Review of GSFP: Comparative Cost Analysis, Financial Sustainability and Monitoring

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Agenda

• Executive Summary
• School Feeding Program Evaluations
  o Program Overviews
  o Cost Analysis
  o Best Practices
• Monitoring
• Financing & Sustainability
Executive Summary

• After three weeks, the Berkeley team has come away extremely impressed with the progress of the GSFP and the progress to date.

• Our report identifies the following recommendations for the GSFP using three separate forms of analysis:
  o Cost model recommendations:
    ▪ Expand WFP pilot
    ▪ Increase community participation
    ▪ Leverage CRS expertise
  o Monitoring recommendations:
    ▪ Tactical: Improve capacity, engage community, improve data collection, tracking and reporting, and improve issue resolution
    ▪ Strategic: Partner with CRS
  o Financial Sustainability Recommendations:
    ▪ Improve access to multiple sources of funding
    ▪ Reduce reliance on outside parties for capital
    ▪ WFP food basket represents largest cost savings
GSFP Comparison Programs

Process:

- Selection of peer comparison group
- Cost and qualitative metric collection and entry into cost model
- Analyze cost model for variance between the GSFP and peers
- Determine best practice performance for each cost bucket

<table>
<thead>
<tr>
<th>Program</th>
<th>GSFP</th>
<th>CRS</th>
<th>WFP</th>
<th>SHI</th>
<th>ADRA</th>
</tr>
</thead>
<tbody>
<tr>
<td># Schools</td>
<td>975</td>
<td>963</td>
<td>79</td>
<td>36</td>
<td>2</td>
</tr>
<tr>
<td># Students</td>
<td>443,000</td>
<td>256,000</td>
<td>~35,000</td>
<td>~3600</td>
<td>~400</td>
</tr>
<tr>
<td>Avg Students per School</td>
<td>454</td>
<td>266</td>
<td>443</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Years Operation</td>
<td>2</td>
<td>8</td>
<td>1</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Regions</td>
<td>10 Regions</td>
<td>3 Northern</td>
<td>3 Northern</td>
<td>Ashanti Region</td>
<td>Eastern Region</td>
</tr>
<tr>
<td>Grades</td>
<td>KC–6</td>
<td>KG–6</td>
<td>KG–6</td>
<td>KG</td>
<td>1–6</td>
</tr>
<tr>
<td>Food Source</td>
<td>Local</td>
<td>USAID</td>
<td>Local/Import</td>
<td>Local</td>
<td>US Soy</td>
</tr>
<tr>
<td>Menu Base</td>
<td>Maize, Rice, Tuber</td>
<td>SFSG</td>
<td>CSB</td>
<td>Maize</td>
<td>Soy</td>
</tr>
<tr>
<td>Qualitative Analysis</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Cost Analysis</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Feeding Program Variable Costs

Observations:

- GSFP provides meals at a slight cost premium to CRS and WFP
- CRS cost leader but not a suitable model for the GSFP to explore given the MGD goal of stimulating the local economy
- WFP approach meets GSFP goals and saves between 5 and 18 cents per meal (depending on supplemental food budget)

<table>
<thead>
<tr>
<th>Food Procurement (per child per lunch)</th>
<th>CRS</th>
<th>GSFP</th>
<th>WFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials Cost (Food)</td>
<td>$0.15</td>
<td>$0.29</td>
<td>$0.08</td>
</tr>
<tr>
<td>Supplementary Food</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.08 – $0.21</td>
</tr>
<tr>
<td>International Shipping (to Ghana)</td>
<td>$0.04</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Domestic Transportation</td>
<td>$0.03</td>
<td>$0.00</td>
<td>*</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$0.22</td>
<td>$0.29</td>
<td>$0.28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ongoing Cost (per child per lunch*)</th>
<th>CRS</th>
<th>GSFP</th>
<th>WFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>$0.00</td>
<td>$0.02</td>
<td>$0.00</td>
</tr>
<tr>
<td>School Cook Salary</td>
<td>$0.00</td>
<td>$0.01</td>
<td>$0.00</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$0.00</td>
<td>$0.03</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

| Total Lunch Cost per Child                             | $0.22| $0.33| $0.15 – $0.28|

* Included in raw material costs
Feeding Program Start-up Costs

Observations:

- GSFP is the only program to incur start-up costs while implementing new feeding programs
- These start-up costs are significant when scaling up the GSFP
- GSFP should explore ways to further involve the local community and the districts to reduce the program costs of starting-up a new school  
  o Possible models include CRS and Self Help

