



**UC Berkeley – Haas School of Business
International Business Development Program**

Financial & Monitoring Assessment of the Ghana School Feeding Program

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I. EXECUTIVE SUMMARY

This report represents the culmination of 6 months of research conducted in Berkeley and 3 weeks of work in Ghana. The research issues that are addressed include:

- A comparative cost analysis of the Ghana School Feeding Program (“GSFP”) and other school feeding programs, leading to specific cost reduction recommendations;
- A financial sustainability analysis modeling the effectiveness of the strategies identified in the cost analysis; and
- A comprehensive best practice study on the issue of monitoring effectiveness.

The selection of these topics was coordinated with the GAIN NGO staff located in both Ghana and Berkeley, CA.

The first section of this report details the results of a comparative cost analysis. The cost analysis was based on a review of the three major school feeding programs in Ghana across over thirty variables (as outlined in the Cost Model). Based on this analysis, three specific areas were selected for further investigation: the cost per meal per student, the start-up costs associated with adding a school to the program, and the ongoing monitoring costs. The evaluation of these cost centers identified the lowest cost and best quality performers among the comparison programs. The analysis indicated the following conclusions:

- The World Food Program (“WFP”) was identified as having both a cost and quality advantage in the procurement of meals;
- Both Catholic Relief Services (“CRS”) and Self Help International (“SHI”) had the most efficient approach to program start-up costs; and
- CRS had developed the most efficient system for monitoring of a school feeding program.

The second section of the report details an updated financial analysis of the costs for the entirety of the GSFP through 2010. The baseline for the model was the cost information collected during the program cost analysis. This model was utilized to determine the future funding needs of the GSFP and how specific strategic decisions could impact the financial sustainability of the program. The specific strategic issues addressed included:

- School feeding payments of between 500-1000 Cedi’s per child per day;
- Utilization of the WFP food basket in place of the GSFP meals for up to 3 days per week;
- Start-up costs similar to that of CRS and SHI; and

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- The replacement of the existing GSFP monitoring system with the more effective CRS system.

With these updated cost figures, the per meal payments and a cost reduction in meals using the WFP food basket were determined to have the most significant impact on the sustainability of the program. Finally, it was determined that the use of the CRS monitoring system could not be recommended purely from a cost perspective. As such, the next section of this report provides a more in-depth review of the monitoring systems.

In the third section an in-depth review of the monitoring systems utilized by the major school feeding programs was conducted. This assessment focused on the monitoring effectiveness of the programs and ultimately developed a comprehensive list of the best practices in school feeding monitoring effectiveness. These best practices, when compared against the current monitoring efforts of the three school feeding programs, highlighted performance gap between WFP and CRS versus the GSFP¹. Given the similarity in expenses between the GSFP and CRS in monitoring per school (see Cost Model), the report concludes that GSFP should explore ways to partner with CRS for monitoring work. This recommendation is especially feasible given the fact that CRS resources will become available in the next few years as the program loses USAID funding and its Ghanaian operations wind down.

The final section concludes with more information regarding the recommendations made above. Specifically, the discussion focuses on an approach to better partner the GSFP with WFP on the provision of food and with CRS on the topic of monitoring.

Overall the research that was conducted pointed to the impressive work done by the current administration of the GSFP, as they have done an excellent job rolling-out a complex operation in a short time to a massive number of children. The issues that have been identified represent ways the program can be improved, and are not an attempt to change the fundamental philosophy or operation of the program.

¹We strongly suspect that the similarities between the programs reflect WFP adopting CRS best practices as they developed their own monitoring efforts.

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II. SCHOOL FEEDING PROGRAM COMPARATIVE ANALYSIS

School Feeding Program Review

Per the request of the project sponsor, the GAIN NGO, a cost model (exhibit 1) was developed comparing the major school feeding programs observed in Ghana. In addition to the cost model, qualitative data from site visits and meetings with both NGO and government officials was collected. In this section of the report the results from these two efforts are combined to recommend improvements to the Ghana School Feeding Program (GSFP)². In identifying the programs for analysis five total organizations were evaluated (GSFP, CRS, WFP, SHI, and ADRA³) with four programs selected for the qualitative analysis (GSFP, WFP, CRS, and SHI) and three programs selected for the cost analysis (GSFP, WFP and CRS).

The decision to constrain the analysis to these select programs reflects both the limited time available to conduct the fieldwork and the evaluation of overlap in program organization, objective, and scale between school feeding programs⁴. In the table below (Table 1) is a list of key attributes that were used to compare the programs. From this chart it is clear that the three programs (GSFP, CRS, and WFP) operate at a different scale than the other two programs (SHI and ADRA). We include SHI in our qualitative analysis because SHI has several best practices in the area of community development and sustainability.

Table 1: Comparison of School Feeding Programs

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

The rest of this section begins with a qualitative review of the four school feeding programs identified above.

² We avoid a lengthy discussion of monitoring in this section as we address the issue of monitoring more extensively in the third section of this document.

³ While we were very intrigued by the ADRA efforts in the Eastern Region but as younger and smaller school feeding program we did not feel that they were comparable to the other programs covered used in our analysis.

⁴ We acknowledge that there are other efforts currently underway by organizations like the Christian Children's fund of Canada and World Vision and would recommend that future research also be conducted on these programs.

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Ghana School Feeding Program

Overview

The national Ghana School Feeding Program is currently the largest feeding program in Ghana with 975 schools and 443,000 students. The GSFP began last year as a pilot program at 10 schools, one in each of the regions within Ghana, and has quickly scaled to 6-8 schools per district for all 138 districts. The GSFP is run as an independent secretariat with the Chief Executive Officer, Dr. Kwame Amoaku Tuffuor, reporting directly to the executive branch of the government. The program provides 3,000 Cedis for each student enrolled in a GSFP school in order to provide at least one hot meal a day. This daily investment in school feeding has led to a dramatic increase in school enrollment and attendance.

Program Focus

The GSFP's primary focus is the operation of a school feeding program that achieves three of the UN Millennium Development Goals: reduce hunger and malnutrition, increase school enrollment, attendance, and retention, and boost domestic agricultural production. Operationally the GSFP management has approached this task with a singular focus on total school enrollment and ensuring equality across the program. Unfortunately, even with the removal of school enrollment fees (through the capitation grant), many of the poorest students do not attend school for the following reasons: children working to support their families, students traveling home for lunch and not returning to school, and a general antipathy towards universal education among the poor. The school feeding program removes many of these barriers to an education and during the pilot program schools participating in the GSFP experienced a 20.3% increase in enrollment compared to 2.8% increase among non-GSFP schools (GSFP Program Document pg. 1).

Funding and Operations

At a high level the GSFP is funded through a combination of direct government investment, in-kind investment from the districts, and a grant from the Dutch government⁵. From an operational perspective the program is implemented on a regional scale with most fixed costs paid by district level agencies or through the GSFP. For non-perishable food items there is a mix of purchasing at the district level and by actors representing individual schools. For perishable items school cooks, or other agencies acting on behalf of the cooks (such as caterers or local village community groups), purchase a vast majority of items on a weekly or daily schedule. The funding for these purchases begins as a disbursement from the

⁵ The funding for the GSFP will be explored in greater detail during the second section of this report focused on the financial sustainability of the GSFP.

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general fund to the district assemblies coming through the Finance Ministry. GSFP's mandate is to start new school feeding programs and to ensure that the correct funds are being supplied to the existing schools based on an accurate head count. The GSFP also is in charge of the development and improvement of the school feeding menus.

Program Strength

The speed with which the GSFP has scaled from a pilot phase to a national roll-out is an amazing accomplishment (from the original 10 schools to 975 schools in one year) that has broad support among the Ghanaian people⁶. Additionally, the approach of the GSFP to modify school feeding menus, based on the culinary preferences of each of the 10 Ghana regions, also represents a major achievement for the GSFP. While visiting the schools the students stated a strong preference for GSFP meals over meals experienced through alternative feeding programs. The combination of these two factors might explain the variance between budgeted numbers for 2007 and the actual⁷. In meetings with school officials they reinforced our positive impression of the program by sharing stories of students attending school due to the school feeding who otherwise would have never attended school⁸.

Program Weakness

The efforts of the GSFP, while impressive, also suffer due to the amount of success that they have had in increased enrollment and broad interest in the program. The two issues where there was the most room for improvement were the monitoring process and ensuring that the meals provided meet the daily caloric and nutrient intake needs of a child. In summary⁹, the GSFP has diverted resources from monitoring efforts to ensure that meals are provided everyday and to every school given the surge in enrollment. This cost reduction strategy has affected the GSFP such that monitoring occurs less frequently than budgeted and, even when monitoring does occur, the effectiveness of the monitoring is reduced compared to expected performance. In terms of the quality of the feeding menus there was no obvious means with which we could evaluate the nutritious value of the meals provided¹⁰. That said there was concern regarding the nutritious value of the meals given that members of the GSFP management did not

⁶ While traveling through the country our conversations with the general public suggested both a broad knowledge of the program and a favorable impression of school feeding as a national priority.

⁷ At a national level school enrollments has increased at a greater rate than can be attributed merely to the increase in the number of schools covered by the GSFP; 38.4% increase in enrollment in 2007 (443k versus 320k) versus 9.7% increase in the number of schools participating in the program (975 versus 889).

⁸ One particularly poignant story involved a young adult (older than 20) enrolling in school for the first time.

⁹ A more robust review of the GSFP monitoring program can be found in the final section of this report.

¹⁰ This issue is discussed in IBD team 14's report to the WFP.

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proactively discuss this topic when stating the primary objectives of the program¹¹. Our discussion with the newly hired nutritionist gives us hope that the updated menu for next year will have a great focus on ensuring that both flavorful and nutritious meals are served by the GSFP.

Best Practices

- Promoting the program among governmental officials to collect additional funds to support the program even after exceeding initial budget projections
- Creating regional food menu's that both cater to local tastes and make local purchasing of food stocks more likely
- Operational practices and in-kind expenditures from district assemblies ensure that the program costs were spread across multiple levels of government and regions

Conclusion

GSFP is not a perfect program but it does meet the needs of many more students than originally anticipated and as such represents a government program that is operating at a higher level of effectiveness than many of the other public services experienced while in Ghana. In conversations with the recipients of the GSFP (students, teachers, and local community members) there is massive support for the program. While there are minor problems around program execution these are not insurmountable issues and hopefully this report can further the development of the program. In sum, what the GSFP has already accomplished is commendable and hopefully moving forward it will be able to avoid some of the pitfalls associated with growing so quickly.

¹¹ The one comment that heard repeatedly was "it is important to fill the bellies" when asked the effect that the meals had on the students health and ability to learn.

