

The Cost of Hunger in Africa Study

Briefing for WFP Executive Board

17 April 2012

WFP Headquarters, Rome

Presentation Outline

- **Rationale**
- **Objectives**
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- **Methodology**
- **Organization and Process**
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- **Current Status and Preliminary Results**
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Rationale

- **Solid recent economic growth performance across Africa**
- **But given widespread undernutrition on the continent...**
 - ➔ **Foregone growth possibilities?**
 - ➔ **Additional losses in the future?**
- **Questions:**
 - ➔ **What has been lost so far?**
 - ➔ **What could be lost in the future?**
- **Policy-support knowledge gaps:**
 - ➔ **There is good understanding of individual- and community-level impacts of hunger**
 - ➔ **But little known about aggregate impacts, especially impacts on economic growth and poverty**

Evidence of Massive Social and Economic Costs of Hunger in LAC Region

Learning form other regions

- **Central America could realize over 2.2 billion dollars in savings from eradication of child undernutrition by the year 2015**
- **The economic impact of child undernutrition was estimated at more than \$6.6 billion for 2004, which represented from 1.7 to 11.4% of GDP in individual countries**
- **Losses in productivity due to increases in the incidence of child mortality and lower educational levels account for over 90% of losses**

We choose..



**To pay the consequences of
having undernutrition**



To pay for eradicating undernutrition

Objectives

- **To quantify the aggregate social and economic impacts of child undernutrition in Africa**
- **To raise awareness – especially of policymakers -- about these impacts**
- **To help mobilize action and investment to address child undernutrition**
- **To strengthen relevant national and regional analytical and organizational capacities**

Expected Outputs

- 1. A valid methodology to assess the social and economic impact of child undernutrition in African contexts**
- 2. Validated quantitative estimates of the social and economic impact of child undernutrition in 12 African countries**
- 3. Reports and other advocacy materials based on these estimates**