<table>
<thead>
<tr>
<th>Item</th>
<th>CRS</th>
<th>GSFP</th>
<th>WFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitchen</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Stove</td>
<td>$0.00</td>
<td>$372.83</td>
<td>$0.00</td>
</tr>
<tr>
<td>Cookware (Pots, Ladles, etc.)</td>
<td>$0.00</td>
<td>$503.80</td>
<td>$0.00</td>
</tr>
<tr>
<td>Serveware (Bowls, Cups, Spoons, etc.)</td>
<td>$0.00</td>
<td>$778.26</td>
<td>$0.00</td>
</tr>
<tr>
<td>Polytank</td>
<td>$0.00</td>
<td>$1,055.40</td>
<td>$0.00</td>
</tr>
<tr>
<td>Sign boards</td>
<td>$0.00</td>
<td>$108.80</td>
<td>$0.00</td>
</tr>
<tr>
<td>Liquid Soap</td>
<td>$0.00</td>
<td>$353.26</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other</td>
<td>$0.00</td>
<td>$114.24</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$3,486.60</strong></td>
<td><strong>$0.00</strong></td>
</tr>
</tbody>
</table>
Feeding Program Monitoring Costs

Observations:

• GSFP current expenditure on monitoring underestimates the program costs in the future
• Monitoring costs of CRS and GSFP are similar, but significantly less than WFP
• The proximity between costs for GSFP and CRS does not capture the program effectiveness of CRS

<table>
<thead>
<tr>
<th>Monitoring &amp; Evaluation (per school)</th>
<th>CRS</th>
<th>GSFP Current</th>
<th>GSFP Estimated</th>
<th>WFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor Salaries</td>
<td>$102.34</td>
<td>$132.82</td>
<td>$138.63</td>
<td>$921.20</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$71.24</td>
<td>$10.26</td>
<td>$30.38</td>
<td>$235.87</td>
</tr>
<tr>
<td>Fuel / Maintenance</td>
<td>$26.58</td>
<td>$10.06</td>
<td>$70.29</td>
<td>$151.90</td>
</tr>
<tr>
<td>Equipment (nominal) / Other</td>
<td>$21.46</td>
<td>$4.35</td>
<td>$21.46</td>
<td>$650.73</td>
</tr>
<tr>
<td># of Monitors</td>
<td>15</td>
<td>21</td>
<td>40</td>
<td>5</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$221.63</strong></td>
<td><strong>$157.49</strong></td>
<td><strong>$260.76</strong></td>
<td><strong>$1,959.70</strong></td>
</tr>
</tbody>
</table>
Best Practice and Cost Recommendations

- **Recommendations**

- **Expand the WFP Pilot:** We believe that GSFP should explore ways to roll the WFP pilot program out on a national level due to the cost effectiveness of the WFP food basket.

- **Expand Community Participation:** GSFP should re-evaluate the decision to purchase all essential cooking implements for each school feeding program.

- **Leverage the CRS Monitoring Expertise:** GSFP should look for a partnership model in which CRS provides monitoring support to the GSFP given CRS’s expertise in school monitoring and equivalent costs.
### Monitoring

**Program Monitoring Comparison**

<table>
<thead>
<tr>
<th></th>
<th>CRS</th>
<th>WFP</th>
<th>GSFP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Assessment of Effectiveness</strong></td>
<td>High</td>
<td>Med-High</td>
<td>Med-Low</td>
</tr>
<tr>
<td><strong>Capacity</strong></td>
<td>17-18 Monitors, 7-10 Vehicles&lt;br&gt;963 Schools&lt;br&gt;Engages GES&lt;br&gt;Initiates community involvement through CFMC</td>
<td>5 Monitors, 3 Vehicles&lt;br&gt;79 Schools&lt;br&gt;Engages GES &amp; GSFP&lt;br&gt;Expects community involvement</td>
<td>21 Monitors, 2 Vehicles&lt;br&gt;975 Schools&lt;br&gt;Engages WFP and GES in 79 partner schools</td>
</tr>
<tr>
<td><strong>Policies &amp; Procedures</strong></td>
<td>Spends 1-year to train, prepare, and mobilize community &amp; school&lt;br&gt;6 visits / term / school&lt;br&gt;CFMC makes 1 or more visits / week</td>
<td>Some training&lt;br&gt;At least 1 visit / year / school&lt;br&gt;Community member visits periodically</td>
<td>No formal training or monitoring process observed&lt;br&gt;2 visits / term / school (hard to achieve with limited capacity)</td>
</tr>
<tr>
<td><strong>Data Collection, Tracking, &amp; Reporting</strong></td>
<td>Formal and detailed process by schools and monitors; low-level and aggregated summary reporting</td>
<td>Formal and detailed process by schools and monitors; low-level and aggregated summary reporting</td>
<td>Schools report daily attendance&lt;br&gt;Monitors have a form but no observed aggregated reports</td>
</tr>
<tr>
<td><strong>Accountability</strong></td>
<td>Most robust food mismanagement accountability&lt;br&gt;Minimal to no focus on linking program to local farmers</td>
<td>Food mismanagement accountability in place&lt;br&gt;Focused on Ghana-produced commodities but not on linkages to local farmers</td>
<td>No food mismanagement accountability observed&lt;br&gt;Focused on linkages to local farmers; new Ghana rice initiative</td>
</tr>
<tr>
<td><strong>Issue Resolution</strong></td>
<td>1-Week turnaround&lt;br&gt;Issue recurrence prevention activities</td>
<td>2-Week turnaround</td>
<td>No data was provided</td>
</tr>
</tbody>
</table>
Monitoring

- **Tactical Recommendations**

- **Capacity:** Allocate 20 – 25 schools per monitor, allowing 2 – 3 visits per term per school.

