



# COST-BENEFIT ANALYSIS AND FINANCING OF VPL (VALIDATION OF PRIOR LEARNING)

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# RPL in Flanders



- ▶ Multiple departments in charge of RPL at regional level
  - ▷ Education and Training
  - ▷ Work and Social Economy
  - ▷ Culture, Youth, Sports and Media



- ▶ Towards an integrated policy
  - ▷ Realize the potential of RPL
  - ▷ Improve the transparency and durability of the procedure
- ▶ Need for a realistic financing model

# Standard cost model to monetarize costs



## ▶ Objective

- ▷ Break down RPL procedures into a range of manageable components that can be measured
- ▷ Uses a high degree of detail in the measurement of costs, in particular going down to the level of individual activities

## ▶ Approach

- ▷ Identification of specific activities (process steps) in RPL
- ▷ Identification of cost parameters

▶ 
$$\text{Cost of each activity} = \text{Price} \times \text{Quantity}$$
  
hourly rate x time      number of actors x frequency

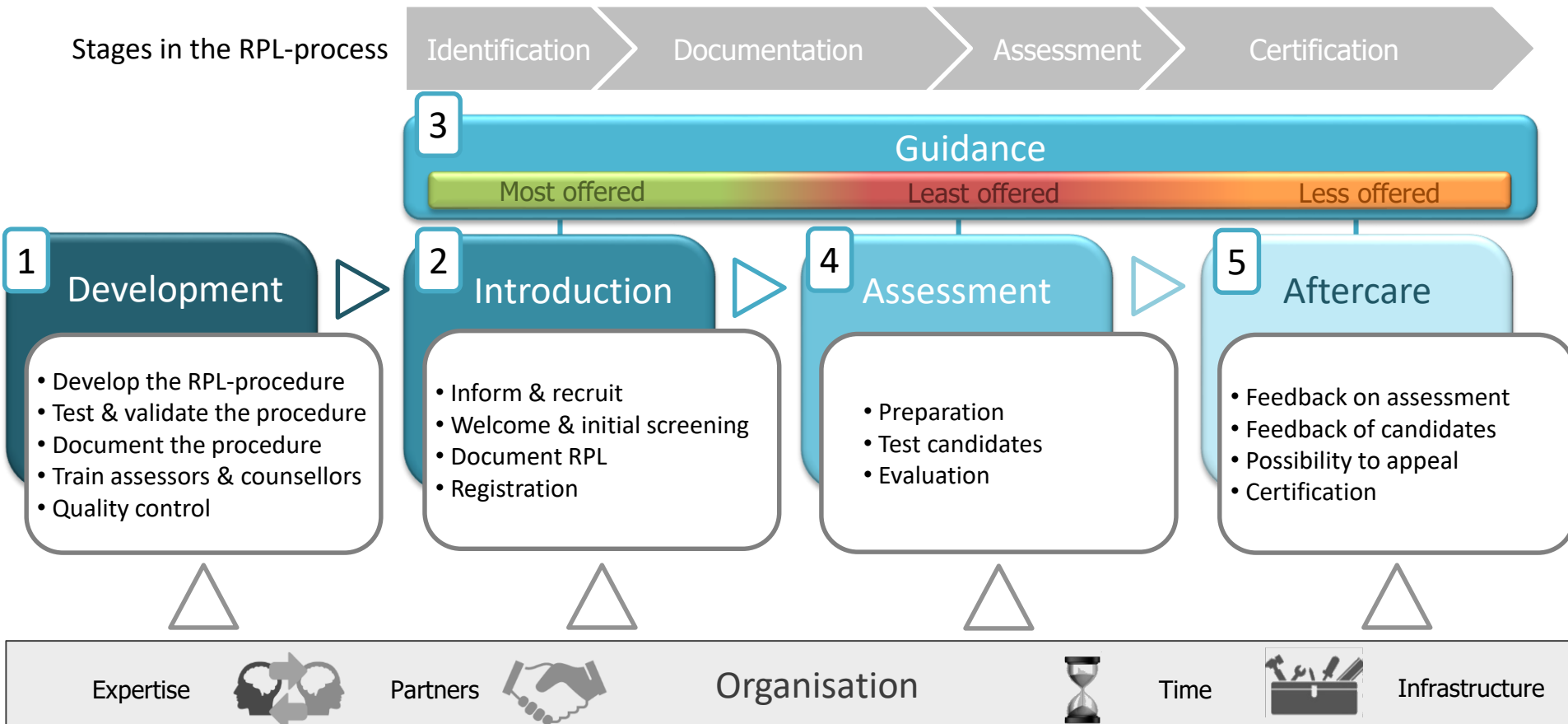
## ▶ Result

- ▷ A monetized cost at process step level for the development and implementation of RPL

# Process steps in an integrated RPL-procedure



- ▶ Five key components in all existing procedures



# Illustration process steps



## ► Step down towards operational level

### ▷ 2. Introduction

#### ▷ 2.1 Inform and recruit

<b>1.</b>	<b>Offering information through the website</b> <ol style="list-style-type: none"><li>1 Developing content</li><li>2 Putting content online</li><li>3 Keeping content up to date</li><li>4 Search for information and go through it</li></ol>
<b>2.</b>	<b>Generic information moment (e.g. job fair)</b> <ol style="list-style-type: none"><li>1 Developing content</li><li>2 Practical preparation</li><li>3 Attending the event</li></ol>
<b>3.</b>	<b>Specific information moment (e.g. via PES or educational institution)</b> <ol style="list-style-type: none"><li>1 Developing content</li><li>2 Practical preparation</li><li>3 Giving the presentation</li></ol>
<b>4.</b>	<b>Mailing to potential participants</b> <ol style="list-style-type: none"><li>1 Identification of potential participants</li><li>2 Developing content</li><li>3 Make appointments with partners for layout, distribution, ...</li><li>4 Sending message</li><li>5 Follow-up mailing</li><li>6 Reading message</li></ol>

