## Module 11 - Cost of implementation of scenarios for "Children"

*Scenario 1: Provision of a conditional child allowance of COD3,000 annually to the poorest 25 per cent of all children*

Assumptions:

- Target group = 25 per cent of all children in the 0–14 age group;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD3,000 per child per year;
- Benefit increases every year in proportion with inflation;
- Administrative cost is assumed to be 15 per cent of the cost of benefits every year.

Results:
According to the calculations in the RAP model, providing a child allowance of COD3,000 per child per year to the poorest 25 per cent of all children is expected to cost 0.06 per cent of GDP or 0.30 per cent of Government expenditures in 2020.

*Scenario 2: Provision of a conditional child allowance of COD4,000 annually to poor children*

Assumptions:

- Target group = poor children in the 0–14 age group;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD4,000 per child per year;
- Benefit increases every year in proportion with inflation;
- Administrative cost is assumed to be 15 per cent of the cost of benefits every year.

Results:
According to the calculations in the RAP model, providing a child allowance of COD4,000 per child per year to poor children is expected to cost 0.02 per cent of GDP or 0.10 per cent of Government expenditures in 2020.

*Scenario 3: Provision of midday meals and milk bottles to all school-age children*

Assumptions:

- Target group = all children in the 3–14 age group;
- From 2011 to 2013, the coverage of the NGO-based school feeding programme increased by 18 per cent, from 9 per cent to 27 per cent. In 2014, the Government would take over the 27 per cent coverage and then progressively increase the coverage;
- Proportion of the population covered is assumed as 50 per cent in 2015, 75 per cent in 2016, and 100 per cent from 2017 onwards;
- Cost of one midday meal and one milk bottle are assumed to be COD15 and COD8, respectively; the costs increase in proportion to inflation;
- It is assumed there are 210 school days per year;
- Administrative cost is assumed to be 5 per cent of the benefits since the infrastructure for procuring and distributing the meals and milk bottles in many schools is already in place.

Results:
According to the calculations in the RAP model, providing midday meals and milk bottles to school children is expected to cost 0.27 per cent of GDP or 1.42 per cent of Government expenditures in 2020.

Closing the SPF gap for children in Coresia would cost between 0.02 per cent and 0.32 per cent of GDP in 2020, where 0.02 per cent is the cost of the lowest scenario (scenario 2) and 0.32 per cent is the cost of the combination of scenarios 1 and 3.

*Table 1: Results of the costing exercise for children*

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Scenario 1: Provision of a conditional child allowance of COD 3,000 annually to the poorest 25% of all children** | | | | | | | | | | |
| Cost of scenario 1 (COD million) | 0 | 0 | 0 | 2 789 | 5 639 | 8 557 | 11 547 | 11 693 | 11 836 | 11 994 |
| Cost as % of GDP | 0.00 | 0.00 | 0.00 | 0.02 | 0.04 | 0.06 | 0.07 | 0.06 | 0.06 | 0.06 |
| Cost as % of Government expenditures | 0.00 | 0.00 | 0.00 | 0.11 | 0.20 | 0.29 | 0.36 | 0.34 | 0.32 | 0.30 |
| **Scenario 2: Provision of a conditional child allowance of COD 4,000 annually to poor children** | | | | | | | | | | |
| Cost of scenario 2 (COD million) | 0 | 0 | 0 | 1 321 | 2 532 | 3 634 | 4 639 | 4 431 | 4 229 | 4 025 |
| Cost as % of GDP | 0.00 | 0.00 | 0.00 | 0.01 | 0.02 | 0.02 | 0.03 | 0.02 | 0.02 | 0.02 |
| Cost as % of Government expenditures | 0.00 | 0.00 | 0.00 | 0.05 | 0.09 | 0.12 | 0.14 | 0.13 | 0.11 | 0.10 |
| **Scenario 3: Provision of midday meals and milk bottles to all school-age children** | | | | | | | | | | |
| Cost of scenario 3 (COD million) | 0 | 0 | 0 | 14 394 | 26 912 | 40 788 | 55 001 | 55 685 | 56 392 | 57 181 |
| Cost as % of GDP | 0.00 | 0.00 | 0.00 | 0.11 | 0.19 | 0.26 | 0.33 | 0.31 | 0.29 | 0.27 |
| Cost as % of Government expenditures | 0.00 | 0.00 | 0.00 | 0.56 | 0.97 | 1.36 | 1.70 | 1.60 | 1.51 | 1.42 |