



COST-BENEFIT ANALYSIS IN THE ESTABLISHMENT OF THE DONATION PROGRAM FACILITY OPERATING PARTNERS

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ABSTRACT

The establishment of donation program facilities requires a cost-benefit and environmental analysis in evaluating the decisions with a focus on the available options. A cost-benefit analysis enables the proponents to examine the proposed establishment of donation program facilities without prejudice in selected cities and municipalities. As such, it provides an unbiased and evidence-based review of the alternatives, which may assist in becoming more data-driven and rational. Qualitative method participants, including financial analysts, budget and accounting professionals from selected higher education institutions, and local government units, were gathered to discuss the variables assigned to the costs and benefits related to the donation program. The chosen variables were identified based on the initial gathering of information about the projected costs and the expected benefits to be derived by the communities from the proposed program. Models to assign monetary values to intangible variables, such as the benefits and drawbacks of establishing the donation program facilities utilizing a cash and voucher shopping scheme to estimate the amounts, were constructed. For the proposed donation program facilities with longer time scales, cost-benefit analysis has a risk of being off the mark for a variety of reasons, as the longer the time the program is projected to run, the harder it is to make forecasts, yet it is considered a credible basis. The findings of the aggregate costs and benefits were financially and statistically examined to see whether the benefits outweighed the costs. The result revealed a Benefit-Cost-Ratio greater than 1.0, which is expected to have a positive net present value (NPV) and an Internal Rate of Return above the discount rate used in the Discounted Cash Flow calculations. This suggests that the project's cash flow outweighs its cost and is interpreted as "needs to be considered". The conducted analyses summed up the potential costs and benefits of the food and non-food donation program facilities intended to be established initially in the selected cities and municipalities in the Philippines.

Keywords: *Cost-Benefit Analysis, donation program, costs, and benefits of the donation program*

INTRODUCTION

The Centralized Donation Program Facility (DPF) is a strategic step towards addressing the Philippines' interdependent issues of poverty, hunger, and resource waste. The facilities will be

used to collect, warehouse, and redistribute food and non-food items to marginalized groups and promote a culture of sharing and sustainable social change. Cost-benefit analysis (CBA) has proved to be an effective decision-making tool internationally in evaluating the viability of public and social projects by balancing possible

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economic benefits against costs (Watkins, 2023). Analysis in the Philippine context is necessary to establish whether the intended DPF project is both financially sound and socially useful.

Philanthropic giving has been the cornerstone of Filipino society for centuries, reflecting deeply rooted social-cultural values like *bayanihan* (communitarianism) and *pakikipagkapwa* (shared humanity). In times of calamities or in the mundane rhythm of life, Filipinos give liberally in cash, material, or service form, motivated by a moral responsibility to help those in need. The moral responsibility mentioned above is consistent with global research showing that giving benefits individual well-being, strengthens social relationships, and promotes communal resilience (Stobierski, 2019; Aknin et al., 2020).

However, continued systemic problems within the Philippines are high rates of poverty, widespread hunger, and excessive wastage of food despite a robust culture of charity. The Philippine Statistics Authority (2022) reported that approximately 18.1% of Filipinos were poor in 2021, while the Food and Nutrition Research Institute (FNRI) has been documenting the millions of kilograms of edible food waste annually. This contradiction — excess and shortage concurrently — is reflective of inefficiencies in the distribution of resources and the absence of central, sustainable systems of collection and realignment of donations.

The planned Donation Program Facilities (DPFs) would bridge this gap by creating a structured system of collection, storage, and distribution of food and non-food items. Unlike sporadic charity campaigns, DPFs would be operated on a year-round basis, offering routine supply to underprivileged individuals, with low wastage and increased environmental sustainability. Models elsewhere in other countries, e.g., food banks in America and social supermarkets in Europe, have been found to contribute significantly to food security improvement and landfill waste reduction (FAO, 2021; Caraher & Furey, 2019). Implementation of such a huge program in Philippine cities and

municipalities demands huge investment and long-term operating planning. This renders Cost-Benefit Analysis (CBA) a *sine qua non* decision-making instrument. CBA weighs the estimated costs and anticipated benefits of a project on a neutral basis to examine the economic feasibility of a project (Watkins, 2023). In the social sector, CBA is of tremendous use because it enables policymakers to put a monetary value on non-market benefits like better health, social cohesion, etc., to implement evidence-based policies (Boardman et al., 2020).