- **Engaging the Community:** Give community program ownership and accountability by establishing CFMC. Engage them in complementary monitoring activities.

- **Data Collection, Tracking, and Reporting:** Timeliness and thoroughness is critical in monitoring program progress and issues. Detailed food variance reports provide food mismanagement accountability.

- **Issue Resolution & Recurrence Prevention:** Timely and effective issue resolution is critical to pace of implementation. In addition, issue recurrence prevention activities should be taken.
Monitoring - Leveraging CRS

• Strategic Recommendation: GSFP should explore a partnership relationship with CRS in which CRS monitors the GSFP program at a national level.

• The Rationale:
  o CRS core competency in monitoring
  o CRS institutional knowledge of school feeding programs in Ghana
  o CRS existing infrastructure
    ▪ CRS resources are being freed up due to the wind-down of their school feeding program
  o CRS relative cost advantages compared to the GSFP school feeding program
Financing Sustainability - Overview

- Updated the financial projections for the GSFP
  - Relied on initial budget of Sept. 2006
  - Updated based on recent changes to the program

- This intention of this model was to enable analysis of:
  - The capital requirements of the program as it expands
  - Understand the costs that drive the funding needs
    - Focus on costs GSFP can impact

<table>
<thead>
<tr>
<th>Program Cost Analysis</th>
<th>% of 2007 GSFP Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Operational Baskets</strong></td>
<td></td>
</tr>
<tr>
<td>Food &amp; Preparation</td>
<td>86.3%</td>
</tr>
<tr>
<td>Start-Up Costs (Inputs)</td>
<td>4.4%</td>
</tr>
<tr>
<td>Monitoring &amp; Evaluation</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
Financing Sustainability - Overview

• Given our cost assumptions, the total funding needed through 2010 is $340 million versus an initial GSFP estimate of $212 million.

• Two existing significant funding sources:
  o The Government of Ghana (88%)
  o The Government of the Netherlands (12%)

• In order to obtain financial sustainability, it is integral to:
  o Diversify funding sources
  o Reduce costs where possible
  o Not rely on the hope of a donor to provide the capital required
Financing Sustainability - Overview

• Four options to help improve sustainability will be reviewed

  1. Schoolchildren Payment for Meals
  2. WFP Food Basket Use
  3. School Start-Up Costs
  4. Monitoring & Evaluation

• Each can be impacted by internal decisions
  o Reduces reliance on external parties
Financing Sustainability – Payment for Meals

- Offsets the largest cost of the program
- Other programs have had success charging students
  - Begin requiring payment 2 years after a school implementation
  - Two year lag allows for stimulation of local economy

- Initial cost savings of between 5-10% depending on student charge: (500 or 1,000 cedi)
- Savings increases over time as program matures
Financing Sustainability – WFP Basket

- Offsets the largest cost of the program
- Two potential cost-savings levers:
  1. Number of days per week WFP basket served
  2. Amount of financial allowance for basket supplements

- 23% savings on food costs
- 21% overall savings
Financing Sustainability – Start-Up Costs

- Other programs have successfully shifted costs to the community
  - Enables community as stakeholders
  - Would also reduce back-office (G&A) costs

Reduces costs by approximately 4% per year
Financing Sustainability – Monitoring

• Minimal impact on costs
  o Free up management time
  o Take advantage of the competency of partners
Financing Sustainability – Conclusion

• Significant savings on a combined basis
  o Enables faster financial sustainability
  o Reduces reliance on outside funding
  o Effectively diversifies funding sources

• $54 million / year reduction in financial liability by 2010
• 42% reduction in program costs
Acknowledgements

- We are deeply indebted to the following individuals who were exceedingly generous with their time and expertise over the past three weeks. Without them, our work would not have been possible.
  - GSFP: Dr. Kwame Amoako Tuffuor, Kwame Owusu Nuako
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  - WFP: Trudy Bower, Chikako Ishikawa, Francis Sarpong-Kumankuma, Margaret Abowen
  - ADRA: Samuel Asante Mensah, Victoria Daaku
  - Ghana Health Services: Abenaa Akuamo-Bateng
  - Dutch Embassy: Marius de Jong
  - IFDC: Marjatta Eilitta, Patrice Annequin
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