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Catholic Relief Services

Overview

CRS operates school feeding programs in the three Northern Regions of Ghana. The program is focused on improving household food security during the lean months (between March to September) through multiple school feeding initiatives (2005 Annual Public Statement). These initiatives include onsite supplementary feeding for 256,000 pupils attending either primary or pre-school and take-home rations for ~39,000 women in ~300 primary schools. The total number of schools currently operational, 963, reflects a reduction from the programs peak enrollment of 1236 in 2005. The reduction can be attributed to a decrease in Title II funding by USAID announced in 2006. By 2010 the program expects to lose the remaining funding and will have to find new donor sources to continue operation. In anticipation of the reduction (and possible termination) of the program CRS has begun to educate communities on possible ways to extend the feeding programs in the absence of further CRS involvement. Tactics include collecting canteen fees from parents to purchase local produce and asking for farming commitments from the community. At this point none of the schools weaned off the program have been able to maintain self-sufficiency.

Program Focus

The CRS program is incredibly focused on ensuring that the limited resources they provide to schools have the maximum effect on the issue of school attendance during the lean months. This focus on doing a lot with very little has resulted in a serious commitment to two major issues: community involvement in the school feeding program and a highly sophisticated monitoring program. In terms of community involvement CRS supplements GES organizations, such as the PTA and SMC, with a separate food management committee. This committee has a rotation system whereby at least one member visits the school on a daily basis to support the monitoring efforts. During an interaction with a food management committee member it was clear that the individual was very committed to the school feeding program. The community involvement reinforces a very rigorous monitoring process. With three levels of monitors and redundancy in bookkeeping CRS is able to detect problems with individuals schools within a month of the instance first occurring.

Funding and Operations

CRS is based on US agricultural surplus. As food arrives in the 15,000 square foot warehouse in Tema, grain is set aside for sale in the Accra markets to pay for the operational expenses of running the program and transporting the remaining food to schools. The major operating expenses outside of the delivery of

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food include the overhead for the staff located in Accra and Tamale. The staff in Tamale includes all the monitoring efforts with monitoring broken into three distinct activities. At the base level there are two monitor groups that collect data. The field monitors (8 total) collect qualitative aspects of the program by visiting multiple programs to ensure that the programs are running effectively. The second monitoring group is the monitoring and evaluation (M&E) group (3-4 officers) who collect school data at the end of each term and run statistical analysis to identify variance between their internal data and the data collected from the school. These two groups provide guidance and direction to the final monitoring group, the Program Officers (7 total, 5 for school feeding 2 for school health). Once a school has been flagged as in trouble then the Program Officers will travel to the schools to drive behavioral changes or address outstanding issues. In addition to these three internal monitoring groups the program also provides resources to the district GES officers in the form of a motorcycle and fuel to ensure that GES monitoring of school performance also occurs in the schools they monitor.

Program Strengths

By far the greatest strength of the CRS program is the time that they have spent perfecting the operations of their monitoring program. Through this monitoring program they can identify and hold accountable specific individuals that threaten the stability of the school feeding program. The monitor during the visit to the CRS schools had 7 years experience on the job and shared many of the ways in which him and his fellow monitors had improved the program over time. This strength in monitoring is also supported by the high level of community involvement. Schools are expected to provide a bulk of the fixed costs to start the program and also many of the variable costs for continuing operation (see exhibit 1). The two strengths ensure that the children participating in the program receive at least one meal a day.

Program Weakness

The major weakness of the CRS program are food desirability, variety, and sustainability given the reliance on a menu consisting of two American grown food items, Soy-Fortified Sorghum Grits (SFSG) and Vegetable Oil. Given the poverty of the communities supported by CRS it is a huge burden on the local community to build the fixed assets required to host a school feeding program and then to maintain the program through the provision of variable costs including the cook and perishable items such as vegetables to season the meals. During a visit to a school that had converted from CRS to GSFP they said that there was a noticeable improvement in the desirability of the food provided due to the cooks being paid and the feeding menu reflecting local food preferences. Additionally, at the Ghanaian agricultural level the sales of wheat in the markets of Accra distort local market conditions and should be avoid if at all possible.

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Best Practices

- Separate food management committee with members auditing school feeding activities on a daily basis
- Two keys to the storage facility shared between a member of the CFMC and either the school headmaster or another teacher to reduce food shrinkage
- Daily monitoring of student enrollment and feeding metrics by school staff with monthly reporting back to CRS office
- Variance analysis of school reports to identify discrepancies and possible misappropriation of food stock
- Invoices for individuals suspected of food mismanagement with teachers reported to the GES and local community members reported to the police for violations

Conclusion

The CRS operates a very efficient school feeding program that maximizes the limited resources provided by USAID. The quality of the program is largely based on a monitoring effort that extends beyond just evaluation and goes after the individuals accountable for the discrepancies between the food supplied and the food prepared. Recognizing that the program is not a solution that represents a realistic long-term plan for school feeding in Ghana it is discouraging to see such operational effectiveness and best practice knowledge lost due to the reduced funding by USAID. As will be discussed in the last section, there are important lessons that GSFP can learn from the CRS experience and possibly more radical approaches that incorporate CRS into the GSFP.

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World Food Program

Overview

WFP currently operates a joint feeding program with GSFP in 79 schools located in the Northern Region of Ghana providing meals to ~35,000 students in primary and pre-school. The program has committed to supply enough food to participant schools to serve one meal a day, three days a week. The food basket provided by the WFP consists of Corn Soy Blend (CSB), Palm Oil, and Iodized Salt. This food is then supplemented with local ingredients improving the flavor and nutritional value of the meal, with the expense for the perishable items covered by GSFP. For the other two days all food requirements are met by the standard GSFP 3,000 Cedi per student process. In the future the program hopes to increase from its existing student enrollment to 50,000 students in 2008 and 100,000 students in 2009 and 2010. The program is not budgeted for the period following 2010.

Program Focus

WFP is focused on ensuring that the meals that students receive are not empty calories; the food basket that they deliver to schools supplies the daily micro-nutrient fortification requirements for a child and meets the majority of the caloric requirements. This focus on food quality has necessitated a review of domestic agro-processors to identify practices that ensure that nutrient fortified foods make it onto the open marketing and into the school feeding program menus¹². The WFP views CSB as a cheaper and better alternative to local non-perishable ingredients such as rice, maize, and tubers. Ultimately the WFP hopes that through this pilot program they can demonstrate to the GSFP that there is a cheaper and more nutritious way to provide a base basket for the school feeding program¹³.

Funding and Operations

The WFP, as part of the UN, receives most of its financing from donor countries. Using these funds the WFP has two major expenses: a warehouse and an administrative office in Tamale. The warehouse acts as a central collection and disbursement point for food used by the program. The administrative office primarily conducts monitoring operations for both the feeding program and other health and educational initiatives (such as take-home rations for girls). When it comes to the procurement of food the WFP

¹²The review of the agro-business and the school feeding supply chain represents the bulk of the work completed by IBD Team 14 during their time in Ghana.

¹³ The WFP hopes for changing GSFP behavior through cooperation should be questioned given the negative attitude that the GSFP currently has towards the WFP food basket based on two factors: the flavor of the meal and the places from which the raw materials are sourced (current WFP food is grown and milled in the Ashanti Region and shipped to the Northern Region).

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negotiates delivery of all raw materials (CSB, oil, and salt) to the warehouse in Tamale. From there the food is segmented into district bundles and made available for collection. Once the food reaches the Tamale warehouse and is ready for collection the districts are responsible for moving the food to the schools (which sometimes includes a detour to the district warehouse before it reaches the schools). In terms of monitoring, a total of five staff members are dedicated to the effort and their efforts are very similar to CRS from an operational perspective; one difference being that the monitors also evaluate the effectiveness of the WFP food basket as a base for future GSFP use.

Program Strength

The WFP is known internationally for its focus on providing nutritious meals to the world's neediest individuals to tackle the issues of malnutrition, stunting, and wasting. A WFP meal without supplemental ingredients provides all the micronutrients and most of the calories required by a balanced diet. The other strength of the WFP is its commitment to boosting the Ghanaian economy. Given past WFP indifference to how and where the food was produced (their mandate used to call for the purchase of sufficiently nutritious food items at the lowest market price possible) the new approach to stimulating improvements in the local agro-business is laudable.

Program Weakness

The major weaknesses of the WFP program are in the areas of credibility and program structure. With an operational window of maybe two to three years the WFP will have a hard time enacting serious changes on the GSFP or the Ghanaian economy. Concerning the issue of changing the behavior of the GSFP, the WFP has a tough task ahead, as the GSFP is currently focused on providing meals that appeal to the students' natural palate. During a visit to one school, that had both GSFP and WFP meals, staff indicated that there was a strong preference for the Ghanaian meals over the WFP meals. In fact the local district official suggested that he would prefer 3 GSFP meals and 2 WFP per week to the current allocation of meals (3 WFP to 2 GSFP). This preference for local foods runs deep and jeopardizes the impact that WFP can have on the Ghanaian agro-business especially if food fortification is limited to the CSB.

Best Practices

- Purchasing base non-perishables that meet the nutritious needs of children, if eaten without supplemental ingredients, ensures that even in lean times the children avoid malnutrition, wasting, or stunting
- Using the power of school feeding program to enact changes in the Ghanaian agro-business to improve the food quality for all Ghanaians

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- Partnership model of involvement with the GSFP means that both programs get to gain from the strengths of the other program

Conclusion

The WFP has the right emphasis in demanding a high quality meal be delivered to every student and the strategy decision to procure food using local producers has aligned the WFP much more closely with the objects of the GSFP. That said the biggest issue facing the WFP is how to turn the pilot program, with the GSFP, into a lasting relationship such that the GSFP serves nutritious meals to every student enrolled in school. There is a need for further analysis of tactics that might improve the prospects of the CSB entering the common menu of a Ghanaian either through researching ways to improve the physical flavor of the blend or through educational systems to help cooks integrate the CSB into existing Ghanaian dishes¹⁴. If the pilot program just becomes a way for GSFP to save 720 Cedis per student then there are better ways for the WFP to achieve the goal of reducing poverty among the poor Ghanaians.

¹⁴ This might be an objective for future IBD teams partnered with the WFP as the current project by IBD team is not focused on the issue of improving the local receptivity to CSB.

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Self Help International

Overview

Self Help International (SHI) represents a different approach to school feeding than the other initiatives evaluated in this document¹⁵. While a major tactical aspect of SHI includes school feeding, the overall objective is a set of activities meant to catalyze an improvement in the fortunes of an entire community. The program is currently operational in the districts surrounding Kumasi with 36 total schools providing meals for pre-school students. In these regions SHI works with the local community to implement a series of agricultural and food preparation enhancements that SHI hopes lead to sustainable development of the economies of these communities.

