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Cost-Benefit Analysis of the School Meals Programmes in Lao PDR May 2018



Acknowledgements

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Front cover photo: WFP/Vilakhone Sipaseuth

Acronyms

BCR	Benefit-Cost Ratio
CBA	Cost-Benefit Analysis
CRS	Catholic Relief Services
CSP	Country Strategic Plan
DALY	Disability Adjusted Life Years
DESB	District Education and Sports Bureau
DHS	Demographic Health Survey
EMIS	Education Management Information System
GPI	Gender Parity Index
HDI	Human Development Index
LAK	Lao Kip
MAF	Ministry of Agriculture and Forestry
MoES	Ministry of Education and Sports
MoH	Ministry of Health
NPV	Net Present Value
NutVal	NutVal 4.1 software
PESS	Provincial Education and Sports Bureau
SABER	Systems Approach for Better Education Results
SMP	School Meals Programme
US\$	United States Dollar
VAM	Vulnerability and Assessment Mapping
VEDC	Village Education and Development Committee
WASH	Water, Sanitation and Hygiene
WB	The World Bank
WFP	World Food Programme

Executive Summary







This report presents the findings of the cost-benefit analysis (CBA) of school meals programmes in Lao PDR (Laos), carried out jointly by the Ministry of Education and Sports (MoES), the World Food Programme (WFP) and MasterCard in April/May 2018. It aims to inform evidence-based policymaking and contribute to the overall advocacy efforts for improved investments in a sustainable, nationally-owned school meals programme.

The CBA is an economic model that shows the economic value created by school meals programme over a single beneficiary's lifetime. It is supported by academic literature and country-specific indicators on education and health. It enables governments, donor agencies and development partners, to see at a glance the return of investment on school meals (expressed in a dollar value) over a single beneficiary's lifetime. Developed by WFP, in partnership with the Boston Consulting Group and in consultation with the World Bank, the CBA has previously been carried out in fifteen countries with school feeding programmes. The study is carried out through the WFP-MasterCard Partnership and the MasterCard Employee Engagement Programme, where volunteers from MasterCard provide support this exercise for one month.

In Laos, the CBA was undertaken for two modalities: i) cash-based, i.e. school meals under the government-run National School Meals Programme and ii) food-based i.e. school meals under WFP and CRS.

The CBA results show that for every 1 US\$ invested in school meals programmes, the return of investment ranges from 5 US\$ (cash-based modality) to 6.1 US\$ (food-based modality) over the lifetime. The net present value generated by the school meals is given below, followed by the breakdown into individual benefit drivers (corresponding to the respective Sustainable Development Goals).

Table 1: Total benefit (economic value) generated by school meals programmes in Laos. All values in US dollars represent the value created over the lifetime of a single beneficiary.

Benefit categories		Food-based	Cash-based
Net present value Generated in the country's GDP over their lifetime.		US \$1,271	US\$ 1,419
Value transfer			
	School meals provide a value transfer to beneficiary households through the value of food / cash provided. This additional income support improves food security for the entire household, acting as a critical safety net.	US\$ 264	US\$ 371
Return on investment			
	The value constituted by the food / cash transfer to the households frees up resources, which households, who are active asset managers, then use to partly invest in productive assets.	US\$ 110	US\$ 153
 	Improved education and increased productivity Increase in future revenue through longer schooling and better cognitive abilities, and thus improving their productivity when they become working adults.	US \$750 (for both modalities)	
	Healthier life The health and nutrition benefits of school meals resulting from partially meeting daily requirements for Vitamin A, iron and the benefits of combining school feeding with WASH programmes.	US \$131.09	US \$128.12
	Gender equality Positive externalities associated with reducing the gender gap	\$16.15 per beneficiary	

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1. Rationale and Context

Governments are increasingly interested in expanding their national social protection systems in response to the growing inequity and the frequency of social shocks. Globally, school meals programmes are one of the most effective social safety nets, especially for food-insecure and poor households, and represent a sustainable investment in human capital with multiple benefits in the sectors of education, health and nutrition, social protection, and gender equality.

As a result, an emerging need to assist governments in designing and implementing school feeding programmes which incorporate sustainable investments in human capital is required.¹ While potential benefits of school meals are intuitively recognizable, programme costs may pose a challenge in providing evidence on quantifiable and monetary returns to investment.² In response to these challenges, WFP in partnership with the Boston Consulting Group (BCG) and the World Bank developed the School Feeding Investment Case otherwise known as the Cost-Benefit Analysis in 2011. This report presents the results of the Cost-Benefit Analysis (CBA) study of school meals programmes in Lao PDR, carried out jointly by the Ministry of Education and Sports (MoES), the World Food Programme (WFP) and MasterCard in April/May 2018. The report is designed to inform evidence-based policymaking and contribute to the overall advocacy efforts for improved investments in a sustainable, nationally-owned school meals programme in Lao PDR.

