practice Document: In this Key, pointers and approaches for determining indirect-cost rates are presented

Additional Information: Two case studies (on full costing in South Africa) are provided, as well as a list of additional resources.





Institutional management of external research grants

Study Finding: Research-management systems and human resources are less established in LMICs than in more affluent countries.

Good Practice Document: This Key highlights the role of grants management in institutions, and provides pointers for establishing relevant structures and systems.

Additional Information: Case studies: Botswana's Special Project Office that recovers all the indirect costs of grants and redistributes them *inter alia*. Malawi and the Research Support Centre .





Developing relevant skills and competencies

Study Finding: Both strategic and operational management are crucial.

Good Practice Document: This Key focuses on the functions that institutions have to carry out in order to manage research grants efficiently and on the related research-management skills that they have to master.

Additional Information: Case study illustrates an NIH program that aims to train a cadre of academic research administrators at JCRC who can facilitate and/or develop appropriate administrative infrastructure in their home institution.





Bridging the gaps between funders and research inst.

Study Finding: Funders' policies and practices differ vastly when it comes to funding indirect research costs.

The needs of LMIC research institutions are quite specific.

Good Practice Document: Key 5 highlights some institutional demands and concerns as well as some of the challenges faced by funders when awarding funding to institutions in LMICs.

Additional Information: Case studies highlight some of the LMIC institutional challenges related to research funding.

The final case summarizes the indirect-cost policies of various funders



Possible impact

- Demystification of “indirect costs”
- Comparision between funders possible
- Empowering institutions
- Understanding between funders and grantees
- More sustainable research environments in LIMCs



Future steps

- Further dissemination through various networks
- Development of costing training module
- Partnering with regional research management organisations (SARIMA, CARIMA, CabRIMA)



Thank you

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http://www.who.int/tdr/publications/five_keys

