



Cost-Benefit Analysis School Feeding Investment Case

Governments are increasingly interested in conducting cost benefit assessments of their safety net programmes. WFP is supporting them by providing technical assistance and has developed a school feeding investment case. It is a cost/benefit analysis of the **value added for each dollar invested** in school feeding. It is a useful tool in showing the extent to which school feeding programmes are valuable **in the long run** and how they are advantageous to the country's overall development.

This analysis provides concrete evidence proving that school feeding is not so much a cost as **an investment for human capital development**. The tool has proven to be very powerful when advocating for school feeding and when providing evidence to governments that scaling up school feeding will benefit them both in the short- and longer term. This includes the additional benefits for local markets and economy gained from home-grown school feeding programmes.

I - The Cost Benefit Analysis (CBA)

The CBA tool was developed jointly by WFP and the Boston Consulting Group in 2011. Its purpose is to determine a programme's total benefit to the community from each dollar invested, both in the short and long term. It takes into account all costs and benefits of the school meals programme to determine its return on investment.

This study can be leveraged as an **advocacy tool** developed to illustrate to donors and governments the long run costs and benefits of a school feeding programme. This tool is also an **economic model** supported by academic literature, country-specific indicators on nutrition, health and education and information collected from WFP experts.

Data is collected at local level and processed by comparing schools enrolled in the programme with a control group of similar schools which do not participate in the programme.



Value added for each USD 1 invested

In a sample of ten countries providing school meals, take-home rations or biscuits, it showed that every US1 invested brought a **USD 3 to USD10 economic return from improved health and education among schoolchildren and increased productivity** when they become working adults.

The Cost-Benefit Analysis Methodology

Key Benefit Drivers

For the School Feeding Investment Case, five key benefit drivers were taken into account.

Value Transfer to the Household

The study shows that, on average, **21% of the overall benefit** consists in the transfer of additional income to the household, including the value of the food received and the healthcare expenditures avoided due to the children's better health.

Return on Investment on Saved Assets

The value transferred to the households represents an alleviation of their charges of an equivalent amount. The sum thereby released can be invested in other assets, which will benefit the family. The value generated by these assets corresponds to **4% of the overall benefit** on average.

Increased Productivity of the Beneficiary

The study points out that, for school feeding programmes, most of the benefit is made through an increased productivity of the beneficiary when they become adults. The lifetime Net Present Value

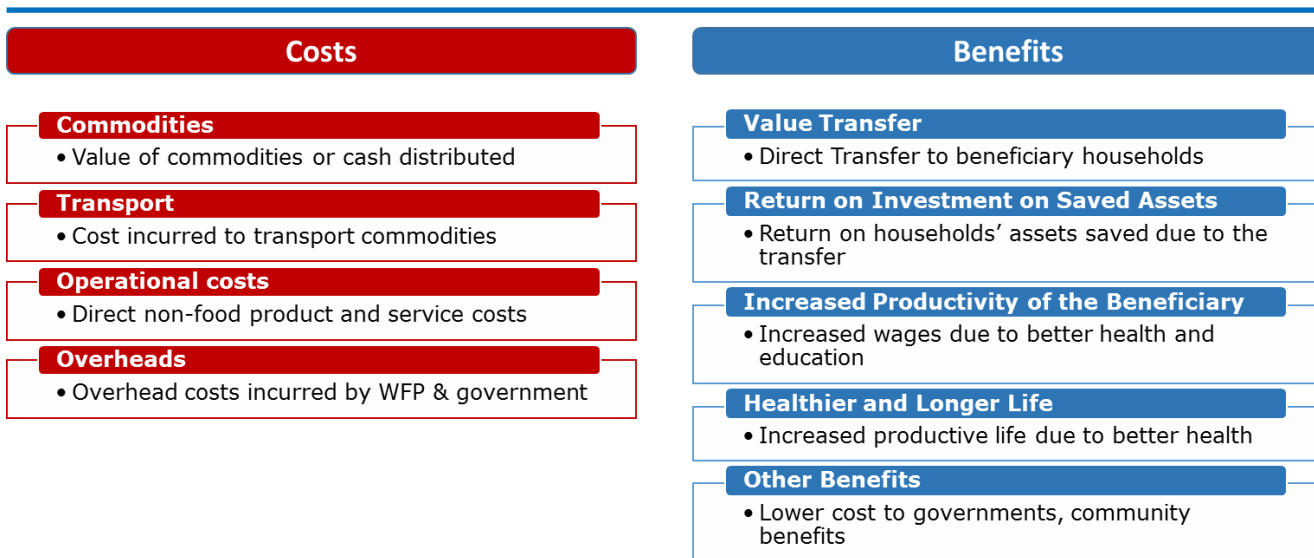
due to improved productivity represents **67% of the overall benefit** on average, of which two thirds are attributable to increased wages due to better cognition, and one third to increased wages due to better education.

Indeed, on average, the schools enrolled in school feeding programmes always show a higher enrollment as compared to the control group (+8%), a better attendance of enrolled children (+6%), lower dropout rates (-4%), adding to better test results (Standard Deviation between 0.06 and 0.25).

Longer and Healthier Life

The study points out that an average of **8% of the overall benefit** is due to a longer life because of additional education and income as well as to reduced Disability Adjusted Life Years (DALYs). The health results were valued according to WHO methodology.

The main outputs of the study are the **Net Present Value** of all the benefits during the lifetime of the beneficiary. The **Cost-Benefit Ratio** compares this Net Present Value to all the expenditures incurred by the programme.



Main Costs

The costs of school feeding programmes include four main components. The **commodities** are the value of the food given or purchased, valued using the closest local substitute. The **transport** includes international and landside transportation, storage and handling. **Operational costs** are incurred by the services supporting the intervention, such as staff, vehicles and facilities. **Overhead costs** are incurred by direct or indirect support contributions to school feeding.

Range of the study

The study focuses on the costs and benefits which can be measured. In addition to the benefits accounted in the study, evidence showed that school feeding also builds **stronger community links**, strongly **empowers women**, including schoolgirls, which show better enrollment and attendance rates and mothers who work as cooks for the programmes, **enhances local infrastructures** by building kitchens or storage facilities and can **serve as a platform for other development interventions**, such as deworming or nutrition education.