School Meals Programmes in Lao PDR

Nearly 25 percent of all pre-primary and primary school children in Lao PDR receive a daily lunch at school.

The first school feeding programmes were set up in 2002, by the World Food Programme, with the initial aim of improving enrolment rates in disadvantaged districts and providing nutritious meals to children. However, as enrolment rates improved over the course of the decade, the programme focus shifted to improving attendance, nutrition and health in school children, who can concentrate better with a full stomach.

The Government-led National School Lunch Programme was established in 2010 by the MoES, with funding from the World Bank. As part of this establishment, WFP handed over 56 schools to the programme, and signed a Memorandum of Understanding (MoU) titled “Transition Agreement towards a National School Feeding Programme” in 2010, jointly with the MoES and the World Bank, as part of this first takeover. To ensure sustainability and national ownership, the Government of Lao PDR adopted the “National Policy on Promoting School Lunch” in May 2014, establishing a policy framework for a nationally-owned school lunch programme.

Over the years, the National School Lunch Programme has expanded, and is reaching 25,000 children in 312 schools in 10 districts in Houaphanh, Bolikhamxay, Oudomxay, Phongsaly, and Xayaboury. The WFP school lunch programme covers 1,450 schools in 30 districts across 7 provinces including Phongsaly, Luang Namtha, Oudomxay, Luang Prabang, Saravane, Sekong and Attapeu. In addition, Catholic Relief Services also has been providing school lunch to 350 schools in seven districts in Savannakhet province since 2008³.

School lunch programmes in Laos use both cash and food modalities, and also provide many complementary activities in WASH, literacy and nutrition. This integrated approach forwards achievement of sustainable access to food and improved educational performance. The government-run National School Lunch Programme, uses a cash modality, wherein schools receive 800 LAK per child per day per meal (equivalent to US\$0.10 per child) to purchase food from local communities. WFP and CRS use an in-kind food modality (rice, lentils, oil and canned fish⁴), to provide school lunch. In addition to lunch, many schools also receive support to establish school gardens; safe food-storage trainings and hardware; literacy programmes; improved water access and hygiene; and technical assistance to policy and advocacy work at national and sub-national levels.

Table 2: Overview of school meals programmes in Laos by modality, coverage, and implementers

Modality	Beneficiaries	Coverage	Grade	Food basket	Implementing Agencies
Cash-based	25,518 children	10 Districts	Early Child Development (ECD) – grade 5	Varies across schools (based on local procurement)	MoES
Food-transfer	174,175 children	37 Districts	Early Child Development (ECD) – grade 5	White Rice, Lentils, canned fish and vegetable oil	WFP, MoES and CRS

Handover to a sustainable national ownership

Laos is moving towards middle-income country status and as such, the Government of Lao PDR is committed to a graduation from Least Developed Country (LDC) status in 2024, which reflects criteria for gross national income, human assets and economic vulnerability. The country has seen strong economic growth in the past few years, with reduction in poverty levels, however, the country is off-track on stunting reduction and achieving quality education. As such, the Government, as part of its 2030 vision of “a prosperous country, with a healthy population, free from food insecurity, malnutrition and poverty”, is increasing investments in health and education, including school meals.

In addition to the 2014 Policy on Promoting School Lunch, the MoES Plan of Action on the School Meals Programme (2016-2020) also recognizes that provision of lunches contributes favourably to education, food security and nutrition outcomes. School meals is one of the priority actions within the National Nutrition Strategy and Plan of Action 2016-2020, which emphasizes a multi-sectoral and convergence approach to all forms of malnutrition.