Program Focus

The goal of SHI is an improvement in the livelihood of entire communities through educational services that increase agricultural productivity and advance food preparation techniques. In order to achieve this goal SHI offers incentives (particularly a school feeding program and agricultural inputs such as fertilizer and improved seeds) in the early years with the objective that a community will ultimately use the increased agricultural productivity to fund these activities on their own. As it relates to the school feeding program specifically, the goals are to reduce malnutrition, stunting, and wasting among pre-school children while also sharing food preparation strategies with mothers in the local community. As such, mothers are asked to take turns cooking for the school and are required to attend food preparation clinics in order for a community to participate in the program.

Funding and Operations

As the donor organization, Self Help International provides the improved maize seeds, fertilizer, and processed maize for school feeding with the expectation that the loans will be repaid through donations to the school feeding program in successive years. The processed maize is used as a base for the school feeding menu with all other ingredients supplied by the local community. As was already mentioned, the local community and district supply the infrastructure necessary to provide meals at the school before the maize is delivered. Within the second year SHI works to reduce (if possible totally remove) the processed maize from the school feeding program offering only minimal support in program administration and oversight (currently one paid FTE). The community is expected to provide the maize on an ongoing through the increased productivity of the farming inputs.

¹⁵ For that reason the SHI is not used as a comparison program for the cost model.

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Program Strength

SHI's major strengths are the programs emphasis on building grassroots support, the desire to customize the program for each new community, and an approach to alleviating poverty that focuses on many mutually reinforcing activities. These objectives ensure that the entire community is involved and has a stake in the efforts and cuts down on the need to aggressively monitor the program. In addition, another strength of the program is its focus on the children as young as six months through pre-school (program mandate includes supplying meals to children too young to attend school). If one has the goal of reducing stunting, wasting, and malnutrition than the best way to maximize limited resources is through the provision of food for the youngest children possible¹⁶.

Program Weakness

While the program advocates self-reliance as early as possible, none of the three programs we visited had managed to attain the goal of self-sufficiency even though two of the schools were in their second year of operation. This personal experience compares to the figures used by Abenaa Akuamo-Boateng, a major sponsor of the program, who said that 21 of the 32 schools now had sustainable school feeding programs in place¹⁷. Even if there are examples of communities that have been weaned off the farming products and processed maize this program doesn't offers a model that can be scaled beyond a small regional operation given the customized experience and the heavy involvement required by individuals such as Abenaa.

Best Practices

- The ability to utilize resources spread across multiple governmental organizations and district level organizations such as the GHS and the GES
- Huge community involvement and few free services mean that there needs to be less emphasis on monitoring as the community will self police
- Flexibility to make each community development project customized to the situation on the ground

¹⁶ Children between the age of 0-5 are most at risk to stunting, wasting, and malnutrition based on interviews with WFP and other NGOs focused on the issue of malnutrition.

¹⁷ Were unable to meet any of these schools and hence can't independently corroborate this claim.

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Conclusion

Visiting the SHI schools and the meeting with Abenaa demonstrated that there is an alternative model to the large NGO and governmental school feeding initiatives that are the focus of this project. In the communities visited it was clear that the SHI initiative changed the prospects for the children fed to same (or maybe even a greater) extent than the other school feeding programs. However, the commitment of the average person participating in the program appears shaky, when we questioned individuals participating in SHI they said that they would also be very interested in participating in the GSFP if it was available. The amount asked of the community by SHI brings great benefits in terms of community involvement but these benefits require a huge commitment that is hard to continue year over year.

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Analysis of Variance

In addition to the qualitative data outlined above there was also an analysis of quantitative data collected from the three largest school feeding programs in Ghana. These data points formed the basis of a comprehensive cost model (exhibit 1) that is examined in greater detail below. From a top-line perspective the GSFP has the highest cost among the school feeding programs both on a variable (one meal per student per day) and a fixed cost basis (cost to get a school feeding program operational). The high cost of the GSFP does not extend to the area of monitoring based on current performance but if one uses the budgeted numbers for 2008 the GSFP becomes the second most costly program. Clearly there are areas where the GSFP can improve its operational performance.

Before the in-depth analysis of the quantitative data it is important to preface the remainder of this section with the observation that the GSFP is more costly in many cases because it provides a greater range of services. As such the analysis below will rely on the cost model and the qualitative analysis to ensure that the GSFP is fairly judged based on the services provided and objectives of the program.

Variable Costs Associated with School Feeding

As the largest cost driver, at 86.3% of the 2007 budget, the cost to provide a single meal to an individual student is the first area of analysis. As demonstrated in the table below, there is a range in performance amongst the three feed programs from 22 cents to 33 cents total costs per meal. While CRS is the absolute lowest cost provider given the total cost to provide a meal per student there are two reasons why WFP represents the true cost leader and a better model for GSFP to benchmark against. The first issue with CRS is the fact that at 15 cents the raw materials actually cost more than the locally produced goods from WFP. The second objection relates to the fact that CRS acquires their raw inputs from USAID, which directly conflicts with the third GSFP goal of stimulating the local economy. As such the WFP costs need to be examined for applicability to the GSFP.

The WFP figure of .08 cents in raw material costs represents just the amount paid for the WFP food basket. The remainder of the costs, 21 cents, is actually bourn by the GSFP through their joint program with WFP. These expenses contribute to the purchase of local ingredients to flavor the CSB. The total amount for the WFP joint program is 28 cents and the stand-alone cost for the GSFP program is 33 cents. The 5 cents difference between the two programs is the minimum cost reduction possible if the GSFP were to expand their partnership with WFP to a national level.

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Table 2: Cost to Feed per Child Program Comparison

	CRS		GSFP		WFP
<u>Food Procurement (per child per lunch)</u>					
Raw Materials Cost (Food)	\$	0.15	\$	0.29	\$ 0.08
Supplemental Food	\$	-	\$	-	\$ 0.21
International Shipping (to Ghana)	\$	0.038	\$	-	-
Port Warehouse Cost	\$	-	\$	-	-
Domestic Transportation	\$	0.027	\$	-	Included in Raw Material Cost
Local Warehouse Cost	\$	-		nm	\$ -
Local Transportation	\$	-		nm	\$ -
Subtotal	\$	0.22	\$	0.29	\$ 0.28
<u>Ongoing Cost (per child per lunch)</u>					
Liquid Soap	\$	-	\$	-	\$ -
Fuel	\$	-	\$	0.018	\$ -
School Cook Salary	\$	-	\$	0.013	\$ -
Subtotal	\$	-	\$	0.031	\$ -
Total Lunch Cost per Child	\$	0.22	\$	0.33	\$ 0.28

Start-up Costs

In the table below there is only one column of data for the start-up costs due to the fact that only GSFP incurs these costs directly. The other two programs, CRS and SHI¹⁸, use the district and local resources to start school feeding programs in new schools. Given that the annual cost of starting new schools was 4.4% in the 2007 budget the question has to be raised whether this is an effective use of the limited GSFP funds. In the organizations examined the key issue appears to be connecting the school feeding benefits to the upfront investment by the local community. For CRS this takes on the average a year before the community is suitably prepared for the delivery of the first food stocks. For SHI the incentive of agricultural inputs and educational training appear to help decrease the time required to get the community invested in the feeding program but clearly go beyond the scope of the GSFP mandate.

Table 3: Fixed Costs Incurred by School Feeding Programs

	CRS		GSFP		SHI
<u>Start-up Cost (per School of 360 - 450 children)</u>					
Kitchen	\$	-	\$	-	\$ -
Stove	\$	-	\$	372.83	\$ -
Storage	\$	-		Included in cost of Kitchen	\$ -
Cookware (Pots, Ladles, etc.)	\$	-	\$	503.80	\$ -
Serveware (Bowls, Cups, Spoons, etc.)	\$	-	\$	978.26	\$ -
Polytank	\$	-	\$	1,055.40	\$ -
Sign boards	\$	-	\$	108.80	\$ -
Liquid Soap	\$	-	\$	353.26	\$ -
Other	\$	-	\$	114.24	\$ -
Subtotal	\$	-	\$	3,486.60	\$ -

Monitoring

¹⁸ We have decided to use SHI in place of WFP because WFP does not start schools given the structure of the pilot program between them and GSFP..

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In the final major expense for school feeding programs (4% of 2007 budget) the table below demonstrates that the cost of the monitoring effort for the GSFP is actually pretty competitive. Depending on which figure one uses the GSFP is either \$70 below or \$40 above CRS on a per school basis¹⁹. This is a misleading comparison, as the CRS monitoring program offers far better performance for the money invested²⁰. Given the comparable costs associated with monitoring and the large gap in performance, GSFP should look for ways to partner with CRS to improve the quality of the monitoring.

Table 4: Cost to Monitor per School

Monitoring & Evaluation (per school)	CRS	GSFP Actual	GSFP Budgeted	WFP
Monitor Salaries	\$ 102.34	\$ 132.82	\$ 138.63	\$ 921.20
Vehicles	\$ 71.24	\$ 10.26	\$ 30.38	\$ 235.87
Fuel / Maintenance	\$ 26.58	\$ 10.06	\$ 70.29	\$ 151.90
Equipment (nominal) / Other	\$ 21.46	\$ 4.35	\$ 21.46	\$ 650.73
# of Monitors	15	21	40	5
Subtotal	\$ 221.63	\$ 157.49	\$ 260.76	\$ 1,959.70

Best Practice Recommendations for Ghana School Feeding Program

Given the conclusions drawn above there are three suggestions for the GSFP. The first is to adopt the WFP joint program at a national level. There are immediate cost benefits to using the CSB as a food base in either two or three meals a week. In this approach the WFP would act as a supplier to the GSFP ensuring that meals arrive a few times a week that are nutritious and cheaper than the locally produced alternatives. While there are difficulties to such an approach²¹, these are not insurmountable if the GSFP and the WFP can work more closely together.

The second recommendation is that the GSFP should seriously consider ways in which to increase community involvement in order to reduce the upfront investment required to start a school feeding program. While GSFP schools, where the kitchen implements are provided, produce high quality meals, the kitchens organized by the two other school feeding programs, that don't provide direct kitchen inputs, still manage to deliver meals of a similar standard. The time and effort spent enfranchising the local community in the process has the additional benefits of better monitoring outcomes and reductions in

¹⁹The GSFP actual are the expenses that occurred in 2007 and the budgeted are the expenses that were budgeted for 2007 but were pushed to 2008 due to the need to focus resources on paying for the meals required to meet the increased enrollment figures discussed earlier.

²⁰The review of the monitoring program at the end of the document will explore this argument at length.

²¹ The organizational challenges of partnering an NGO with a government organization, local perceptions of the desirability of the WFP food basket, and the WFP desire to focus on the most needy regions and peoples.

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variable costs (through donations of food and time). Acknowledging that increased community involvement amplifies the complexities of a national rolling out, a thousand schools per year for the next few years, the operational effectiveness of the GSFP is such that they could push greater community involvement without significantly greater investment of resources.

