

## COSTS OF AN NATIONAL QUALIFICATIONS FRAMEWORK

1. This note outlines the possible costs of an NQF. It does so in two ways. First there is an estimate of the additional costs of running an NQF in a fully operational situation. The second illustration costs the preparatory measures need to establish the various components in the first place.
2. The tables give the basis of the activities expected. These derive from a spreadsheet, so if any of the assumptions are considered to be unrealistic they can easily be altered.
3. The costs identified are intended to represent additional costs. For that reason matters such as the accreditation and monitoring of schools (rather than adult providers) which are already undertaken by MoES staff are not included, though new activities (such as accreditation and monitoring of adult providers) are included. There are certain 'grey' areas where the activities included in the costs may partially be undertaken already (for example the monitoring of adult providers might lessen the work of NES staff); these cases are noted.
4. The Annex gives the assumptions underlying the costs. Any of these can be changed. In particular it has been assumed:
  - that social partner participants in the National Qualifications Authority and in various consultation groups will receive a per diem of €40 per day;
  - for activity based measures (such as monitoring) the staff numbers have been estimated by taking the time for each activity (e.g. an exercise to elaborate standards) and then allowing a 'downtime' allowance to reflect holidays, sickness, attendance at training, and other required office activities). The downtime assumption is stated in the Annex.
  - that the volume of NES adult training will be as stated for 2008 in the National Employment Action Plan.
5. In the tables 'Direct Staff Costs' include salaries, employers' taxes and insurance contributions. 'Staff-related Costs' include add on the costs of premises and office running costs, expressed per staff member.
6. Certain elements (indicated with a \*) would probably be attractive to donor programmes and might be expected to be partially offset up aided projects over the next few years.
7. It might not be unreasonable to charge the NES, adult providers or individuals, for the costs of accreditation and certification. This would not only lessen costs, but would act to ensure that providers and individuals did not apply for certification unless they actually thought it would be helpful to them. A figure is given showing what the charge might be, and the revenue produced, using the assumptions in the paper.
8. The 'steady state' operational costs are calculated as some **€477,000** per annum, of which some **€106,000** per annum might be recovered in fees, giving rise to net expenditure of **€370,000**. In the early years of operation some items could no doubt be covered by donor programmes,. It might be possible to fund around half of this from donor projects.
9. Set up costs are calculated at **€134,000**, much of which should be eligible for donor funding.

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**'Steady State' operational costs: staff and € (to nearest €100)**

Item	Direct staff	Staff Direct Cost €	Staff-related costs €	Per Diems and Travel €	Total Cost €	Remarks
NQA meetings		-	-	7,200	7,200	Meet 10 times a year. 8 non-governmental representatives, 4 from outside Belgrade.
NQA Secretariat	5.0	48,800	64,350	-	64,400	Service NQA board, deal with correspondence. Full time Chief Executive.
Maintain Sectoral Classification (reviews)*	1.7	16,300	21,450	-	21,500	Two reviews a year taking three months. each involving 2 staff/consultants. Review need for profiles within sector.
Elaborate VET Standards (research)*	7.5	73,100	96,500	1,000	97,500	6 profiles reviewed per year. 13 weeks research by team of 3 staff, including travel.
VET Standards consultation*		-	-	8,600	8,600	2 consultative meetings held with experts/social partners for each profile reviewed. May reduce need for current consultation on profile development.
Develop curricula*	2.5	24,400	32,200	1,200	33,400	Half of new profiles are worth developing into adult curricula. Team of 2 takes 13 weeks for each.
Validate Standards*	0.6	5,600	7,400	1,300	8,700	1 validation meeting per profile, 3 external members, 3 weeks preparatory work by VET Centre staff member. May reduce need for current consultation on profile development.
Establish Assessment Requirements	2.0	19,500	25,700	-	25,700	Assumes only guidelines, not detailed schemes.
Accredit organizations	2.1	20,200	26,600	2,900	29,500	Assumes 200 adult training organizations, with a replacement rate of 10% pa. 3 weeks to process and to include a 2 day visit.

Item	Direct staff	Staff Direct Cost €	Staff-related costs €	Per Diems and Travel €	Total Cost €	Remarks
Monitor organizations	3.4	33,600	44,300	9,600	53,900	3 year cycle. 2 day visit. One week to prepare and write report. May reduce workload in NES.
Register adults	1.7	16,800	22,200	-	22,200	10 minute input per successful student.
Investigate appeals	1.7	16,100	21,300	2,600	23,900	1% of cases appealed; average time = 2 days; one fifth require detailed follow up with provider
Promote NQF*	2	19,500	25,700	5,000	80,700	Two staff concerned with promotion. Materials and talks. Budget for promotion = €50,000 pa
<b>Total</b>	<b>30.1</b>	<b>293,900</b>	<b>387,700</b>	<b>39,400</b>	<b>477,200</b>	

Items marked \* may be eligible for donor project funding.

Additional Staff in	
NQA	10.4
VET Centre/IED	12.6
MoES	7.2

Possible registration revenues	
Adult Registration Fee (based on accreditation and registration costs)	€ 8.19 679 Din.
Revenues	€ 105,600

**Set up costs: staff and € (to nearest €100)**

Item	Direct staff	Staff Direct Cost €	Total staff-related costs €	Per Diems and Travel €	Total Cost €	Remarks
Legislation for Levels and NQA	1.7	16,300	21,500	-	21,500	6 months work for two legal staff
Preliminary sectoral classification	0.8	8,100	10,700	-	10,700	6 months research and consultation
Premises Search	0.3	3,100	4,100	-	34,100	10 weeks to seek and fit premises (€30,000 fit out budget)
Seek an appoint NQA members	0.8	7,500	9,900	-	9,900	3 weeks work per member
Train members	0.8	7,500	9,900	7,700	17,600	3 days training for NQA members
Train inspectors in accreditation	1.3	12,500	16,500	10,000	26,500	10 days training for 20 inspectors
Arrange training of inspectors	1.0	9,400	12,400	1,500	13,900	3 groups, 8 weeks preparation and delivery
<b>Total</b>	<b>6.6</b>	<b>64,400</b>	<b>85,000</b>	<b>19,200</b>	<b>134,200</b>	

Most of these items would be eligible for donor funding or expert advice.

## ASSUMPTIONS USED IN CALCULATIONS

Salary pm (bruto)	€ 650
Staff downtime (holidays, training, sickness, office functions etc)	40%
Additions to salary (insurance, employers taxes)	25%
Per diems for social partners involved	€ 40
Premises per staff member (m <sup>2</sup> )	14.0
Rent per m <sup>2</sup>	€ 15
Office services (cleaning, heating etc) per person	€ 50
Travel costs per km	€ 0.50
Km per travel day	150
Overnight accommodation	€50
Nights away per travel trip	0.5
No of NES trainees, 2008	21,500
No of Trainees per Centre	100
% of trainees gaining qualifications	60%