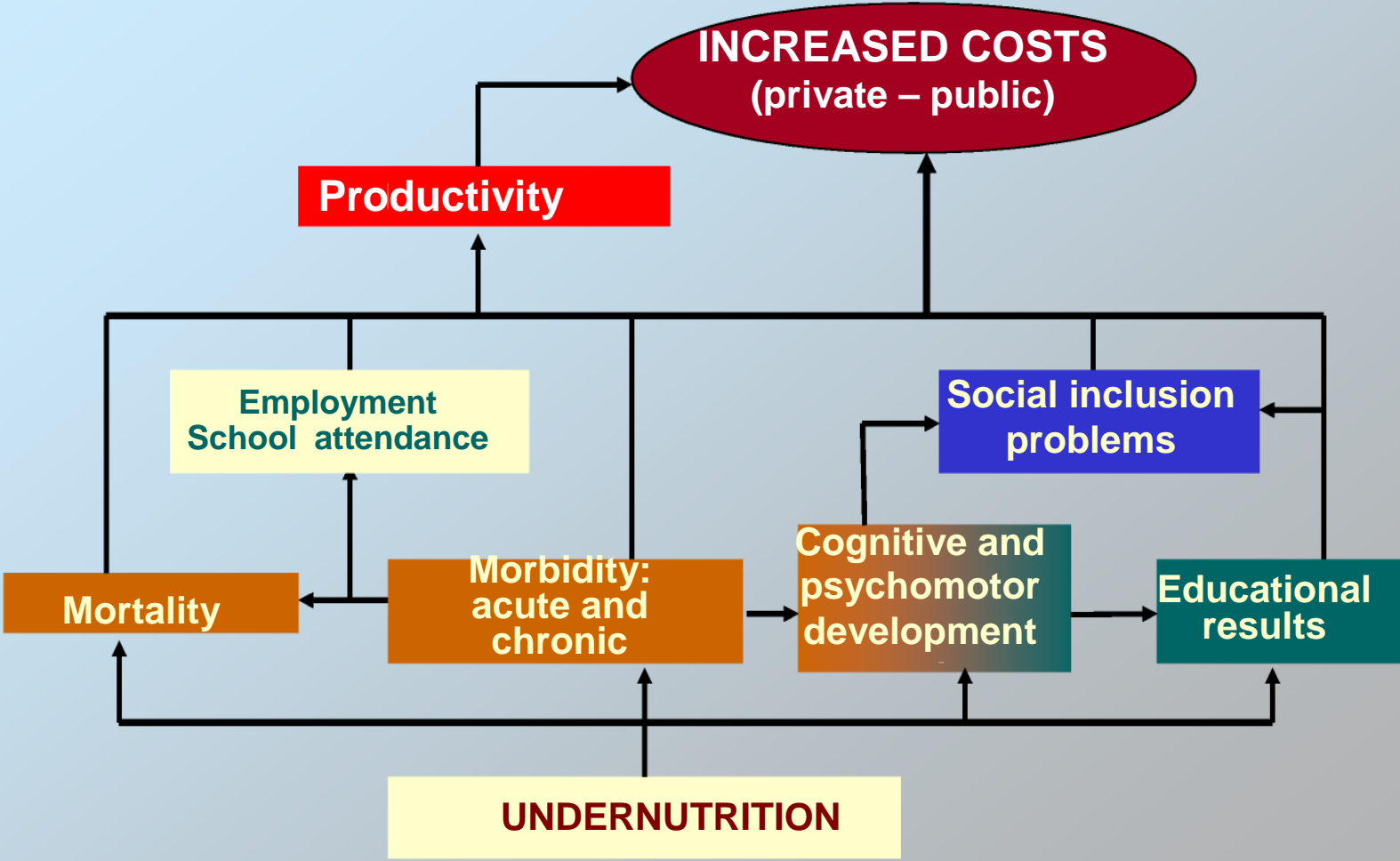
Expected Outcomes

- **Increased understanding among key national and regional policymakers about:**
 - ➔ **The depth and breadth of child undernutrition on the continent**
 - ➔ **The aggregate social and economic consequences of child undernutrition**
- **Strengthened empirical foundations for national and regional policies and investments to cut hunger in Africa**
- **Strengthened national and regional capacity for analysis of the impacts of child undernutrition**