Finally, the GSFP explore ways in which to partner with CRS on monitoring. There are many models through which the two organizations could partner to leverage the experience of CRS in the area of monitoring. The two extremes include a full outsourcing of the GSFP monitoring process²² to CRS for a fee paid annually by the GSFP (or an external organization such as the Gates Foundation) or at the other extreme, the hiring of CRS staff as the program funding comes to a close. Given the greater effectiveness of external monitoring efforts the outsourcing model is preferable. The next section explores these three adjustments to the GSFP (as well as others) to understand the best structure for the GSFP from a financial sustainability perspective.

²² In the context of CRS monitoring we include the process of also sensitizing the local community prior to the launch of a new school feeding program.

III. FINANCIAL ANALYSIS OF GHANA SCHOOL FEEDING PROGRAM

Financial Model Overview

With significant financial and operational resources being committed to the expansion of the Ghana School Feeding Program, it is necessary to understand the cost structure of the GSFP and its funding requirements. As has been demonstrated by other programs, an over-reliance on a limited number of funding sources can have a severe impact on long-term sustainability. For instance, in the case of the Catholic Relief Services school feeding program in Ghana, the heavy reliance on USAID funding that is scheduled to be withdrawn over the next few years will cause the program to cease operating.

In order to ensure that the GSFP is best positioned for long-term financial sustainability, a financial projection model was developed to track the current and future capital needs of the program. This model was developed primarily by:

- Review of the initial GSFP budget prepared in September 2006;
- Discussions with the office of the Ghana School Feeding Program Secretariat, including the head of finance; and
- Then updated based on changes made to the program since its publication.

It was determined that based on the significant changes to the program since the original budget, including a faster national roll-out and different cost realizations than originally assumed, an updated financial plan would be required. (A more detailed description of the projection model and its assumptions can be found in the Appendix of this document.)

This intention of this model was to enable two primary types of analysis:

- Appropriately gauge the capital requirements of the program on a yearly basis as it is expanded; and
- Understand the costs that drive the most significant portions of this funding need.

In order to provide more robust recommendations, a detailed cost comparison was performed of the GSFP relative to the other two major school feeding programs in the country: the WFP and CRS. As described previously, this cost comparison focused on three major operational baskets that represent approximately 95% of the total GSFP budget:

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Program Cost Analysis	
<i>Major Operational Baskets</i>	<i>% of 2007 GSFP Budget</i>
Food & Preparation	86.3%
Start-Up Costs (Inputs)	4.4%
Monitoring & Evaluation	4.0%

As outlined in the prior section of this report, this detailed financial analysis and the objective program comparisons provided a preliminary basis for recommended changes to the GSFP operating strategies.

The following pages discuss the macro-level financial implications of the various strategies that the GSFP can implement to improve its operations and/or capital requirements. This information is then utilized to understand the aggregate funding needs under each scenario. Finally, funding alternatives are discussed as options to provide either temporary or permanent capital to support the GSFP.

Current Financing Needs

Assuming that the program continues to operate in its current form through 2010, the updated financial projections indicate a total financing need of \$341 million, including approximately \$140 million in 2010 alone.

4-Year Projected Expenditure In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
TOTAL	24,173,187	32,432,079	63,474,308	96,175,700	132,886,412
5% Contingency	1,208,659	1,621,604	3,173,715	4,808,785	6,644,321
GRAND TOTAL	25,381,846	34,053,683	66,648,023	100,984,485	139,530,733
			TOTAL	341,216,924	

Current Funding Sources

Despite the large future economic commitment inherent in the rollout of the GSFP, there is currently little foresight into the sources of funding that will be needed to make the program a success.

Currently, the program is funded through two primary sources:

- **The Government of Ghana:** According to various sources, the GSFP funding is not currently part of the permanent budget from the Ghanaian government. Instead, funding is being provided out of a discretionary pool of funds. Although the government has expressed a strong commitment to the program, a lack of committed capital creates risks in the financial sustainability of the program. Although unlikely, unforeseen government expenses or changing

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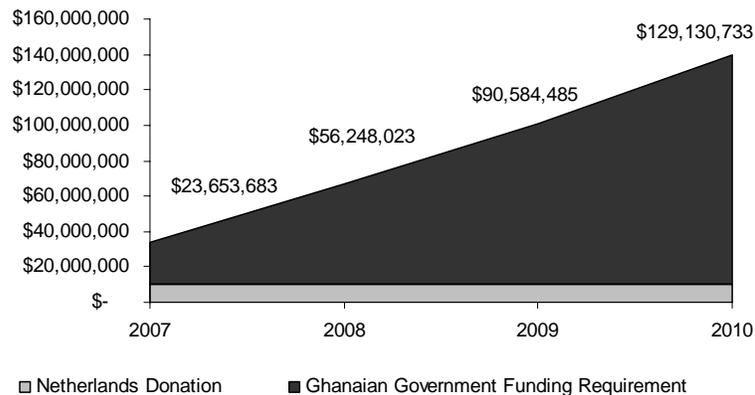
priorities could threaten this funding source. As such, it will be critical to gain long-term government funding for the program and to consider other potential sources of financing for the program. Additionally, based on the projected growth of the program, the financing required in 2010 to fund the entirety of the program would approximate 2.5% of the budget of Ghana (assuming the budget grows at a rate approximately equal to GDP).

Another important factor in the decision to diversify away from government funding is the fact that in 2003 over 50% of the Ghanaian government budget is from international donor assistance. Relying on these indirect sources of aid does not provide the financial security that would be optimal for the GSFP.

- **The Government of the Netherlands:** The only significant outside funding commitment to the GSFP is from the Government of the Netherlands. The Netherlands has committed \$10.4 million per year of donor assistance to the GSFP.

However, although this is a significant donation, as the program grows the aid becomes an increasingly smaller percentage of the total program need, as demonstrated below:

Netherlands Funding In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Ghanaian Government Funding Requirement	\$ 14,981,846	\$ 23,653,683	\$ 56,248,023	\$ 90,584,485	\$ 129,130,733
Netherlands Donation	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000
<i>% of Total Need Provided Outside Gov.</i>	41.0%	30.5%	15.6%	10.3%	7.5%



Note: Numbers provided in the chart reflect yearly Ghanaian funding needs

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Other Potential Financing Sources

Besides the two current primary funding sources that the GSFP is utilizing to finance the program, there are four other potential funding sources that can be tapped for this type of opportunity. The first two opportunities will be discussed briefly, as each is highly dependent on outside decision makers. However, the second two suggestions, where the bulk of the analysis will be provided, are strategic decisions that the GSFP can make that will directly impact the financial needs of the program.

NGO Support

The GSFP has seemingly done a strong job of mobilizing support for the school feeding program from the NGO community. Although direct financial support from this sector is unlikely, the GSFP should be able to mobilize operational support from NGO's. This support, if appropriately structured, could enable the GSFP to transfer costs by outsourcing some of the work currently being done within the GSFP Secretariat office.

An example of the type of collaboration that the GSFP can enter into is its recent work on food items with the WFP. However, in order to appropriately structure these arrangements it is important that the NGO is both committed and competent in the area where it is working.

Private/Foreign Government Donations

As with the grant from the Netherlands, there are other private donors and governments that the GSFP can approach regarding funding for the school feeding program. It is important to choose partners who not only have financial capacity but also share the same strategic goals and priorities of the program.

Schoolchildren Payments for Meals

Although the current structure of the school feeding program provides children with meals for free, is important to consider scenario's in which children pay for a portion of their lunches. With food costs representing the largest component of the total program costs, any ability to offset these expenses could have a material impact on the long-term sustainability of the program.

Food Costs as a Percentage of Total Expenditures	Original 2007	Revised 2007	2008	2009	2010
Food Costs (\$ USD)	20,859,129	28,179,005	57,080,548	89,161,114	124,344,980
Food Costs as a Percentage of Total Expenditures	86%	87%	90%	93%	94%

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A major goal of the GSFP is poverty reduction throughout the country by increasing local agricultural production and improving local markets due to the demand generated by school feeding. If this goal is achievable, over time these communities will enjoy increases in income that should enable parents to partially subsidize school lunches.

Other school feeding programs in Ghana have had success charging students for lunches when they have linked the school feeding program with local income generating activities. An example of such a program is the Self Help International NGO, which operates with similar goals as the GSFP in the area of local agricultural development. In this program, after one year to allow for improved farming practices to pay off, students were typically required to pay between 500 and 1,000 cedis per lunch. According to the members of this program, the payments not only reduced funding requirements, but also increased the commitment of the community to the program based on the fact that they felt like stakeholders in its success.

Because the focus on improved agricultural production is more directed in the Self Help program than the GSFP, with specific employee's dedicated to improving agricultural techniques in the community, the positive income turnaround seems to occur more quickly.

However, the GSFP has an opportunity to begin charging students between 500 and 1,000 cedi per lunch within two to three years after the program is instituted in a specific community. This will allow sufficient time for the program to have the expected positive income impact on the local community, making the school lunch payments more affordable.

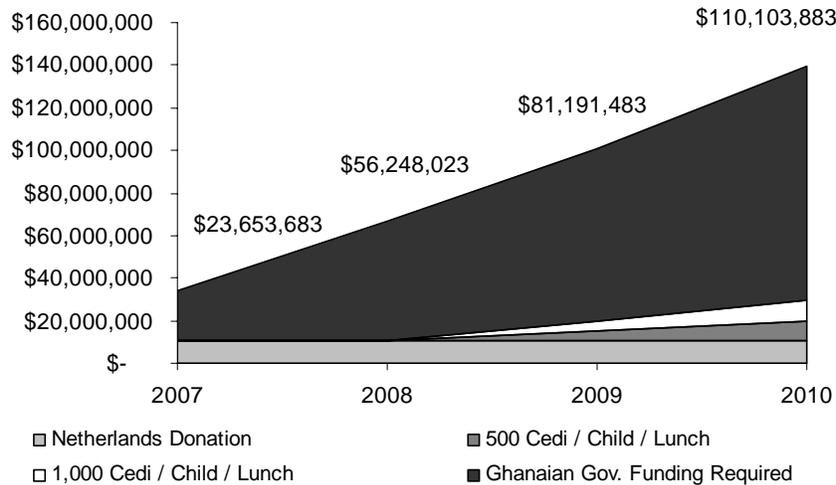
The charts below show the impact of charging either 500 or 1,000 cedi per student per day on the financing needs of the program two years after schools are brought into the GSFP.