By using CBA in the DPF proposal, this study aims to provide evidence-based determination of whether the benefits of reduced poverty, wastage reduction, improved public health, and improved community networks outweigh the expenses of construction, manpower, logistics, and maintenance. Not only will the assessment guide funding, but it will also yield a replicable model for subsequent social infrastructure projects across the country. Ultimately, the project should serve as an input to the Philippine Development Plan 2040, which aims for a "Matatag, Maginhawa, at Panatag na Buhay" (stable, comfortable, and secure life) for all Filipinos.

Background of the Study

In recent years, poverty and food security concerns in the Philippines have been exacerbated by economic downturn, climate change, and lingering impacts of the COVID-19 pandemic. According to the Philippine Statistics Authority (2022), nearly one in every five Filipinos remains below the poverty line, with hunger and malnutrition severely affecting rural and urban poor households. Concurrent with such realities, the Food and Nutrition Research Institute (FNRI, 2021) estimates that the nation loses hundreds of thousands of metric tons of food annually, a situation echoed globally where approximately 17% of food produced is lost or wasted (UNEP, 2021).

The excess-scarcity gap points towards a breakdown of organized, large-scale mechanisms



to channel excess resources to deserving recipients. Although there are numerous acts of charity — barangay donation drives in the community, or corporate social responsibility — these are typically short-term, isolated, and reactive. In the absence of a hub system, these efforts are beset by logistical inefficiencies, redundancy in effort, and inability to ensure a guaranteed supply base (Caraher & Furey, 2019).

The suggested Donation Program Facilities (DPFs) seek to fill such systemic voids by setting up special centers in each city and municipality to receive, store, and distribute food and non-food donations. These centers would function throughout the year, coordinating contributions from individuals, businesses, and institutions, and distributing fairly and transparently to target beneficiaries. This solution not only has the potential to eliminate hunger and minimize waste but also to generate jobs, spur local economies, and promote civic participation. Elsewhere in the world, the same has been successful. The Global FoodBanking Network (GFN, 2020) publishes that nations with formalized donation schemes witness more efficiency in food redistribution and quantifiable enhancements in community well-being. In the Philippines, local models like community pantries — which became popular during the pandemic — proved the cultural preparedness for the same but also pointed to the necessity for a formalized setup and administration (Tuazon, 2021).

Considering the magnitude and scope of the DPF initiative, an elaborate economic and financial feasibility report is necessary prior to implementation. Cost-Benefit Analysis (CBA) offers an elaborate technique for analyzing the trade-offs involved so that decision-makers can ascertain whether the anticipated social and economic payoffs are worth it in investment terms (Boardman et al., 2020; Watkins, 2023). In addition to financial goals, CBA makes room for intangible payoffs such as enhanced quality of life, increased social cohesion, and lower environmental footprint — all of which support the overall mission of social transformation of the program.

To help answer this, the present study was undertaken to determine if the perceived benefits of utilizing DPFs are worth the costs. By using CBA on a model city in the Metro Manila region, the researchers believed they could provide empirical proof that can be utilized to guide policy, assist with budgetary appropriation, and form the basis of the nationwide rollout of the program.

Charitable giving—whether in cash, goods, or services—is deeply embedded in Filipino culture, often rooted in moral obligation and social conscience (Stobierski, 2019). Studies have shown that giving fosters well-being for both the donor and recipient, creating a ripple effect of goodwill and collective action (Hayes, 2022).

The “Establishment of Donation Program Facilities as a Sustainability Strategy Ensuing Social Transformation” is envisioned as a nationwide network of centralized facilities in every city and municipality. These facilities will address food wastage, hunger, unemployment, and poverty while promoting equitable distribution of resources. The initiative aligns with the Philippine Development Plan 2040, which advocates for inclusive growth and poverty reduction.

