



The Cost of Inaction

- An approach to economic evaluation developed by the Francois-Xavier Bagnoud Center for Health and Human Rights
- Economic evaluations typically focus on the *constitutive* benefits of an action
- The COI approach, however, goes beyond these and emphasizes the importance of *consequential* benefits of an action.
- Taking account of the consequential benefits may well increase the magnitude of total benefits of an action, and hence its desirability.



The Cost of Inaction

- The approach allows for the consideration of benefits in non-monetary or even non-quantitative terms.
- In many instances a monetary value cannot be placed on benefits, at least not without making dubious value judgments.
- The quantifiable benefits can be presented in the form of a vector whose components are recorded in different units, and the non-quantifiable benefits can be presented separately.



The Cost of Inaction

- Many consequential benefits are often determined by what *other* actions are, or are not, being undertaken.
- The COI approach identifies complementary actions that remove constraints or jointly lead to greater benefits than the sum of the benefits of each one considered separately.
- If the net benefit is likely to be greater for a *set* of actions than a single action, then that set of actions should be used as the appropriate counterfactual.



Strengthening the Education System in Angola

As a result of the 27-year civil war, and high rates of income poverty, many children find it difficult to access education, healthcare and other basic services.

- In 2009, 34.2% of students lived beyond a 1.24-mile radius from a school
 - 24.1% of student in urban areas
 - 45.4% of students in rural areas
- 10 percent of children in Angola do not even enroll in grade 1 of primary school
 - A large percentage of those who do enroll drop out before completing primary school
- Utilization is restricted in part because of infrastructure limitations which create obstacles for families including high transportation costs to access services; high fees for service also affect utilization.



Strengthening the Education System in Angola

- The intervention we identify as a response to this serious shortcoming is a set of complementary actions to increase enrollment in both primary and secondary schools over a 20-year period from 2012 to 2031.
- The set of SES actions involves:
 - building new schools as part of a public works program;
 - training and deploying teachers to provide ECD, primary and secondary education;
 - and developing and teaching school curricula that include life-skills education and HIV/AIDS prevention.



Strengthening the Education System in Angola

Constitutive benefits

- Between 2012 and 2031 SES would (if implemented) result in a total of 1.8 million more children being enrolled in grade 1.
 - By 2031 almost 1 million of these children will complete primary school.
- Of those who complete primary school,
 - 185,000 will graduate from secondary school;
 - 615,000 will still be in secondary school in 2031;
 - and 200,000 will drop out before completing secondary school.



Strengthening the Education System in Angola

Consequential benefits

- 11,000 fewer future maternal deaths among them,
- 240,000 fewer under-five deaths of their children,
- and a 40% reduction in TFR among the women served.
- Over a 30-year period after completion of their education, the present value of increased incomes of SES participants, at a discount rate of 3% per annum, is US\$4.9 billion.
- The present value of the costs of implementing SES during 2012-31 is US\$3.0 billion.



Expanded secondary schooling in Rwanda

In an effort to reach the UN Millennium Development Goals and the targets set in Vision 2020, the government has prioritized universal primary education.

- Between 2001 and 2005, net primary-school enrollment increased from 75% to 87% among girls and from 73% to 84% among boys.
- Given such progress, the World Bank has indicated that Rwanda is on track to achieve the MDG for universal primary education (MDG2).

This in turn is leading to greater demand for secondary-school places. But if the supply of secondary-school places is not increased, the proportion of primary-school graduates who can attend secondary school will decline.



Expanded secondary schooling in Rwanda

The expanded secondary schooling (ESS) intervention increases the supply of secondary-school places by an amount which allows the transition rate from primary to secondary school to be maintained at its current level.

To meet the extra demand for secondary education between 2012 and 2031 would require:

- the construction of 1,000 additional secondary schools
- the training of 130,000 additional secondary-school teachers

The present value of the total costs of ESS during 2012-31 discounted at 3% per annum is US\$2.1 billion.



Expanded secondary schooling in Rwanda

Constitutive benefits

- Over the period 2012-31, ESS would lead to an annual average of 450,000 additional children being enrolled in secondary school, i.e. an average increase in the enrollment rate over the period of 28 percentage points.
- The increased enrollment would lead to 1.7 million additional children completing secondary school, assuming that 2012 Education Sector Strategic Plan (ESSP) targets relating to drop-out and repetition rates are achieved and continue to be met during 2012-31.



Expanded secondary schooling in Rwanda

Consequential benefits

- a present value of increased future incomes discounted at 3% per annum of US\$6.0 billion
- 154,000 fewer under-five and 9,000 fewer maternal deaths in the future
- a 33% decrease in Total Fertility Rate

In addition to the quantified benefits there are several non-quantified consequential benefits:

- reduction in HIV/AIDS risk behavior and incidence
- improved health outcomes.



In Summary

- Framework to support the evaluation of responses to inaction
- The COI approach goes beyond *constitutive* benefits of an action and emphasizes the importance of *consequential* benefits of an action.
- COI framework can be applied as a measurement tool in the context of children outside the home; an extremely vulnerable subset of the population