Funding Options In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Ghanaian Gov. Funding Required	\$ 14,981,846	\$ 23,653,683	\$ 56,248,023	\$ 81,191,483	\$ 110,103,883
Netherlands Donation	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000
500 Cedi / Child / Lunch	\$ -	\$ -	\$ -	\$ 4,696,501	\$ 9,513,425
1,000 Cedi / Child / Lunch	\$ -	\$ -	\$ -	\$ 4,696,501	\$ 9,513,425
<i>% of Total Need Provided Outside Gov.</i>	<i>41%</i>	<i>31%</i>	<i>16%</i>	<i>20%</i>	<i>21%</i>

¹ Assumes payments begin two years after GSFP is instituted in each school

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As the program begins to reach a larger scale and its growth slows (on a percentage of student's added per year basis), the payments for meals will represent a larger and larger portion of the total funding needs. Eventually, once the program is rolled out nationally and growth stops, a 1,000 cedi per child payment will cover approximately 35% of the programs costs (or approximately 18% with a 500 cedi payment). As seen in the chart above, beginning in 2009, the costs provided outside the government begin to increase.



Note: Numbers provided in the chart reflect yearly Ghanaian funding needs

In addition to charging students based on the amount of time the school has been part of the program, it would also be possible to make payment delineations on a number of other factors, including poverty index data (i.e. local income data) or urban versus rural schools.

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Program Restructuring Options

In addition to charging children for a portion of the school feeding costs, the GSFP has three operational changes that it can make to the program that will impact its financial needs.

These operational changes, which are discussed in more detail in the previous section, include (i) adding the WFP food basket to the GSFP for a certain number of days each week; (ii) altering the financial burden of the start-up input costs incurred by the GSFP; and (iii) changing the monitoring and evaluation structure. The financial impact of each of these changes is discussed in detail below.

WFP Food Basket Use

As described in the prior section, by using the WFP food basket within the GSFP, the program will be able to reduce costs through two separate levers:

- The number of days per week that the WFP basket is provided to students, as the cost for this item on a stand-alone basis is approximately 2,000 cedi per child per meal cheaper than the GSFP food allowance; and
- The additional financial allowance provided per child for supplemental food to the basket can be changed.

There are a variety of different combinations for the number of days the WFP food basket is provided and the additional financial allowance that is provided for the supplements. For the purposes of this analysis, it has been assumed that the WFP basket is utilized three days per week and the financial allowance for food supplements to the basket is 1,000 cedi per child per meal.

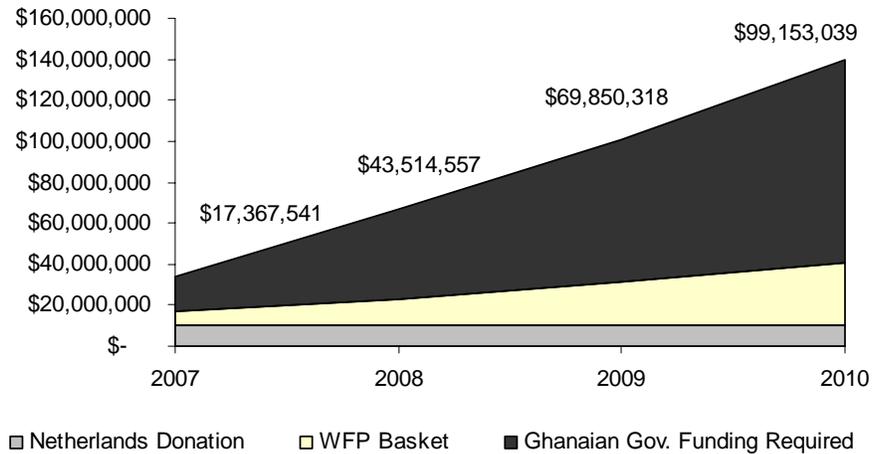
As demonstrated by the chart, the use of the WFP food basket under the terms mentioned above would reduce food costs for the program by 22+%.

Feeding Costs (Including Food Purchases) In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Total Feeding Costs - All GSFP Meals	\$ 20,859,129	\$ 28,179,005	\$ 57,080,548	\$ 89,161,114	\$ 124,344,980
Total Feeding Costs - 3 Days WFP (w/1,000 cedi supp.)	\$ 16,014,135	\$ 21,892,863	\$ 44,347,082	\$ 68,426,947	\$ 94,367,286
Savings Using WFP Basket	\$ 4,844,994	\$ 6,286,141	\$ 12,733,466	\$ 20,734,167	\$ 29,977,694
% Savings on Food Costs	23%	22%	22%	23%	24%

Based on the fact that food is the largest expense incurred by the program, this 22+% reduction is a significant impact on the total financing need of the GSFP, as demonstrated by the charts below.

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Funding Options In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Ghanaian Gov. Funding Required	\$ 10,136,853	\$ 17,367,541	\$ 43,514,557	\$ 69,850,318	\$ 99,153,039
Netherlands Donation	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000
WFP Basket (3 days / 1,000 cedi supp.)	\$ 4,844,994	\$ 6,286,141	\$ 12,733,466	\$ 20,734,167	\$ 29,977,694
<i>% of Total Need Provided Outside Gov.</i>	60%	49%	35%	31%	29%



Note: Numbers provided in the chart reflect yearly Ghanaian funding needs

Start-Up Costs (Equipment)

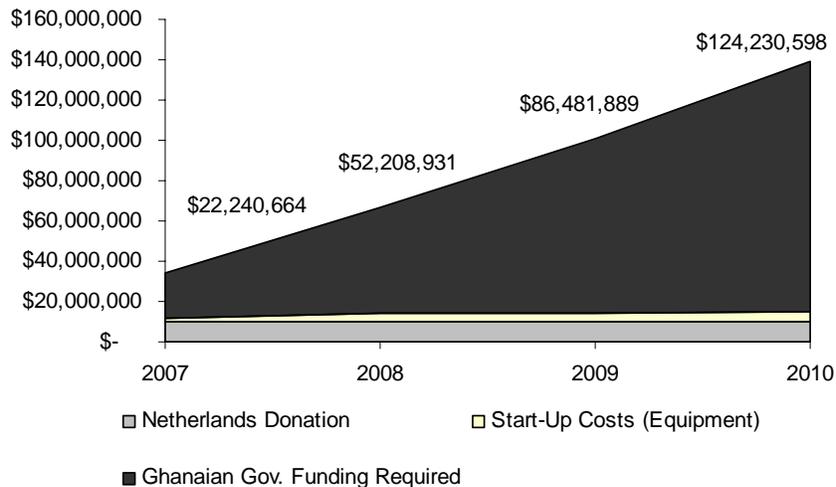
As described in the prior section, the GSFP could reduce costs by emulating the strategy of many other school feeding programs and reduce the government contribution for the equipment inputs required to start the GSFP. Instead, all or a portion of these costs would be paid for by the communities that are benefiting from the GSFP. Other programs have had success implementing a program where all of the start-up costs are borne by the community, which also serves to empower the community by enabling them as stakeholders.

The GSFP program already operates under the condition whereby most communities are required to pay for the construction of the kitchen and storage facilities at the school. Based on the analysis of the financial projections, the chart below details the cost savings that would be recognized if the local communities bore all of the start-up input costs associated with the GSFP. There are options in between GSFP bearing all of the costs and the community bearing all of the costs, which can be derived in by the analysis below.

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Funding Options In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Ghanaian Gov. Funding Required	\$ 13,947,530	\$ 22,240,664	\$ 52,208,931	\$ 86,481,889	\$ 124,230,598
Netherlands Donation	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000
Start-Up Costs (Equipment)	\$ 1,034,316	\$ 1,413,019	\$ 4,039,092	\$ 4,102,596	\$ 4,900,135
<i>% of Total Need Provided Outside Gov.</i>	45%	35%	22%	14%	11%

Although these costs represent a significant portion of total expenses early on in the program, as the GSFP is rolled out, the cost savings represent a smaller portion of the overall expenses.



Note: Numbers provided in the chart reflect yearly Ghanaian funding needs

Monitoring & Evaluation

As described in both the prior and following sections, one of the recommendations for the GSFP is to implement a monitoring system that is substantially similar to the system currently being run by CRS. In fact, one specific suggestion is to outsource the monitoring of the program to CRS due to:

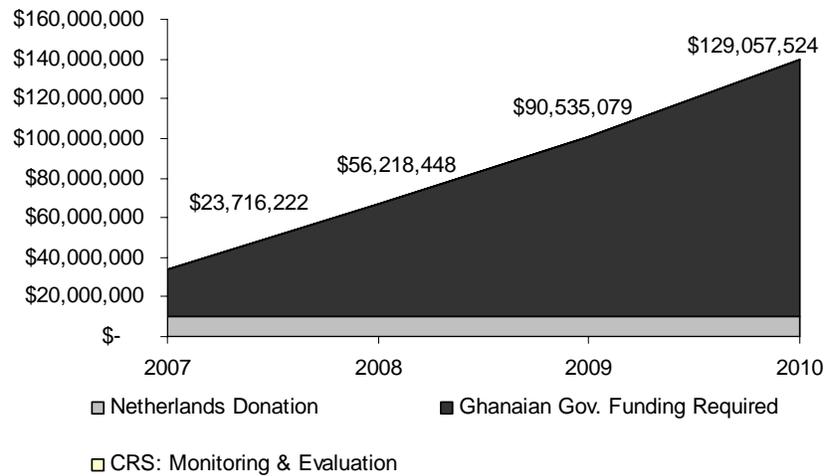
- Their existing competency in the area;
- Their knowledge of monitoring school feeding programs from many years of experience in Ghana;
- Their existing infrastructure that is in the process of being freed up due to the wind-down of their school feeding program; and
- Their relative cost advantages compared to the GSFP school feeding program.

If we are to assume that the GSFP monitoring cost structure is replaced with that of CRS, the following savings would be expected to occur to the GSFP budget.

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Funding Options In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Ghanaian Gov. Funding Required	\$ 14,035,113	\$ 23,716,222	\$ 56,218,448	\$ 90,535,079	\$ 129,057,524
Netherlands Donation	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000
CRS: Monitoring & Evaluation Savings	\$ 946,733	\$ (62,540)	\$ 29,575	\$ 49,406	\$ 73,208
<i>% of Total Need Provided Outside Gov.</i>	45%	30%	16%	10%	8%

Although the absolute cost savings from this recommendation would be nominal, as discussed in the other sections of this report, there are other reasons than the financial implications of making this change.