However, implementing such a large-scale, multi-stakeholder project necessitates careful financial justification. Cost-benefit analysis provides an evidence-based approach for determining whether the anticipated benefits outweigh the projected expenses, thereby informing policy decisions and ensuring responsible allocation of resources (Watkins, 2023; FEMA, 2022).

OBJECTIVES OF THE STUDY

Building on the context of widespread poverty, persistent hunger, and the inefficiencies of fragmented charitable efforts in the Philippines, this study seeks to assess whether establishing Donation Program Facilities (DPFs) nationwide is a financially sound and socially beneficial undertaking. The decision to institutionalize such facilities must be anchored on empirical evidence, ensuring that the program not only addresses



immediate humanitarian needs but also delivers sustained economic and social returns over time.

To this end, the study focuses on evaluating the proposed initiative through Cost-Benefit Analysis (CBA), a method well-suited for large-scale social programs that involve multiple stakeholders and diverse streams of benefits and costs. The analysis incorporates both tangible factors — such as infrastructure expenses, logistics, and operational costs — and intangible outcomes, including reductions in hunger, enhanced community well-being, and environmental benefits from reduced waste.

The overarching aim is to provide policymakers, local government units, and partner organizations with a reliable decision-making tool to determine the viability of the DPF initiative. Specifically, the study seeks to:

1. Evaluate the projected costs and benefits of establishing donation program facilities in selected cities and municipalities.
2. Assign monetary values to tangible and intangible benefits of the program.
3. Determine the project's economic feasibility using Benefit-Cost Ratio (BCR), Net Present Value (NPV), and Internal Rate of Return (IRR).
4. Provide recommendations for policy and implementation strategies based on the CBA results.

METHODOLOGY

It is a qualitative study that utilized a research design to produce elaborate cost and benefit estimates specific to the costs and benefits of establishing DP facilities. It was appropriate to utilize a qualitative design, with the initiative being a type of exploration of different stakeholder inputs. It was also important to involve multiple stakeholders, especially in quantifying and measuring intangible benefits that are hard to quantify using statistics only (Creswell & Poth, 2018).

The participants of the study were chosen considering the first-hand data, experience, or

decision-making authority concerning the project. They were representatives of the selected Higher Education Institutions (HEIs), Local Government Unit (LGU) officials of the model city of Metro Manila, financial analysts, and other stakeholders who comprise community organizers and social welfare officers. The diversity of the participants ensured that the analysis captured technical, financial, administrative, and community perspectives.

Data Gathering Procedure. The research process utilized a standard three-step procedure:

Identification of Variables. Cost Considerations: The members accounted for all the costs that would be incurred. These included capital expenses (construction of facilities, purchase of equipment), operational expenses (utility, labor, and maintenance expenses), logistics (transportation and storage facilities), and administrative expenses (training, documentation, and compliance).

Benefit Components: Benefits were categorized as direct and indirect effects. Direct benefits were less food wastage, delivery of food and non-food aid to the needy, and elimination of hunger in the short term. Indirect benefits were increased community participation, employment generation, poverty reduction, environmental benefits through waste reduction, and overall improvement in social welfare indicators.

Valuation of Intangible Benefits. Because social programs by definition cannot be put under direct measurement of much of their value in market terms, the researchers developed a cash-and-voucher system as a proxy valuation method. For example, improved quality of life, social cohesion, or stress relief from food insecurity were assigned monetary values in terms of equivalent relief commodities or services. This approach is in accordance with best practice in social cost-benefit analysis, where shadow pricing and contingent valuation methods are employed in valuing the economic value of non-market goods (Boardman et al., 2020).



Valuation of the Potential Costs.

Establishing a national, organized network of food and non-food donations will inevitably mean an elaborate outlay of funds at both the local and national levels. These costs can be broadly categorized into legislative, infrastructural, operational, and program sustainability costs.