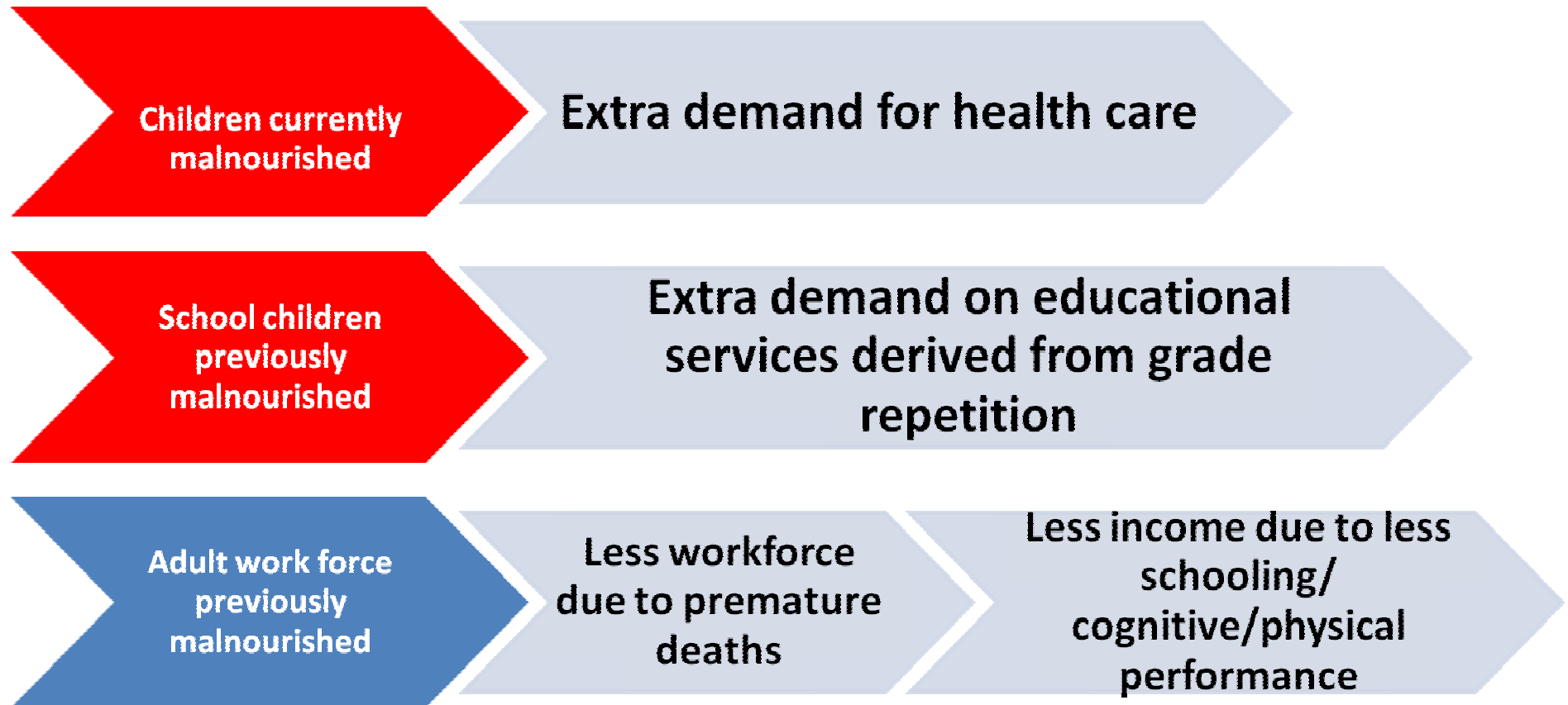
Methodology

Adapting the ECLAC-WFP Methodology

UNDERNUTRITION CONSEQUENCES



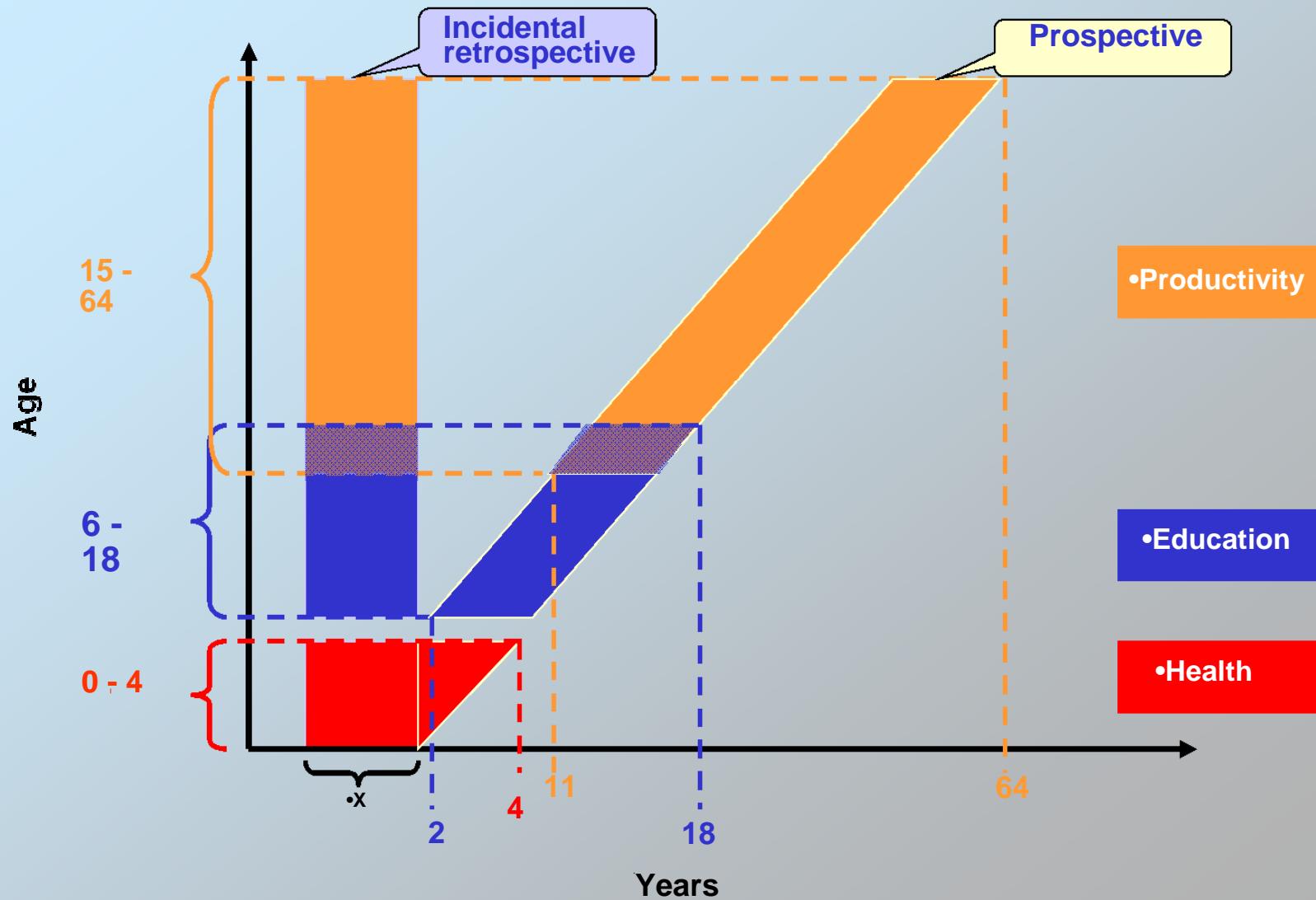
Impact Pathways



Red: direct costs

Blue: opportunity costs

TWO DIMENSIONS OF ANALYSIS

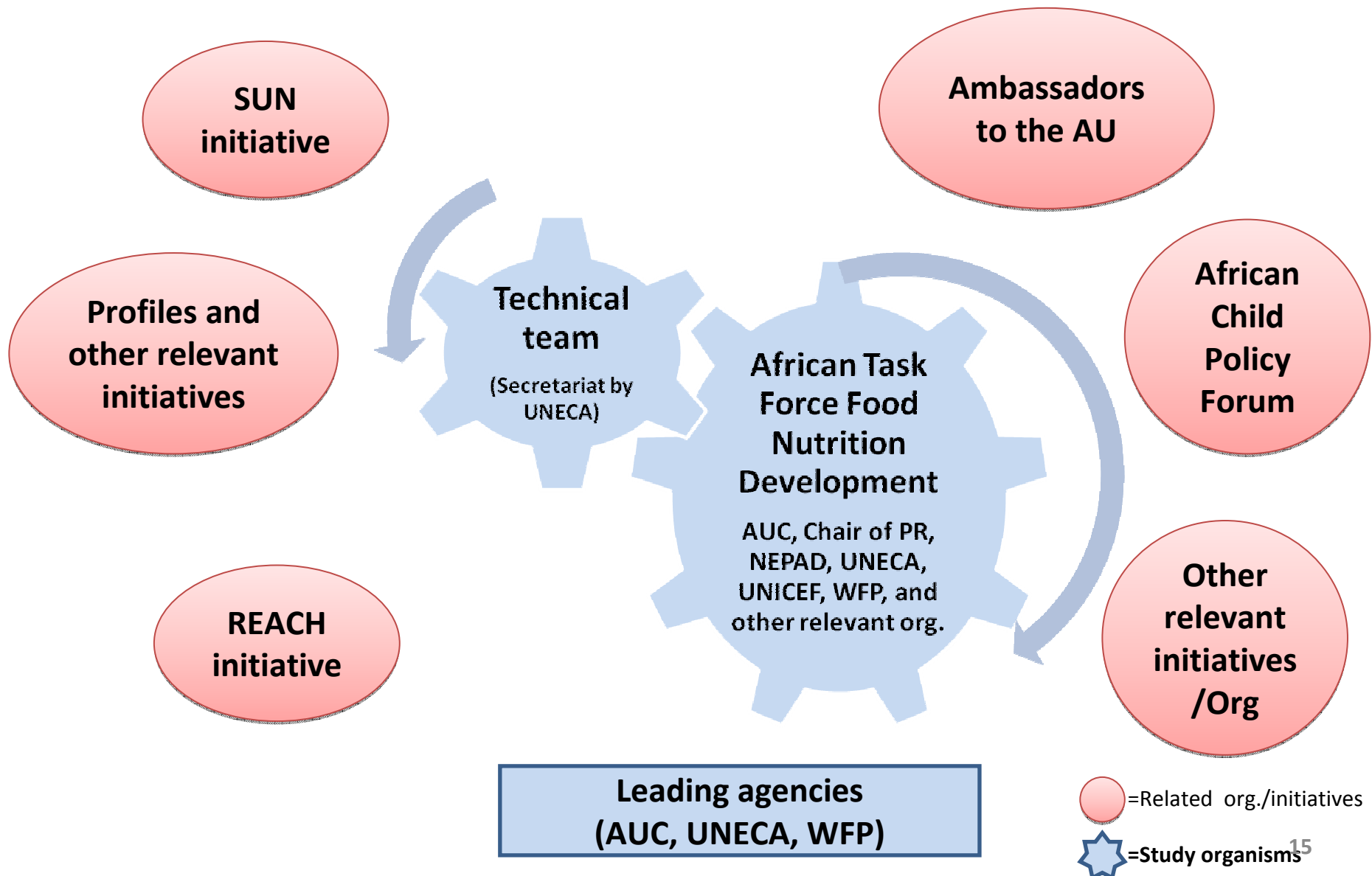


Adapting the ECLAC-WFP Methodology

- **Strong technical support from ECLAC -- Learning from other regions**
 - ➔ Gratefully acknowledged by African Ministers of Finance
- **Key issues in adapting the methodology**
 - ➔ Lack of data
 - ▶ Especially costs of healthcare
 - ➔ Opportunity costs of unpaid (largely agricultural) work, usually done by women
 - ➔ Relationship between educational level and income
 - ▶ Was very important in LAC
 - ▶ Same for African contexts?
 - ➔ Linkages between school enrolment and stunting
 - ➔ Impacts of HIV, given limited data
 - ➔ Discount rate