Note: Numbers provided in the chart reflect yearly Ghanaian funding needs

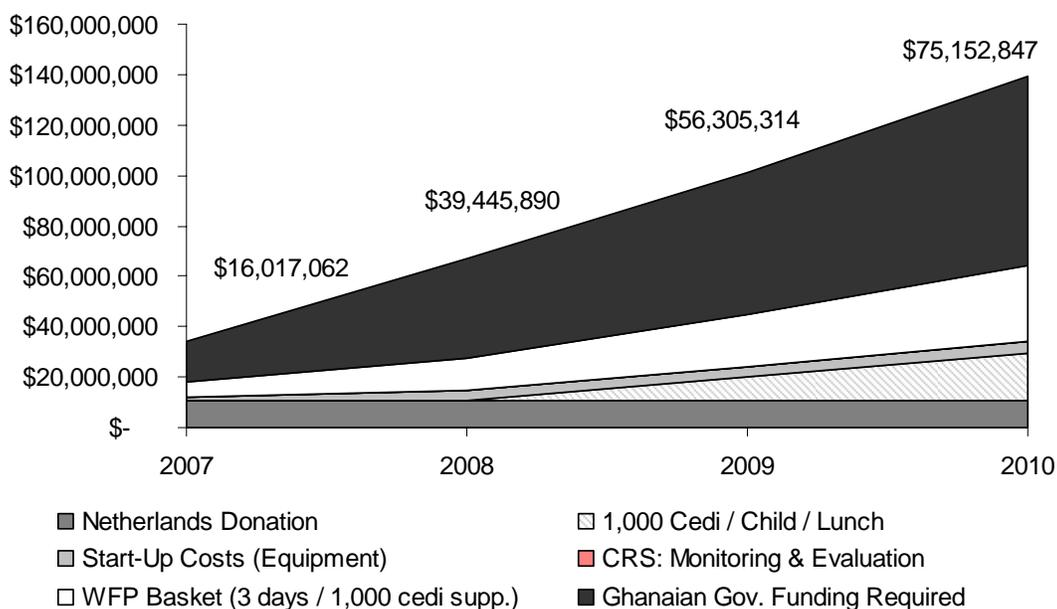
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Conclusion

There have been four specific recommendations provided of how to impact the financial sustainability of the program. Although not all may be implemented, the following table and chart show the aggregate impact of these changes if they were to be instituted by GSFP.

Funding Options In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Ghanaian Gov. Funding Required	\$ 8,155,803	\$ 16,017,062	\$ 39,445,890	\$ 56,305,314	\$ 75,152,847
Netherlands Donation	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000
1,000 Cedi / Child / Lunch	\$ -	\$ -	\$ -	\$ 9,393,002	\$ 19,026,849
WFP Basket (3 days / 1,000 cedi supp.)	\$ 4,844,994	\$ 6,286,141	\$ 12,733,466	\$ 20,734,167	\$ 29,977,694
Start-Up Costs (Equipment)	\$ 1,034,316	\$ 1,413,019	\$ 4,039,092	\$ 4,102,596	\$ 4,900,135
CRS: Monitoring & Evaluation	\$ 946,733	\$ (62,540)	\$ 29,575	\$ 49,406	\$ 73,208
<i>% of Total Need Provided Outside Gov.</i>	68%	53%	41%	44%	46%

As demonstrated by the analysis above, these changes can have a significant impact on the financial sustainability of the GSFP. By 2010, approximately 46% of the total expenses would be covered through the existing Netherlands grant and the four recommendations. Over time, as the program matures and the start-up costs decline, this percentage would grow.



Note: Numbers provided in the chart reflect yearly Ghanaian funding needs

After all of the financial impacts of these changes, the financial shortfall to the GSFP falls from approximately \$129 million to \$75 million in 2010. This represents a \$54 million reduction in the

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financial liability to the government of Ghana, or a 42% overall reduction in the program costs to the government.

This level of cost savings, combined with the support of NGO's, private funding sources and permanent budgeting by government of Ghana, should help enable the potential for financial sustainability of the program.

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IV. MONITORING

High-Level Monitoring Scorecard

	CRS	WFP	GSFP
Overall Assessment	High	Med-High	Med-Low
Capacity	- 17-18 Monitors, 7-10 Vehicles - 963 Schools - Engages GES - Initiates community involvement through CFMC	- 5 Monitors, 3 Vehicles - 79 Schools - Engages GES & GSFP - Expects community involvement	- 21 Monitors, 2 Vehicles - 975 Schools - Engages WFP and GES in 79 partner schools
Monitors and Vehicles per School	High	High	Low
GES Engagement	High	High	Low
Community Involvement	High	Med-High	Low
Policies & Procedures	- Spends 1-year to train, prepare, and mobilize community & school - 6 visits / term / school - CFMC makes 1+ visits / week	- Some training - At least 1 visit / year / school - Community member visits periodically	-No formal training or monitoring process observed -2 visits / term / school (hard to achieve with limited capacity)
Awareness	High	Med-High	Medium
Training	High	Medium	Low-Med
Frequency	High	Low-Med	Low
Formality	High	High	Low
Data	- Formal & detailed process by schools & monitors; low-level and aggregated summary reporting	- Formal & detailed process by schools & monitors; low-level and aggregated summary reporting	- Schools report daily attendance - Monitors have a form but no observed aggregated reports
Collection from Schools	High	High	High
Collection from Monitors	High	High	Low
Local Tracking & Reporting	High	High	Low
Aggregated Tracking & Reporting	High	Med-High	Low
Accountability	- Most robust food mismanagement accountability - Minimal to no focus on linking program to local farmers	- Food mismanagement accountability in place - Focused on Ghana-produced commodities but not on linkages to local farmers	- No food mismanagement accountability observed - Focused on linkages to local farmers; new Ghana rice initiative
Food Storage	High	High	Med-High
Sanitation	High	High	Med-High
Cooking & Meal Distribution	High	High	Med-High
Food Mismanagement	High	High	Low
Linkage to Local Food Production	Low	Med-High	High
Issues Resolution	- 1-Week turnaround - Issue recurrence prevention activities	- 2-Week turnaround	- No data was provided
Timeliness	High	High	Med - High
Awareness	High	Low	Low
Prevention of Recurrence	High	Low	Low

Overview of Monitoring Efforts by Organization

Catholic Relief Services

CRS has the greatest experience and capacity among the three evaluated organizations to perform monitoring activities. CRS has six program monitors, eight field monitors, and three to four monitoring and evaluation officers dedicated to school feeding. They also establish partners within the Ghana Education Service (GES) at both the district and regional level to assist in monitoring. CRS provides motorcycles and fuel to all GES partners.

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In addition, CRS facilitates the establishment of a Community Food Management Committee (CFMC) in the school's local community to help in managing and monitoring their school feeding program. The CFMC is a committee in addition to the Parent Teacher Association (PTA) and the School Management Committee (SMC) as these two groups usually are focused on other things and may not have the time or resources required for community school feeding management. CRS has several requirements regarding CFMC membership: the number of members should be between five and 11 and there should be at least two women members. The community decides on the workable number within the CRS requirements considering the size of the school and community and the ethnic and religious diversity. The cardinal rule is that the CFMC is representative of the community. CRS also ensures that the CFMC establishes official committee guidelines appropriate for their respective region.

CRS also has the most robust policies and procedures in place for their monitoring efforts in the areas of community awareness, training, monitoring frequency, and formality. CRS gives schools and their communities one year to "mobilize" and prepare before implementing the school feeding program. Throughout the year, CRS and GES periodically visit the community to sensitize and train the community of the requirements for a successful program and ensure that the community is prepared with the establishment of a CFMC, facilities (kitchen, storage room, cooking utensils, etc.), and necessary volunteers for roles (cook, food storage key-holders, etc). CRS trains their monitors and GES partners before sending them out to the field, trains CFMC members on member roles, responsibilities, and all food management topics such as food storage, handling, and sanitation guidelines, and trains the cook prior to implementation of school feeding.

The frequency of monitoring visits range from five to seven visits per term per school. Program officers make targeted school visits based on reported issues warranting closer attention. Issues may include extreme or repetitive instances of food mismanagement, unsanitary food preparation, or complaints made by the community. These visits usually last the entire day and may consist of community sensitization, training, or reprimanding of uncooperative party. In some cases, if a specific school teacher has been responsible for multiple food mismanagement situations, that teacher may be asked to be transferred to a school that is not participating in school feeding. These visits may occur once per term for any targeted school and may fluctuate by season. Field monitors are responsible for the day-to-day program monitoring activities. They visit each school at least once a term and may aim to visit schools three times per term. Field monitors have a list of items to check including food storage rooms, way in which food is stored, school attendance record keeping, sanitation of food handling and preparation, etc. Monitoring and evaluation officers review data and statistics and usually monitor schools once per term to undertake

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data validation based on random sampling. The GES desk officer visits each school twice per term, checking similar items to what field monitors check. Depending on agreed upon monitoring guidelines, CFMCs send one or more monitors to their schools weekly or bi-weekly for informal monitoring.

CRS schools keep detailed daily records of attendance by gender and food used for daily feeding. These records are the most thorough and rigorous as compared to the other school feeding programs, as numbers are recorded in two places. Monitors record monitoring data for each school visit and bring it back to the main office in Tamale to be reviewed, tracked, and aggregated into reports. Monthly and quarterly reports are generated to track attendance and enrollment. In addition, food commodities delivered to schools are tracked and matched against lunches served in order to monitor food management each month. Quarterly summary reports are also generated to capture program performance at an aggregate level for all schools.

CRS's thorough data collection, tracking, and reporting helps CRS keep involved people and groups accountable for a successful school feeding program. Monitors check for items such as food storage, sanitation, and cooking and meal distribution based on their monitor checklist booklet. CRS has the best food mismanagement accountability in place. Each school and its local community is given two keys to the food storage room. One key is given to a school employee (teacher or headmaster) and the other key is given to a CFMC member. This way, the key holders are held accountable for any food mismanagement issues. Anytime the food storage room is opened, two people must be present (one key holder and one non-key holder). For meal preparation, the cook and a food storage room key holder go to the food storage room to get enough food for the # of children recorded that morning, based on a ration guide prepared by CRS. Food mismanagement is corrected each month by sending a bill (based on the variance report) to either the accountable community member or school employee who must provide the calculated shrinkage cost.

Regarding local farmer productivity, CRS does not focus on their school feeding program linking to local farmer food production. However, communities have been encouraged to supplement CRS food supplies with their local farm produce.

Issues can be brought to CRS's attention in several ways. First, they can be reported formally through monthly report forms completed by a school teacher, with a section for community input. These reports are prepared by a teacher, verified by the head teacher and the circuit supervisor responsible for the school, and corroborated by the GES partner supervisor. Second, they can be reported through monthly

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reports submitted by GES partner supervisors, based on their visits. Lastly, issues can be informally raised by letters / phone calls to the CRS office. CRS has developed a presence in their schools and communities that foster open lines of communication among all parties. Issues reported to CRS are addressed and generally resolved in less than one week. However, if immediate action is required, CRS sends someone out to the field right away to deal with the issue.

Depending on the issues, CRS goes on to take preventative action against the issues they receive so that they do not occur again. They re-sensitize the community and school with training session, they send out letters to the community and school, and depending on the issue and frequency, they may suspend the school from the program.