# Cost analysis (1)



## Time spent

- ▶ To perform the action **once**
- ▶ Mainly to get an idea about the range of time needed
  - ▷ Pragmatic or complex
  - ▷ Dependent on target group, cognitive level, type of test,...
- ▶ **Time spent** and not lead time
- ▶ Several people involved = adding up time that each person spends on it
- ▶ **Efficient performance** = not the fastest executor but also not the slowest

## Price

- ▶ **Standard hourly rate** for staff and citizens
- ▶ Out-of-pocket **costs** (ICT, infrastructure, ...)
  - ▷ Partly included in the hourly rate as it comprises overhead costs (use of desk, costs of computer use, telephone, copy machine and the like)

# Cost analysis (2)



## Quantity

### ▶ Size of the **population**

- ▷ Suppliers: both public & private organisations (across policy fields)
  - Partly monitored, partly estimated after consulting suppliers
  - In Flanders: 157
- ▷ Participants: across suppliers + taking dropout into account
  - Partly monitored, partly estimated after consulting suppliers
  - In Flanders: 8187 in RPL on annual basis

### ▶ **Frequency**

- ▷ Number of people involved in each step
- ▷ Number of times the actions have to be performed on an annual basis

## Data needed for suppliers and candidates

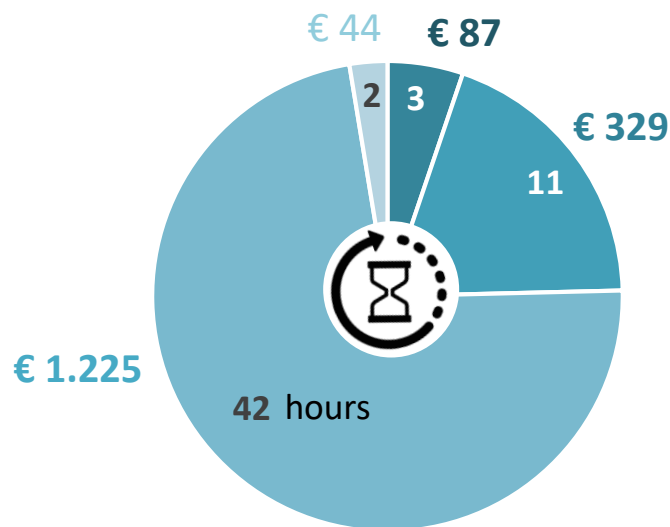
- ▶ For a pragmatic and an advanced approach

# Result – Average cost



## For suppliers

- ▶ Unit cost – 58 hours (€ 1.700) per trajectory



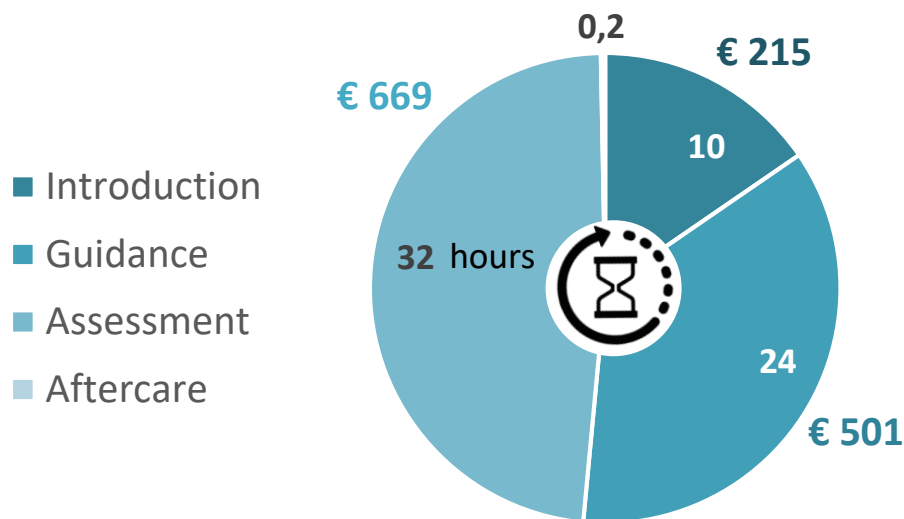
- ▶ Total cost at Flemish level: € 13,8 mio

### Single cost

- ▷ Development (sunk cost):  
€ 7.700 to € 154.800

## For participants

- ▶ Unit cost – 67 hours (€ 1.389) per trajectory



- ▶ Total cost at Flemish level: € 11,4 mio



# Main learning effects



- ▶ **Quality of CBA relies on accurate data**
  - ▷ Need for monitoring
  - ▷ Insight in potential at demand side of RPL
  
- ▶ **International benchmark as quality check**
  - ▷ Estimated costs consistent with other (international) cost calculations
    - ▶ 1.500 to 2.000 euro (> 50 days)
  - ▷ Consultation of actors from the field improves the quality of the data
  
- ▶ **Guidance and assessment account for the largest costs**
  - ▷ Guidance: conditional upon profile of the participants
  - ▷ Assessment: combination of tests + practical tests are more expensive
  
- ▶ **Room for efficiency gains**
  - ▷ E.g. meetings, use of existing material, pool of assessors, etc.
  - ▷ Finding a good balance between quality and efficiency



## Contact

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