

## CONCEPT NOTE

### COST AND ECONOMIC BENEFIT TRAINING WORKSHOP

VENUE: DAR-ES SALAAM TANZANIA

DATE: 10 - 14 DEC 2013

#### Rationale

Africa is experiencing dynamic economic growth. The pace of real GDP growth on the continent has doubled in the last decade and six of the world's fastest growing economies are in Africa. Expanding economies and increasing agricultural production mean wider access to food - and consequently many indicators of malnutrition are falling throughout the continent. However, prevalence of vitamin and mineral remain stubbornly high – often affecting more than half the population. These deficiencies contribute to maternal and neonatal mortality, add significant caseloads to health care systems and prevent significant segments of children and adults from reaching their full productive potential – as students, workers, parents and citizens. Achieving reductions in the prevalence of these micronutrient deficiencies will not only reduce the current national burden but also generate human capital to fuel future economic growth.

Addressing this population-wide risk of vitamin and mineral deficiency with pharmaceutical, educational or other interventions requires extensive investments in capacity and significant financing – and come with significant opportunity costs for health agencies. However, when food industry and market conditions are favorable, food fortification can protect wide populations adding key vitamins and minerals to the daily diet. Africa's growing milling sector and expanding food markets offer an opportunity to reach a wide range of at-risk African consumers with added vitamins and minerals effectively, affordably and safely via their daily consumption of maize meal and wheat flour products.

Although mainly an industrial and market-based activity, the feasibility of national fortification programs is founded on a commitment by political leaders to create an enabling policy and business environment. While the moral imperative to protect the health and survival of citizens remains a powerful message to political leaders, advocacy based on a national economic development has emerged as a very effective channel to secure a national policy commitment to support fortification. In order to accelerate the development of wheat flour and maize meal fortification, Smarter Futures, a partnership for Africa of FFI, HKI, IF and AkzoNobel are organizing a workshop aiming to equip national advocates with the tools to effectively make the economic case for wheat and maize flour fortification to national policy makers.

Leading economists, including 5 Nobel Prize winners serving on a panel known as the Copenhagen Consensus, have established fortification to reduce micronutrient deficiencies as among the most cost-effective public health interventions. However, these global level analyses often lack the domestic relevance and resonance needed to persuade national policymakers. Political leaders are more likely to respond to advocacy based on the specific national context which recognizes their country's unique economic development challenges. To enable more

effective advocacy to national policymakers, the workshop aims to build the capacity of participants to develop an economic case for wheat flour and maize meal fortification based not only on globally accepted scientific evidence but also on the specific national demographic, health and economic environment.

### **Workshop Objectives:**

To equip national advocates with the tools to effectively make the economic case for wheat flour and maize meal fortification to national policy makers

### **Workshop Agenda**

A 5 day program will engage participants in an interactive process including expert presentations and panel discussions as well as a series of structured national break-out discussion groups. While plenary sessions will introduce general concepts and principles, these break-out sessions will provide the opportunity for national teams to focus on the specific country context for fortification. This structured sequence of exercises will be driven by a simple excel-based modeling tool which links national data and assumptions, agreed upon and inserted into the excel sheets by participants, to algorithms based on global scientific literature and program experience. The multi-sheet excel tool provides a framework which leads, step-by-step, to: estimates of the baseline national cost of vitamin and mineral deficiencies; to projections of reduced economic burden possible via wheat flour and maize meal fortification; and finally to a benefit cost projection. Prior to the workshop, participant teams will be provided with a list of national data and statistics required to insert into the excel tool and drive the algorithms. The step-by-step approach is as follows:

- *Establish the baseline economic burden – the cost of doing nothing.*  
The scientific literature has developed coefficients of loss, evidence-based estimates of health risks and functional deficits associated with anemia, vitamin and folic acid deficiency. Using the excel tool, participants will apply these global coefficients to national demographic, labor and health statistics to quantify the annual economic losses associated with the current national prevalence of iron deficiency anemia, vitamin A and folic acid deficiencies.
- *Estimate potential coverage offered by fortified wheat and maize flour.*  
Participants will review options for data on national wheat flour and maize meal production and consumption available from international as well as national sources. Through group discussion, national teams will agree on provisional estimates for the number of maize and wheat flour consumers; their routine level of daily intake; and the proportion of national consumption that passes through an industrial milling environment where it can be cost-effectively fortified.
- *Project possible effectiveness of fortification in reducing national prevalence of deficiency.*  
Using current or proposed national standards, or optionally, the *WHO Recommendations on Wheat and Maize Flour Fortification 2009*, participants will consider the added nutrition protection delivered by routine consumption of fortified maize or wheat flours. These estimates along with a review of the literature and program evaluations will enable participants to roughly project a scenario for the effectiveness of fortified wheat and maize flour in preventing micronutrient deficiencies among consumers.

- *Build a conceptual fortification budget for start-up and recurring costs.*  
A costing exercise will be grounded in the cost of fortificant premix defined in previous in previous exercises based on selected fortificants, fortification levels, and procurement volumes of fortificant premix necessary to achieve the targeted program coverage. In addition, based on discussion of key barriers to implementation, participants will agree on notional budgets for capacity building in both public and private sectors as well as social marketing and public education.
- *Calculate a Benefit Cost Ratio*  
Based on the steps above, estimates for coverage and effectiveness will enable participants to build a scenario for reduction in the originally calculated baseline burden of vitamin and mineral deficiencies. These reduced losses or savings relative to the status quo represent the benefits of fortification. Based on this projected benefit and the conceptual budget, the excel tool enables a calculation of a benefit cost ratio. A benefit cost ratio of >1 suggests an attractive investment. Based on past experience we expect these ratios to range from 5 to more than 30.

### **Who should participate?**

Three participants from each of the following countries in Eastern, Southern Africa that are already involved with flour fortification and/or at the planning stage i.e; Tanzania, Zambia, Mozambique, Namibia, Botswana, Zimbabwe, Kenya, Uganda, Ethiopia, South Africa, Rwanda and Burundi. The possible categories include;

- (Health) economist from Ministry of Health, Economic Affairs or Finance
- Chair of the National Fortification Alliance or designated alternate
- Financial expert from milling company

### **Proposed dates and venue:**

10-14 December, Dar es Salaam, Tanzania

### **Pre-workshop preparation:**

Prior to the workshop, participant teams will be provided with a list of national data and statistics required to insert into the excel tool and drive the algorithms. All teams are required to bring these with them and prepare a presentation on their national situation.