World Food Program

WFP employs five people who are dedicated to monitoring the WFP efforts including the school feeding program, take-home rations, and feeding centers. The five people include one head of the sub-office, one program assistant who has three drivers reporting to them, one program officer who has two monitors reporting to them (one Upper West monitor and one Tamale monitor). There are two other staff members who don't do monitoring but manage finance and administration and school mapping. In addition to the WFP monitoring staff, they engage GES in their monitoring efforts. All WFP school visits are also attended by a GES representative. Since there are three drivers, we assume there are three vehicles dedicated to monitoring.

WFP trains all their monitors and does a little community and school sensitization about WFP's school feeding efforts, focusing on the benefits of the CSB that is part of the meal they provide. At a minimum, a WFP monitor visits each school once per year, along with a GES monitor. However, some schools have reported that WFP has visited their schools several times per term. Since GSFP also operates school feeding in these schools, GSFP monitors may also visit WFP schools periodically.

Since WFP is piloting their food basket school feeding at GSFP schools, the data collected by the schools and monitors is a combination of the data points that GES and WFP have jointly determined is appropriate on what they call a Process Monitoring Sheet. The Process Monitoring Sheet includes a check list in five main areas: general (school information, etc.), monitoring (kitchen, storage, sanitation, water, etc.), resources (adequacy of fuel, water, cooks, etc.), implementation (actual feeding, children washing hands, at least 50% of cooks should be mothers of students, etc.), and other (how do the children like the meals, impact of meals on attendance and performance, etc.). Since CSB is not a traditional

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Ghanaian meal base, WFP seems to be interested in cook's ability to prepare WFP meals and the children's receptivity of them during this pilot phase of the collaboration.

Based on the data collected by the schools and by the monitors during their school visits, WFP plans to generate reports at an aggregated level to track progress of their program. Their first monthly summary report will be published in the next several months.

Similar to CRS, WFP's data collection and reporting provides a good foundation for an accountability system, specifically for food mismanagement. WFP tracks delivery of food at both the district level and at the school level and a tally card records all movements of food at each school. Based on attendance and meal rations, monitors are able to compare expected food consumption to actual food consumption. If food is found to be missing, WFP generates a way bill that gets sent to whoever is accountable for the missing food as determined by WFP / GES / Implementation Committee.

In regards to linkage to local food production, WFP is looking into purchasing food basket items that are produced in Ghana, but not necessarily produced by local community small farmers.

Responsiveness: Since WFP's role is to assist the government in school feeding, issues are usually first sent to GES who may ask WFP for assistance in resolving them. Issues that are sent directly to WFP are generally addressed within two weeks.

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GSFP has a total of 21 monitors, which include 14 regional monitors and seven national monitors for the 975 schools that they operate in. There are two pick-up trucks available in Accra dedicated to monitoring, however in other areas, monitors request rides from non-GSFP government vehicle drivers in order to make school visits.

GSFP does not focus on formal training for their monitors, schools, or communities, most likely due to resource constraints. However, they have allocated some funds towards training, conferences, and workshops. GSFP tries to send their monitors out to visit each school twice per term. With the current headcount, that is equivalent to 257 school visits per monitor per year.

Like the other organizations, GSFP schools report daily attendance and provide that data to their districts who then report it to national at an aggregate level. Monitors have questionnaires that they are supposed

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to use and fill out when visiting schools that collect basic information such as attendance, school structures, food procurement, and meal details. The focus of tracking and reporting is on student enrollment and attendance. Although there are forms to track key performance indicators, we have not yet seen a formal report at an aggregate level of this type.

Based on conversations with a monitor and schools visits, there isn't a robust food mismanagement system in place. The food mismanagement effort is at a high-level where the monitor visits a school to check student attendance and compare it to numbers reported by the school since the number of reported students is tied to the amount of cedis allocated per school. This is a main monitoring focus for GSFP given the incentive for schools to inflate the student attendance figures reported since schools receive cedis based on number of students. GSFP is more concerned with overpaying a school than the quality of the food provided by the school. For other issues that arise GSFP theoretically aims for timely and effective resolution. However, due to the resource constraint, issue resolution is most likely slower and less effective compared to that of the other organizations.

Regarding efforts to link the school feeding program to small local farmer production, perishables are purchased by cooks from local markets and GSFP is currently looking into a local rice initiative. The local rice initiative entails contracting with several rice growers and mills in Ghana to purchase rice from them in bulk and then distribute the rice to the schools.

Best Practices

- Capacity should support approximately 20 – 25 schools per monitor. Assuming that monitors spend a few days per month in the office and assuming that they can make two to three school visits per day, this recommended capacity allows the monitor to visit each school two to three times per term. Limiting the number of schools per monitor allows them to conduct thorough and useful school visits.
- Engaging the community through a community food management committee, which CRS does, is key in giving them ownership and accountability of the program. This committee can engage in monitoring activities that complement GSFP monitoring efforts.
- Timely data collection, tracking, and reporting (at both granular and aggregate levels) is critical to tracking program progress and issues. These detailed reports also allow for successful accountability of food mismanagement, which CRS has demonstrated. By tracking expected food consumption

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based on daily attendance and actual food purchased and consumed, food mismanagement is easily accounted for.

- Issues should not only be resolved timely and effectively, but preventative measures should be taken to ensure that they don't recur. Examples from CRS include sending letters to the community to spread awareness, providing training and workshops to address the issue, and suspending the school from the feeding program as a consequence of non-compliance to successful implementation requirements.

V. CONCLUSION

The analysis provided and the time spent in Ghana by the research team has demonstrated that the Ghana School Feeding Program national roll-out has been achieved with relative success. However, there are issues facing the GSFP that will need to be addressed in the near term in order to improve the program and enable its successful execution throughout the country.

Financial Sustainability

One of the major concerns facing the GSFP is the financial burden associated with its implementation, as outlined previously in this document. Despite the large funding gap that the government of Ghana is facing, there are options to improve the financial position of the program. Based on the accompanying research, the following steps are recommended to help minimize this funding shortfall:

Immediate

Start-Up Costs: The GSFP should be structured to require the local communities to fund the upfront costs associated with the implementation of the program. This strategic change should provide multiple benefits to the GSFP, including lower costs (as outlined in section 3) and strong community involvement in the school feeding program.

This community involvement should have the additional benefit of improving the monitoring of the program, as members of the community become more empowered and therefore more focused on successfully sustaining the GSFP in their community.

Additionally, by withdrawing from the initial set-up process, the opportunity for government corruption can be reduced. Pushing the funding and execution of the start-up requirements to the local level, where the individuals involved in paying for the necessary resources are directly involved in making purchases and in building the infrastructure, reduces the opportunity for corruption by shrinking the number of hands the funding passes through.

Finally, this strategy makes sense from an implementation standpoint, as there are two other programs in Ghana (SHI and CRS) that have successfully implemented large school feeding programs while relying on the local community to fund and execute on the start-up requirements.

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WFP Food Basket: Although there are some drawbacks to the utilization of the WFP food basket, the analysis in this report clearly quantifies the vast improvement in the financial position of the GSFP by utilizing this resource.

Although the WFP food basket does not offer the same food quality from a taste perspective as the existing GSFP meals, this is offset by the proven nutritional value the food basket provides. Additionally, when facing a funding shortfall of the magnitude that may be seen by the GSFP in the near term, it is more important to provide meals to Ghanaian students in any form than it is to focus resources on providing more expensive meals that taste better. In short, this is a simple tradeoff between the quantity of students fed and the non-nutritional food quality – leaving the GSFP with a straightforward choice.

Finally, a standard meal that is administered to the students will provide for a much easier monitoring and evaluation process, which could potentially mean lower costs within that aspect of the program.

In conclusion, the recommendation of the report would be to implement the WFP food basket two days per week throughout the country. This should serve to both lower costs and ensure the nutritional value of the meals being provided to the students, while also maintaining some local control over the program.

Long-Term

Payment for Meals: If the GSFP is able to improve the health and education of students, as well as stimulate the local Ghanaian economy, in the long-term it should be possible to charge students for the lunch that they receive.

This change to the philosophy of the program should be held back until sufficient time has been provided for the GSFP to positively impact the local communities.

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Monitoring & Evaluation (“M&E”)

The second major recommendation surrounding the GSFP implementation strategy focuses on the monitoring and evaluation aspects of the program. As discussed in detail below, there are numerous potential benefits to changing the current monitoring and evaluation structure.

Leveraging Catholic Relief Services

The most robust and efficient way to structure the monitoring and evaluation efforts of the GSFP would be to partner with Catholic Relief Services to provide these services on an outsourced basis. Although this is a material change to the current organizational structure of the GSFP, it provides many benefits:

Institutional Knowledge: CRS has approximately 50 years of institutional knowledge providing M&E services for its school feeding program in Ghana. This knowledge has led to best practices that have been refined over this period and have made CRS the most effective M&E program of those researched in Ghana. During discussion with CRS, it became clear that the individuals running their school feeding program have been able to adapt their procedures over time to make the monitoring program more robust.

Resources Coming Available: With the wind-down of the existing CRS school feeding program in Ghana over the next two years, the infrastructure and people resources that support this impressive organization will be available to work on other projects. The most efficient use of these resources, and their strong background providing high-quality M&E services, is to integrate them into the GSFP.

Similar (or Cheaper) Cost Structure: As demonstrated by the detailed cost analysis in section1, CRS is able to provide M&E services at a cost equal to or slightly cheaper than proposed by the GSFP. As such, M&E quality could be improved without increasing costs.

Independent 3rd Party Validation: By moving the M&E function to an outside source, the information that is provided through their work will carry additional credibility. As with any outside auditor, an independent appraisal will be viewed more favorably than one provided by the organization that is most effected by the findings of the reports.

Importantly, as the GSFP looks for outside funding from donors (governments, NGO’s, private donors, etc...), this type of independent validation will serve to improve the view of the program and will thus improve access to funding.

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Improved Focus on Core Competencies: Separating the M&E services from the rest of the GSFP would enable each of the parties involved in the successful execution of the GSFP (the Ghana School Feeding Program Secretariat and CRS) to focus exclusively on their core competencies. By shrinking the number of issues for each group to address, management would be free to focus on improvement in their areas of control, thereby improving the overall efficiency and execution of the program.

Issues to Consider Regarding a Strategic Partnership with CRS for M&E Services

In addition to making the strategic decision to work with CRS to provide M&E services for the GSFP, there are other issues to consider, including funding needs, how to structure the agreement and what the agreement would cover.

Funding: Based on the understanding that it may be politically difficult for the Ghanaian government to fund the costs of CRS for the M&E work that is performed, it will be necessary to search for outside sources of funding. As such, GSFP and CRS should begin approaching outside capital sources together, offering a coordinated proposal to potential funding sources. By requesting funding for a discreet project that provides measurable results, it is more likely that outside capital providers can be attracted.

Additionally, the payment structure for CRS would need to be addressed: specifically, whether the funds are paid directly to CRS by the outside capital source or if the funds are sent through the GSFP and earmarked for CRS.