Organization and Process

Regional Actors and Stakeholders



Focus on the Country Level

Regional level supporting the process



Country Selection Criteria

- **Availability of the secondary data needed for the study**
 - **This includes availability of at least a recent DHS (Demographic and Health Surveys) and a recent household income and consumption survey.**
- **Prevalence of child undernutrition (the purpose is to cover the whole range)**
- **Country willingness to contribute to the study**
- **Sub-regional coverage**

Participating countries

Selected Countries	REC						
	CEN-SAD	COMESA	ECCAS	ECOWAS	IGAD	SADC	UMA
Botswana						x	
Burkina Faso	x			x			
Cameroon			x				
Egypt, Arab Rep.	x	x					
Ethiopia		x			x		
Ghana	x			x			
Kenya		x			x		
Malawi		x				x	
Mauritania							x
Rwanda		x	x				
Swaziland		x				x	
Uganda		x			x		
Total	3	7	2	2	3	3	1

Fast Track Countries
Egypt, Arab Rep.
Ethiopia
Mauritania
Swaziland
Uganda



National Implementation Teams

- **Multiple stakeholders**
- **Chaired by relevant governmental institutions --
Typically drawn from:**
 - ➔ **Ministry of Health**
 - ➔ **Ministry of Education**
 - ➔ **Ministry of Social Development**
 - ➔ **Ministry of Planning**
 - ➔ **Ministry of Finance**
 - ➔ **National Statistics Institutions**
- **Non-chairing government agencies are members**
- **Other members include:**
 - ➔ **UN Agencies**
 - ➔ **NGOs**
 - ➔ **Research institutions**
- **WFP Country Offices provide technical and administrative back-stopping as needed**

I. Study preparation

Policy involvement

AU& NEPAD, African Task Force
ECA, WFP
Donors informed

Steering committee organized
SUN, REACH, Profiles
African Child Policy Forum contacted

Technical Support

African Task Force endorsing the process
Regional technical team organized

Methodology adopted
Coefficient estimators identified

Study teams

Regional team organized
Backup material prepared

National teams trained and organized

II. Study implementation

Data collection

Health , Education
Labour and
productivity data

Contextual data
Quality Assurance
(QA) of data
collected

Data Analysis

Direct cost and
opportunity cost
estimation

QA of the analysis

Country report

Drafting the report
based on
templates

QA and report
validation

III. Study Dissemination

Material Produced

Blogs, Fora,
electronic
documents

Printed material
(report, leaflets,
policy papers)

Report Launching

High Level
National event

High Level
Regional/Global
events

Follow-up

Systematic use in
national /
regional events

Systematic use
as a reference in
related events
and publications

Current Status

- **Initial round of data collection completed in four countries**
 - ➔ **Uganda, Ethiopia, Egypt, Swaziland**
- **Preliminary results developed for Uganda**
 - ➔ **Validation underway**
- **Preliminary analysis commencing in Ethiopia, Swaziland, Egypt**
- **Data collection commencing in remaining countries**

Preliminary Results – Uganda

- In 2009 the prevalence of underweight (16%) would have increased the demand to the health sector to provide care services by 1.8 million cases
 - Due to diseases related to underweight – such as acute diarrheal diseases, acute respiratory infections and malaria, among children under 5 years old
- The cost of providing health services to this incremental demand is estimated at **\$390 million**
 - Equivalent to the public health expenditure in Uganda per annum, and represents 2.3% of GDP
- The country has lost approximately **4% of the economically active population** due to underweight and its consequences
 - Estimates are being carried out to measure the impact of these losses on productivity on the country's GDP
- Similar estimations are under analysis for the education sector and its effects on productivity

Next Steps

- **Finalization of data collection and analysis in the five fast-track countries**
 - **Results from these countries are expected to be available in the second quarter of 2012**
- **Launching of data collection and analysis in the remaining seven countries**
- **Outreach and dissemination of results at the country and regional levels**

Thank you

Merci