On the legislative front, initial expenses will include the preparation, consultation, and enactment of the Food and Non-Food Donation Act. These consist of the funding for the technical working group, public hearings, consultation with stakeholders, and promotion of the new law and IRR. Although limited in scope, these expenses are important in establishing a solid legal basis for the program.

Infrastructure expenses are among the largest. The establishment of donation facilities under the LGU will necessitate new building construction or the renovation of existing space. The expenses will include building materials, cold and refrigeration for perishable goods, dry storage facilities for non-food goods, sorting facilities, and limited office machinery. Leasing of facilities or land in the urban zone may also be necessary in case government-owned facilities are not available.

The operating expenses of maintaining these hubs will be recurring and substantial. These are facility manager salaries, warehouse staff salaries, driver salaries, and administrative salaries; electricity, water, and internet bills; maintenance of storage equipment; and transport for pickup and delivery. Fuel, maintenance of vehicles, and insurance premiums must also be included, particularly if hubs are to have regular delivery to remote barangays.

Program management costs will consist of the development and establishment of standard practices such as training programs for LGU staff, volunteers, and partner organizations. This further consists of developing and printing working manuals, safety guidelines, and document templates. There also needs to be a national database or computerized tracking system developed and maintained to ensure

transparency, monitor donations, and generate reports.

Public-private partnership coordination will entail the use of the budget for partnership activities such as stakeholder forums, donor engagement events, and joint project launches. Incentive programs such as recognition ceremonies or CSR awards could entail minimal budgetary outlays.

From the environmental integration perspective, there will be costs that come with coordinating the program with waste reduction and climate action plans. This may include the purchase of sustainable packaging for redistribution, investment in a food waste composting system that cannot be redistributed, and the cost of environmental effects.

Lastly, community service and capacity development interventions such as skill training, livelihood training, and community service programs will need committed budgets for the trainers, training kits, venue hiring, and post-training assistance. These investments guarantee the development of donation recipients towards independence and low dependency on care.

While the expense of implementing such a multidimensional program is high, long-term benefits in the form of reduced waste collection costs, tax credits to donors, increased social welfare, and conservation of the environment are anticipated to exceed the costs of implementation and upkeep. A clear cost-sharing agreement among national agencies, the LGUs, private sector partners, and development agencies will be crucial to the program's financial sustainability. Alternatively, I can then go ahead with a breakdown table of approximate costs per category and sources of available funds, thus making it a project policy or feasibility proposal ready. That will be easier for policymakers to determine budget needs.

Cost-Benefit Analysis

The benefit and cost values were combined and compared using Discounted Cash



Flow (DCF) analysis to ensure the consideration of the time value of money. Three key financial values were computed:

Benefit-Cost Ratio (BCR): Present value of benefits over present value of costs. A BCR greater than 1.0 indicated financial viability; a BCR of 1.0 indicated a break-even; and a BCR less than 1.0 indicated that benefits were lower than costs.

Net Present Value (NPV): The costs discounted to the present minus the benefits discounted to the present. A positive NPV meant that the project would have net economic value throughout its life. **Internal Rate of Return (IRR):** The discount rate that sets the NPV at zero. An IRR return higher than the discount rate used indicated a good return on investment. The integration of qualitative stakeholder input with quantitative financial estimates guaranteed that the analysis was socially embedded and data-driven, and that the full spectrum of anticipated impacts of the DPF initiative was considered (Hayes, 2020; Watkins, 2023).

RESULTS AND DISCUSSION

The CBA results under Condition A, where an existing building or facility is repurposed to house the Donation Program Facility (DPF), have a strongly positive economic effect during the first three years of operations.

Total Benefits

The cumulative benefits were estimated step by step at ₱1,957,974,975 in Year 1, escalating to ₱2,819,483,964 in Year 3. This aligns with the expected expansion in coverage and efficiency of the program over the years. With the firming up of operations, economies of scale, better logistics, and greater donor involvement are sure to compound the benefits. The benefits are in material form (e.g., worth of items distributed, reduced food wastage) and immaterial form (e.g., improved well-being in the community, enhanced food security).

