

ASIAN DEVELOPMENT BANK

TAR: PRC 36036

TECHNICAL ASSISTANCE

TO THE

PEOPLE'S REPUBLIC OF CHINA

FOR

STRENGTHENING NATIONAL PUBLIC NUTRITION PLANNING

November 2002

CURRENCY EQUIVALENTS

(as of 14 November 2002)

Currency Unit	–	yuan (CNY)
CNY1.00	=	\$0.121
\$1.00	=	CNY8.277

The exchange rate of the yuan is determined under a floating exchange rate system. In this report a rate of \$1.00 = CNY8.277 is used.

ABBREVIATIONS

ADB	–	Asian Development Bank
CPPN	–	communications plan for public nutrition
11FYP	–	Eleventh Five-Year National Social and Economic Development Plan for 2006-2010
MOH	–	Ministry of Health
NNIS	–	national nutrition improvement strategy
PNC	–	public nutrition chapter
PNDC	–	Public Nutrition and Development Center
PRC	–	People's Republic of China
SDPC	–	State Development Planning Commission
TA	–	technical assistance
UNICEF	–	United Nations Children's Fund

NOTES

- (i) The fiscal year (FY) of the Government coincides with the calendar year.
- (ii) In this report, "\$" refers to US dollars.

This report was prepared by Christopher A. Spohr, Project Economist, Social Sectors Division (ECSS), East and Central Asia Department

I. INTRODUCTION

1. Since 1996, the Asian Development Bank (ADB), the State Development Planning Commission (SDPC) of the People's Republic of China (PRC), and the Chinese Academy of Preventive Medicine of the Ministry of Health (MOH) have advocated increased prioritization of public nutrition in State Council planning and national investment. The PRC has participated in studies under three ADB-sponsored regional technical assistance (TA) activities, addressing: (i) the nutritional needs of children;¹ (ii) strategies to improve nutrition from youth to old age, in order to raise levels of education and economic contribution of the better nourished labor force;² and (iii) public-private partnerships to raise population-wide dietary quality via fortification and marketing of high-quality essential foods, such as cereals, salt, cooking oils, and infant foods.³ A common thread has been enhancing the affordability of a high quality diet to the poor through price and other macro-level policies such as regulation and trade. The PRC's involvement in this series of regional TA activities has yielded solid links between SDPC and the Chinese Academy of Preventive Medicine, and advanced SDPC efforts to create a national economic policy environment conducive to increased investment in public nutrition to meet the needs of the poor.

2. This process of multiple regional TAs also led to a close dialogue between ADB and the Public Nutrition and Development Center (PNDC) under SDPC, and discussion on possible country-specific support for nutrition. In this context, ADB and the Government agreed to include a TA for public nutrition in the 2002 ADB TA program during the PRC Country Programming Mission of 10-26 June 2002.⁴ A Fact-Finding Mission (12-28 June 2002) and follow-up dialogue clarified priorities for the TA, linkages between TA activities/outputs and broader national planning processes, and implementation mechanisms. Appendix 1 provides the TA framework.

II. ISSUES

3. Poor nutrition depresses economic growth in developing countries. Inadequate intake of macronutrients and micronutrients (most critically, iodine, iron, and vitamin A) by mothers and young children creates particularly long-lasting and damaging effects, resulting in higher risks of child and maternal death and lowering child weight, height, and educational attainment. Conversely, overnutrition often results in chronic midlife diseases such as hypertension, heart disease, and diabetes, which kill or incur treatment costs beyond the limited means of the poor. The established consequences of poor nutrition in Asian populations are persistent poverty, high and unsafe fertility, premature death, disability, life-long susceptibility to chronic illness, poor cognitive and learning skills, low achievement in school, low adult wages, and weak capacity to invest in the quality of the next generation's children. By contrast, improved nutrition throughout the life cycle contributes substantially to rising incomes for individuals and nations.

4. ADB's country assistance plan for the PRC (2001-2003) notes that PRC's performance in reducing child malnutrition and maternal mortality (exacerbated by poor maternal nutrition) has lagged behind progress in other human development indicators. As a whole, nutrition is

¹ ADB. 1996. *Regional Technical Assistance to Bangladesh, Cambodia, People's Republic of China, India, Indonesia, Pakistan, Philippines and Sri Lanka for Reducing Child Malnutrition in Eight Asian Countries*. Manila.

² ADB. 1998. *Regional Technical Assistance to Bangladesh, Kyrgyz Republic, People's Republic of China, Fiji Islands, Indonesia, Sri Lanka and Viet Nam for Nutrition Trends, Strategies and Policies in Asia and the Pacific*. Manila.

