WFP is supporting national governments by providing technical assistance and has developed the 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 designed to depict the extent to which school feeding programmes are valuable in the long run and how they can be advantageous to the country’s overall development. It is based on academic evidence and country-specific data on nutrition, health, education and income transfers.

In a sample of ten countries providing school meals, take-home rations or biscuits, WFP found that every US$1 invested brought a US$3 to US$8 economic return from improved health and education among school children and increased professional productivity over a lifetime.

This analysis provides concrete evidence supporting school feeding as an investment in a country’s future. This tool has proven to be very powerful when advocating for school feeding and when providing evidence to governments interested in scaling up school feeding.

WFP started school feeding operations in Armenia in 2010, gradually expanding to all provinces except Yerevan. A gradual handover to the Armenian government began in the school year 2014/15. Today, the national school feeding programme covers the provinces of Vayots Dzor, Syunik and Ararat, providing school meals to 21,500 children, with a budget of ca. US$ 3 million. The government operates a cash-transfer system under which schools purchase food through an electronic tendering system.

I - The Cost Benefit Analysis (CBA)

The CBA tool was developed jointly by WFP and the Boston Consulting Group. Its purpose is to determine the total benefit to the community from each dollar invested in a school feeding programme. It considers the relevant costs and benefits of the school feeding programme to identify its return on investment.

The methodology includes data collected by the country office, validation of the data sensitivity and updates the data within a specific country context.

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 also serves as an economic model leveraging three data sources: academic literature, data points collected at the country level and information collected from WFP experts.

For Armenia’s national school feeding programme, the CBA identified a US$ 7.1 benefit for each dollar invested over a five year period.

This study was carried out through the WFP-MasterCard partnership and the MasterCard Employee Engagement programme. Thanks to the programme, one volunteer from MasterCard spent three weeks in Armenia running the CBA, supporting the WFP country office and the Armenian government.
**Key Benefit Driver (I): Value Transfer**
The study shows that 12% of the overall benefit consists in the Value Transfer, of which 99% is the value of the food and 1% the value of the healthcare savings.

**Key Benefit Driver (II): Return on Investment**
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 3% of the overall benefit.

**Key Benefit Driver (III): Increased Productivity**
The study shows that most of the benefit is made through an increased productivity of the beneficiary students. The lifetime Net Present Value due to improved productivity represents 82% of the overall benefit, of which the greatest share is attributable to increased wages due to better cognition and to a longer time spent in school.

The analysis shows that students’ attendance in the test group is increased by 0.06% and their test results are improved by +0.25 SD.

**Key Benefit Driver (IV): Longer and Healthier Life**
The study points out that 3% of the overall benefit is due to longer life as a result of additional education and income as well as to reduced Disability Adjusted Life Years (DALY).

**Variability of these results due to the analysis’ sensitivity to school attendance**
These results are based on the finding of 0.06% increased attendance in schools under the government programme as compared to the control schools. A 5% increase in attendance would generate a cost/benefit ratio of US$ 9.3:1.

### Cost-Benefit Analysis
average value per beneficiary, USD

<table>
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<tr>
<th>Commodity</th>
<th>Logistics, storage and utilities</th>
<th>Management and administration (excl. staff)</th>
<th>Staff</th>
<th>Capital and community costs</th>
<th>Total Cost</th>
<th>Total Benefit</th>
<th>Value Transfer</th>
<th>Return on Investment</th>
<th>Increased Productivity</th>
<th>Healthier and Longer Life</th>
<th>Community Benefits</th>
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</thead>
<tbody>
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<td>57</td>
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</tbody>
</table>

**II - Key Observations and Recommendations**

**Observation (I): Education Promotion**
Free meals are an incentive for parents to enroll children in school, and improve their attendance throughout the year. Better meals increases students’ focus and concentration, improving their chances to achieve higher education.

**Observation (II): Health and Nutrition Promotion**
Quality meals help children overcome under-nutrition and poor health. By covering grades 1 - 4 the effect on students’ health will impact their entire lifetime in terms of mental and physical development.

**Recommendation (I): Improved Data Collection and Cost Assessment**
Data collection on attendance and enrolment could be improved. In order to optimize the costing structure of the school feeding programme, a more detailed analysis of the costs is recommended, for instance through the National Costing Assessment tool.

**Recommendation (II): Commercial Canteens**
Schools have mentioned the will to introduce commercial school feeding in order to allow more children to be fed at school. Alternatively, school meals could directly be organized by the vendor allowing the school administration to concentrate on educational processes.

**Recommendation (III): Home-grown School Feeding**
WFP aims to establish the foundations of a sustainable home-grown national school feeding programme. In addition to the cash-based tender system, this would constitute an opportunity to support local farmers and merchants by supplying school meals from a local source, and thereby to increase the impact on the local GDP.