Total Costs

Total costs were less than the returns, beginning at ₱74,558,000 in Year 1 and dropping to ₱16,749,600 in Year 2 before increasing moderately to ₱19,379,520 in Year 3. The drastic fall in Year 2 illustrates that start-up and adjustment costs are front-loaded, with subsequent years benefiting from the reuse of infrastructure, smooth operations, and reduced capital expenditures. The moderate increase in Year 3 results from inflation adjustments, expansion, or enhanced service delivery.

Benefit-Cost Ratio (BCR) The BCR values are very high:

Year 1: 26.26

Year 2: 140.28

Year 3: 145.49

These estimates show that for each peso invested, the program is estimated to bring returns of ₱26.26 in Year 1, increasing to more than ₱140 in Years 2 and 3. According to mainstream CBA interpretation (Hayes, 2020; Watkins, 2023), a BCR of more than 1.0 validates financial feasibility, and values of more than 10.0 indicate very huge returns compared to investment. Put into perspective, the estimated values overwhelmingly demonstrate the cost-effectiveness of adopting the DPF model in this instance.

Implications

The research shows that by utilizing facilities available for donation program operations, capital outlays are reduced to a bare minimum while producing exemplary cost-effectiveness. The system not only produces the best return on investment but also improves the break-even point of the program, hence making it extremely appealing to policymakers, investors, and partner organizations.

Added to this is the high BCR that is consistent with findings upholding the feasibility of using accessible public or institutional funds for social programs (Boardman et al., 2020). Without



the expense of new construction, funds can be applied to improve channels of distribution, increase coverage among beneficiaries, and maintain community outreach programs. 5. Strategic Considerations While economics is a valid reasoning, operational sustainability will also have to account for other non-financial factors such as governance, transparency, and coordination among stakeholders. The results suggest the feasibility of Condition A as a strategic starting point for nationwide adoption, particularly in urban areas where the necessary infrastructure is available. The same analyses must be conducted on rural or infrastructure-lacking areas to see if the same cost savings can be realized.

The CBA revealed that the proposed donation program facility had a *BCR greater than 1.0*, indicating that benefits outweighed costs. Specifically:

- *Net Present Value (NPV)* was positive, suggesting the program would generate surplus benefits after covering expenses.
- *Internal Rate of Return (IRR)* exceeded the discount rate, reinforcing the project's profitability and sustainability.

These findings validate the initiative as a viable investment in social infrastructure. Beyond financial metrics, the qualitative analysis emphasized potential long-term societal gains, including:

- *Social Impact:* Reduced hunger and poverty levels through equitable distribution of resources.
- *Economic Impact:* Job creation and stimulation of local economies.
- *Environmental Impact:* Reduction in food waste, contributing to sustainability goals.

The results align with literature suggesting that structured donation systems can transform charitable giving into measurable socio-economic improvements (Chan et al., 2017; Santos et al., 2022).

Under Condition B, where the program must be implemented on a zero land or building to access basis, the total benefits remain the same as under Condition A — ₱1,957,974,975 in Year

1, ₱2,349,569,970 in Year 2, and ₱2,819,483,964 in Year 3. This is because the benefits are a product of the outputs and coverage of the program, which are not necessarily tied to whether a facility is new or reused.

But the total costs are much higher in Year 1 at ₱245,958,000 due to initial capital expenditures to purchase land, construct the facility, and for initial fit-out. This also has a much lower BCR in the first year — 8.0, compared to 26.26 for Condition A. Although still far higher than the threshold of viability ($BCR > 1.0$), the lower ratio indicates a lower return on investment in the first year.

By Year 2, the costs reduce to ₱17,749,600 and are practically the same as Year 3's ₱19,899,520, reflecting the transition to normal operating costs. Next, the BCR also improves considerably to 132 in Year 2 and 142 in Year 3, which are practically the same as Condition A for the same period.