Outsourcing Agreement: In order to successfully implement the recommended strategic change to partner with CRS, it would be necessary to enter into an outsourcing agreement spelling out the division of work between the GSFP and CRS. Examples of items that would need to be addressed include:

- Whether or not the CRS M&E team covers all of the country (recommended) or just a specific geographic region; and
- What specific aspects of monitoring and evaluation are the responsibility of CRS if the entire program is not outsourced.

By following these recommendations, the GSFP should be able to improve both its operational and financial efficiency, providing the people of Ghana with a stronger and more sustainable school feeding program.

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APPENDIX

Exhibit 1: Cost Evaluation, June 2007

Assumptions				
Conversion ratio (dollar to cedi)		9,200		
Number of feeding days per month (65 feeding days/term, 195 feeding days/yr)		22		
Number of participating schools		963	975	79
Number of students fed		156,468	443,157	35,000
		CRS	GSFP	WFP
<u>Food Procurement (per child per lunch)</u>				
Raw Materials Cost (Food)	\$	0.15	\$ 0.29	\$ 0.08
Supplemental Food	\$	-	-	\$ 0.21
International Shipping (to Ghana)	\$	0.038	-	-
Port Warehouse Cost	\$	-	-	-
Domestic Transportation	\$	0.027	-	Included in Raw Material Cost
Local Warehouse Cost	\$	-	nm	\$ -
Local Transportation	\$	-	nm	\$ -
Subtotal	\$	0.22	\$ 0.29	\$ 0.28
<u>Start-up Cost (per School of 360 - 450 children)</u>				
Kitchen	\$	-	\$ -	\$ -
Stove	\$	-	\$ 372.83	\$ -
Storage	\$	-	Included in cost of Kitchen	\$ -
Cookware (Pots, Ladles, etc.)	\$	-	\$ 503.80	\$ -
Serveware (Bowls, Cups, Spoons, etc.)	\$	-	\$ 978.26	\$ -
Polytank	\$	-	\$ 1,055.40	\$ -
Sign boards	\$	-	\$ 108.80	\$ -
Liquid Soap	\$	-	\$ 353.26	\$ -
Other	\$	-	\$ 114.24	\$ -
Subtotal	\$	-	\$ 3,486.60	\$ -
<u>Ongoing Cost (per child per lunch)</u>				
Fuel	\$	-	\$ 0.018	\$ -
School Cook Salary	\$	-	\$ 0.013	\$ -
Subtotal	\$	-	\$ 0.031	\$ -
<u>Overhead Cost (per child fed)</u>				
SG&A	\$	0.92	\$ 1.01	\$ 1.64
Warehouse & Storage Cost (non-food)	\$	-	-	\$ -
Administrative Staff Salaries		Included in SG&A	\$ 1.63	\$ 0.58
Subtotal	\$	0.92	\$ 2.64	\$ 2.22
Total Lunch Cost per Child	\$	0.22	\$ 0.33	\$ 0.28
Total Start-Up Cost per School	\$	-	\$ 3,486.60	\$ -
<u>Monitoring & Evaluation (per school)</u>				
Monitor Salaries	\$	102.34	\$ 132.82	\$ 921.20
Vehicles	\$	71.24	\$ 10.26	\$ 235.87
Fuel / Maintenance	\$	26.58	\$ 10.06	\$ 151.90
Equipment (nominal) / Other	\$	21.46	\$ 4.35	\$ 650.73
# of Monitors		15	21	5
Subtotal	\$	221.63	\$ 157.49	\$ 1,959.70
* The 2008 numbers listed below more accurately reflect an annual estimate for funding of the GSFP monitoring efforts given the budget crunch experienced by GSFP in 2007 and the decision to postpone investments in staff and other resources				
<u>Monitoring & Evaluation (per school)</u>			<u>2008</u>	
Monitor Salaries	\$		138.63	
Vehicles	\$		30.38	
Fuel / Maintenance	\$		70.29	
Equipment (nominal) / Other	\$		21.46	
# of Monitors			40	
Subtotal	\$		260.76	

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Exhibit 2: Assumptions

Assumptions	Original 2007	Revised 2007	2008	2009	2010
Cedi to Dollar Conversion Ratio	9,200	9,200	9,200	9,200	9,200
New Schools Added	333	419	1,000	1,000	1,000
Existing Schools	556	556	975	1,975	2,975
Number of Schools Covered in the Program	889	975	1,975	2,975	3,975
Number of Enrolled Students per School	360	455	455	425	400
Number of School Children Fed Each School Day	320,040	443,157	897,677	1,264,375	1,590,000
Average Cooks per School	4	4	4	4	4
Average Cooks Salary - Yearly (Cedi)	0	3,000,000	3,327,000	3,689,643	4,091,814
Average Cooks Salary - Yearly (USD)	0 \$	326 \$	362 \$	401 \$	445
Total Number of Schools in Ghana	12,225	12,225	12,470	12,719	12,973
<i>% of Schools in Program</i>	7%	8%	16%	23%	31%
Total Number of Enrolled Students	2,216,792	2,216,792	2,371,967	2,538,005	2,715,666
<i>% of Students Enrolled in Program</i>	14%	20%	38%	50%	59%
Total Number of School-Age Children	2,533,477	2,533,477	2,584,146	2,635,829	2,688,546
Ghanaian Inflation Rate	10.9%	10.9%	10.9%	10.9%	10.9%

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Exhibit 2: Financial Projections: Existing Cost Structure Projections 2007 - 2010

4-Year Projected Expenditure In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Student Payments (Revenues)	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Expenditures - Corporate					
Gross Salaries and Allowances	805,600	749,350	1,027,805	1,428,009	1,969,233
Social Security Contributions (12.5%)	100,700	93,669	128,476	178,501	246,154
	906,300	843,019	1,156,280	1,606,510	2,215,387
Personnel Expenditures - Cooks					
Cook Salaries	0	1,271,739	0	0	0
Administration					
Training, Workshops, Conferences	86,957	109,414	289,596	321,161	356,168
Travel (Foreign)	21,739	21,739	24,109	26,736	29,651
Office Supplies	16,304	16,304	25,820	40,586	61,364
Dev. of Mgmt Info Systems	100,000	100,000	11,090	12,299	13,639
Documentations	10,870	10,870	17,214	27,059	40,912
Fuel & Maintenance	62,609	68,666	138,828	231,914	343,644
Consultancy: 1) Operations Manual	50,000	50,000	-	-	-
2) Baseline Studies (Design & Training)	50,000	50,000	-	-	-
3) Project Evaluation (Include Reviews and Workshops annually)	50,000	50,000	55,450	61,494	68,197
	448,479	476,993	562,106	721,249	913,576
Operations					
Feeding Cost (Food Purchases)	20,859,129	28,179,005	57,080,548	89,161,114	124,344,980
Distribution of Kitchen Inputs	38,043	47,868	126,696	140,506	155,821
Sensitisation & Capacity Building (Program Institutions & Communities)	65,217	82,060	217,194	240,868	267,123
	20,962,389	28,308,933	57,424,438	89,542,488	124,767,923
Investments					
Kitchen Inputs & Replacements	646,635	925,216	2,747,986	2,670,760	3,312,228
Polytanks (Rambo 100)	351,449	442,214	1,170,441	1,298,019	1,439,503
Office Renovation & Maintenance	19,783	19,783	-	-	-
Sign Boards	36,232	45,589	120,665	133,817	148,403
Motor Vehicles (for operations, including monitoring & evaluation field work)	710,935	50,000	250,000	190,217	47,000
Office Equipment & Furniture	90,985	48,594	42,391	12,639	42,391
	1,856,019	1,531,395	4,331,483	4,305,453	4,989,526
Adjustments (Monitoring & Evaluation Changes)	-	-	-	-	-
TOTAL	24,173,187	32,432,079	63,474,308	96,175,700	132,886,412
5% Contingency	1,208,659	1,621,604	3,173,715	4,808,785	6,644,321
GRAND TOTAL	25,381,846	34,053,683	66,648,023	100,984,485	139,530,733
			TOTAL	341,216,924	

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Exhibit 2: Updated With Potential Strategic Program Changes Projections 2007 - 2010

4-Year Projected Expenditure In USD (\$)	Original 2007	Revised 2007	2008	2009	2010
Student Payments (Revenues)	\$ 6,783,457	\$ 9,393,002	\$ 19,026,849	\$ 9,393,002	\$ 19,026,849
Personnel Expenditures - Corporate					
Gross Salaries and Allowances	805,600	749,350	1,027,805	1,428,009	1,969,233
Social Security Contributions (12.5%)	100,700	93,669	128,476	178,501	246,154
	906,300	843,019	1,156,280	1,606,510	2,215,387
Personnel Expenditures - Cooks					
Cook Salaries	0	1,271,739	0	0	0
Administration					
Training, Workshops, Conferences	86,957	109,414	289,596	321,161	356,168
Travel (Foreign)	21,739	21,739	24,109	26,736	29,651
Office Supplies	16,304	16,304	25,820	40,586	61,364
Dev. of Mgmt Info Systems	100,000	100,000	11,090	12,299	13,639
Documentations	10,870	10,870	17,214	27,059	40,912
Fuel & Maintenance	62,609	68,666	138,828	231,914	343,644
Consultancy: 1) Operations Manual	50,000	50,000	-	-	-
2) Baseline Studies (Design & Training)	50,000	50,000	-	-	-
3) Project Evaluation (Include Reviews and Workshops annually)	50,000	50,000	55,450	61,494	68,197
	448,479	476,993	562,106	721,249	913,576
Operations					
Feeding Cost (Food Purchases)	16,014,135	21,892,863	44,347,082	68,426,947	94,367,286
Distribution of Kitchen Inputs	-	-	-	-	-
Sensitisation & Capacity Building (Program Institutions & Communities)	65,217	82,060	217,194	240,868	267,123
	16,079,352	21,974,923	44,564,276	68,667,815	94,634,409
Investments					
Kitchen Inputs & Replacements	-	-	-	-	-
Polytanks (Rambo 100)	-	-	-	-	-
Office Renovation & Maintenance	19,783	19,783	-	-	-
Sign Boards	-	-	-	-	-
Motor Vehicles (for operations, including monitoring & evaluation field work)	710,935	50,000	250,000	190,217	47,000
Office Equipment & Furniture	90,985	48,594	42,391	12,639	42,391
	821,703	118,377	292,391	202,856	89,391
Adjustments (Monitoring & Evaluation Changes)	(946,733)	62,540	(29,575)	(49,406)	(73,208)
TOTAL	10,525,644	15,354,589	27,518,629	61,756,024	78,752,705
5% Contingency	526,282	767,729	1,375,931	3,087,801	3,937,635
GRAND TOTAL	11,051,926	16,122,318	28,894,561	64,843,825	82,690,340
			TOTAL	192,551,044	