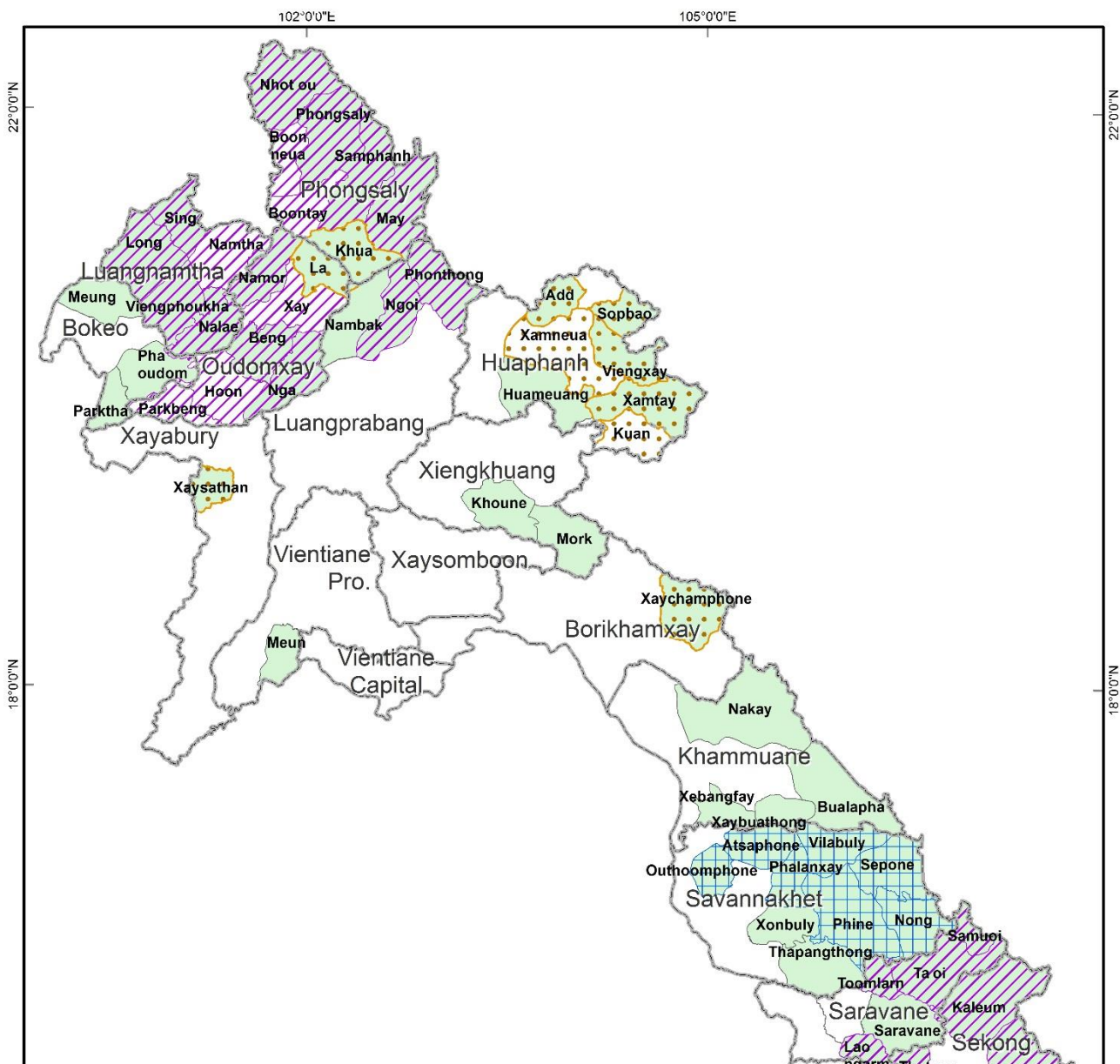
To ensure sustainability of the programme, WFP, CRS and the World Bank are preparing to hand over the programme to the government and beneficiary communities. In June 2019, WFP will hand over 500 schools to be integrated into the national school lunch programme, followed by the remaining 950 in June 2021. The World Bank funding for national programme will also end in June 2019. To facilitate the handing over of school meals to the government, WFP in partnership with MasterCard conducted the Cost-Benefit Analysis (CBA) for school meals in April/May 2018. This study is an investment case to support the Government in scaling up their school meals programmes while reducing costs and increasing sustainability, and also supports advocacy efforts to include school meals in the government’s national budget.

¹ Bundy, Donald et al. 2009. Rethinking School Feeding Social Safety Nets, Child Development, and the Education Sector. Directions in Development; human development. World Bank. <https://openknowledge.worldbank.org/handle/10986/2634>

² Alderman, Harold; Bundy, Donald. 2012. School Feeding Programs and Development: Are We Framing the Question Correctly?. Published by Oxford University Press on behalf of the World Bank. <https://openknowledge.worldbank.org/handle/10986/17114>

³ WFP and CRS both receive funding from the US Department of Agriculture (USDA) McGovern-Dole International Food for Education and Child Nutrition program to run school feeding programmes in Laos. In addition, WFP also receives funds from the Governments of Japan and Australia.

⁴ Canned fish are only part of the WFP school lunch programme



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