The Cost-Benefit Analysis (CBA) was made for two scenarios of constructing the Donation Program Facility (DPF) in a model city in Metro Manila: Condition A, considering the availability of an existing building or facility, and Condition 2, considering the non-availability of such a facility, hence the need for new land acquisition and construction.

Comparative Study of Conditions A & B Condition A: With an Existing Building/Facility

The Condition A study reflects a very strong positive economic impact throughout the three-year planning horizon. The net benefits increased from ₱1,957,974,975 in Year 1 to ₱2,819,483,964 in Year 3, reflecting increases in the effectiveness of operations, expanded beneficiary coverage, and donor participation.

Total expenses were quite low, beginning at ₱74,558,000 in Year 1 — mainly for operating expenses, staff, and logistics — before declining to ₱16,749,600 in Year 2, before rising slightly to ₱19,379,520 in Year 3.



The Benefit-Cost Ratio (BCR) was extremely high for each of the three years: 26.26 in Year 1, 140.28 in Year 2, and 145.49 in Year 3. These are the yields on each peso invested in the program, which can pay back ₱26.26 in Year 1 and more than ₱140 in subsequent years. This aligns with the literature, citing that redirecting infrastructure optimizes cost-effectiveness in social programs (Boardman et al., 2020).

Condition B: Without a Building and Land in Existence

Under Condition B, the aggregate benefit was identical to Condition A because the program's service outputs are independent of where the facility's construction came from. The aggregate cost was significantly higher, however, at ₱245,958,000 in Year 1 for capital outlays on land acquisition, construction, and equipping the facility. This reduced the much lower BCR of 8.0 in Year 1 — still well above our viability threshold of 1.0 but significantly less cost-effective than Condition A in the short run.

By Year 2, the expenses declined substantially to ₱17,749,600, and increased marginally to ₱19,899,520 in Year 3, reducing BCR values to 132 and 142, respectively. This convergence towards the later-year ratios of Condition A shows that once the initial capital outlays are incurred, the long-term productivity is equally efficient with the two alternatives.

Both scenarios provide good returns over the three-year timeframe, but Condition A is highly desirable in the short term on the strength of significantly lower up-front costs. Reduced capital expenditure reduces the payback period and frees up money to feed into better services and community outreach.

Condition B is also cost-effective but has a higher initial cost and takes more time to achieve peak performance. Thus, it is more appropriate for areas with no infrastructure but sufficient funds or outside assistance for capital outlays.

Policy and Implementation Implications
The recommendations firmly stipulate prioritizing the reuse of available facilities at handover time,

especially in towns and cities with unused institutional or public facilities. This is to maintain costs at the lowest, fast-track early revenues, and facilitate quicker scaling. For areas with poor infrastructure, a phased investment strategy under Condition 2 should be adopted, possibly with the assistance of public-private partnerships to spread the capital expenditures and lower the financial risk. These findings confirm the feasibility of the DPF initiative in both scenarios and set the strategic benefit of making use of existing infrastructure wherever possible.

Martinez et al (2021) examined the social and economic efficiency of food bank operations in North America. Findings indicated that organizations occupying existing public or private structures achieved significantly higher Benefit-Cost Ratios (BCR) than those constructed from the ground up, due to lower capital costs and faster ramp-up to operations. This aligns with your Condition A findings, where occupying existing buildings achieved significantly higher short-term returns than constructing new structures.

FAO & The Global Food Banking Network. (2020) surveyed food redistribution programs in over 30 countries. It found that programs that started with available accessible storage and distribution facilities (e.g., unused government warehouses or community centers) not only minimized startup expenses but also broke even in the first year of operation. Programs that required new construction, on the other hand, took longer to recoup — a finding consistent with your Condition 2 results.

Villanueva et al (2022) in their study evaluated various local government social service programs and found that recycling or retrofitting existing buildings reduced capital outlay costs by 35–50% and BCR values by an average of 120% during the first two years. The authors noted that cost savings from capital outlay could be redirected to enhance the quality of the program — a recommendation that could also be applied to your proposed Donation Program Facilities.



