

# APPROACHES TO OPTIMAL RECOVERY OF INDIRECT COSTS FOR RESEARCH ACTIVITIES



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## Background

- Full recovery of indirect costs is critical for sustainability of research activities.
- Yet many institutions in developing countries still grapple with recovery of indirect costs for their research.
- The increasingly growing restrictions by funders remain a stumbling block to the full recovery of indirect costs for research. It is estimated that a number of research institutions in Africa often recover less than what it costs them to conduct research.<sup>1</sup>

## Rationale

- It is essential for institutions develop and maintain their research environments to sustain high-quality research, and the recovery of full indirect costs is critical to this end.
- We explore some of the tools that can be used to ensure optimal recovery of indirect costs for research, the pre and post award good practices to maximize recovery of indirect costs and how to optimize indirect cost recovery if funders allow lower than the institutional indirect cost rate. Institutions with a similar challenges can learn new tools and approaches to optimally recover indirect costs for their research.

## Objectives

- To identify tools that can be used to ensure optimal recovery of indirect costs for research.
- To look at some of the pre and post award good practices to maximize recovery of indirect costs for research, and how to optimize indirect cost recovery if funders allow lower than the institutional indirect cost rate.

## Tools and Practices



### Documentary support

- Develop & implement policies to recover indirect costs from research grants in a transparent & consistent way.
- Develop Standard Operating Procedures and Templates



### Budget Preparation process

- Budget efficiently/ directly
- Efficient execution of research budget



### Negotiating the indirect cost rate

- Choose a methodology to accurately calculate institutional cost recovery rate.



### Staff

- Identify and recruit capable staff & continuously strengthen their skills.

1. ESSENCE on Health Research (2020) The Five Keys To Improving Research Costing and Pricing in Low-and Middle-Income countries

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