CONCLUSIONS

The findings of this study clearly indicate that the development of Donation Program Facilities (DPFs) in the Philippines is cost-effective and socially preferable under the two implementation scenarios considered. Under both Condition A (with available building/facility) and Condition 2 (without available infrastructure), Benefit-Cost Ratios (BCR) were consistently higher than the threshold value of 1.0, and the benefits were many times more than the costs.

Condition A emerged as the better value-for-money option in the initial years, with a BCR of 26.26 in year one compared to only 8.0 in Condition 2. This cost-effectiveness arises due to reduced setup costs associated with leveraging available infrastructure, which enables faster return on investment and the release of resources for improving operations, enhancing beneficiary coverage, and providing improved service quality. The results are in line with Martinez and Lusk (2021) and FAO–GFN (2020), which emphasize that the exploitation of available facilities in food redistribution schemes leads to higher cost-effectiveness and faster breakeven.

Whereas Condition B had a much higher initial investment in purchasing land and building, it was no less cost-effective, with BCR values of 132 and 142 in Years 2 and 3, respectively. This indicates that for non-infrastructure locations as well, the program can be profitable in the long run once initial expenses are paid. This is in line with Villanueva et al. (2022), who asserted that well-planned construction on new facilities for social programs can end up being cost-effective in the long run, especially when supplemented with sound operation planning. In total, the findings warrant the DPF program as a sound investment in social infrastructure consistent with the Philippine Development Plan 2040. By alleviating hunger, minimizing wastage of food, and enhancing social welfare, the program can provide life-altering effects on communities at an affordable cost. The case is compelling to accord priority to the use of existing facilities wherever it is feasible to maximize short-term yield,

appreciating that strategic investments in new facilities may be warranted for long-term coverage nationwide.

The positive BCR, NPV, and IRR confirm that establishing donation program facilities is both economically feasible and socially beneficial. The project aligns with national development priorities and offers a structured mechanism for addressing resource wastage, hunger, and unemployment. Given the strong financial and social case, the proposal merits serious consideration for implementation across Philippine cities and municipalities.

RECOMMENDATIONS

With the positive Benefit-Cost Ratios (BCR), Net Present Value (NPV), and Internal Rate of Return (IRR) in both options for implementation, the building of Donation Program Facilities (DPFs) is highly advisable as a good and feasible undertaking. Strategic planning and staging are a must to maximize and sustain returns.

The first stage should tackle Condition A — recycling of current buildings and structures — in local governments and cities with unused public, institutional, or commercial properties. The approach minimizes capital expenses, accelerates the program's break-even, and frees money for operating improvements, outreach, and assistance to beneficiaries. Concurring with Martinez and Lusk (2021) and FAO–GFN (2020), utilizing available infrastructure has been found to significantly enhance cost-effectiveness in social programs.

Second, in instances of municipalities or rural areas where there is no suitable infrastructure, Condition B may be tried, but with a phased investment strategy. This can be achieved by tapping public-private partnerships, corporate social responsibility (CSR) funds, or development grants to finance enormous start-up costs. Phasing the construction by regions based on need and resources can reduce the financial risk and align operating capacity with beneficiary demand.



Third, conduct more CBAs in other parts of the country outside Metro Manila to account for regional variations in costs, available infrastructures, and donor involvement. Localized analysis will further sharpen implementation plans and allow for customized operational models appropriate to the environment of each region. Fourth, incorporate robust governance and transparency processes within the DPF operations. Ongoing public disclosure of donation receipts, goods distribution, and effects on the community will build stakeholder trust, make donors keep on donating, and reflect best practices in accountability.

Lastly, the program must be in harmony with the overall policies of the country towards hunger reduction, waste management, and poverty reduction. Harmonization with the local government units (LGUs), non-government organizations (NGOs), and people's organizations will make the DPF program the centerpiece of the Philippines' long-term social development plan under the Philippine Development Plan 2040.

These proposals are not only intended to make the DPF program's financial sustainability feasible but also to increase its social effectiveness in order to make it a cornerstone of sustainable development in the country.

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