³ ADB. 2000. *Regional Technical Assistance for Fiji, India, Indonesia, Kyrgyz Republic, People's Republic of China, Philippines, Thailand and Viet Nam for Regional Initiative to Eliminate Micronutrient Malnutrition in Asia through Public-Private Partnership*. Manila.

⁴ The TA first appeared in *ADB Business Opportunities* (internet version) on 3 June 2002.

most problematic in poor areas of the PRC.⁵ This has substantial implications for poverty reduction and economic growth. Undernutrition has been shown to depress gross domestic product (GDP) in low-income Asia by at least 3 to 4 percentage points;⁶ the cost of micronutrient deficiencies (iodine deficiency disorders, iron deficiency anemia, and vitamin A deficiency) amounts to at least 5% of GDP in developing countries;⁷ and a recent ADB study⁸ for the PRC indicates an economy-wide cost of diet-related chronic diseases of roughly 3% of GDP.

5. The PRC's participation in the regional TAs has helped elucidate priority needs for improving national nutrition, which is key to social and economic progress. The needs include (i) defining a comprehensive national nutritional strategy, with particular emphasis on poor areas in the Western Region; (ii) integrating this strategy firmly into broader national planning; (iii) creating effective information and social mobilization campaigns for public, private, and government sectors; and (iv) increasing public and private funds directed to nutrition-linked investments. The regional TAs also helped to establish a strong foundation for partnerships aimed at achieving these goals, linking ADB, Government, and the United Nations Children's Fund (UNICEF). A consistent policy adviser to SDPC and MOH, UNICEF has supported ADB's nutrition policy-based regional TAs over the past 5 years, including via active participation in the Manila Forum 2000.⁹ UNICEF has also provided parallel financial and policy support, and is in close consensus with ADB on the priorities (items [i]-[iii]). In light of this record of collaboration, SDPC views ADB and UNICEF as (i) the key advisers to the Government on food and nutrition policy, and (ii) well placed to collaborate in the TA.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

6. The advisory TA has three objectives. First and foremost, the TA will build capacity for planning and implementing sound nutrition strategies and policies, and will institutionalize nutrition as a key element within medium- and long-term development planning in the PRC. The focal point of this thrust will be PNDC, a policy research institution promoting human development through nutrition improvement. PNDC is under SDPC, the chief Government agency responsible for formulating, evaluating, and recommending policies, strategies, and specific projects aimed at poverty reduction and social development.

7. The key output under this objective will be compilation by PNDC of a comprehensive public nutrition chapter (PNC) for inclusion in the Eleventh Five-Year National Social and Economic Development Plan for 2006-2010 (11FYP), to be formulated by SDPC for promulgation by the State Council.¹⁰ The PNC will provide key policy-makers compelling evidence on the role of nutrition in national economic and social development, and will introduce

⁵ For example, MOH statistics indicate that roughly 10% of the PRC population still lacks access to iodized salt, with the figure as high as 50% in Western provinces and autonomous regions.

⁶ S. Horton. 1999. Opportunities for Investments in Nutrition in Low-income Asia. *Asian Development Review* 17(1, 2): 246-273.

⁷ World Bank. 1994. *Enriching Lives: Overcoming Vitamin and Mineral Deficiencies in Developing Countries*. Development in Practice Series. Washington DC.

⁸ Popkin, B., S. Horton, and S. Kim. 2001. The Nutrition Transition and Prevention of Diet-related Diseases in Asia and the Pacific. *Food and Nutrition Bulletin*. (December Supplement): 1-56.

⁹ A key activity under TA 5944, the Manila Forum 2000 brought together the PRC and seven other developing member countries to define an agenda for regional fortification of essential foods, as a priority for urgent attention.

¹⁰ Thematic discussions in preparing the 11FYP are expected to begin in Spring 2003, with formal drafting of the Plan starting in March 2005. The 11FYP is slated for ratification by the National People's Congress in late March 2006, followed by promulgation by the State Council.

a national nutrition improvement strategy (NNIS) covering policy development and institution building in two broad areas: (i) multisector approaches to improve public nutrition, with a special focus on meeting the needs of the poorer Western Region and on enhancing the role of market-oriented and fully private sectors; and (ii) nutrition-related legislation, regulation (e.g., minimum quality and safety standards), and fiscal and trade policies to foster private sector development. The PNC will also outline key quantitative targets for nutritional improvement, in concert with a new system of performance indicators to monitor policy implementation and impact and to increase transparency. Final review, ratification, and promulgation of the 11FYP will solidify the legal status of strategies and programs laid down in the PNC, ensuring implementation.

8. The second objective of the TA is to assist SDPC in building a national coalition of public and private sectors and civil society to form a consensus of stakeholders on goals and strategies to improve nutrition in PRC. To this end, the TA will help PNDC to design and initiate a communications plan for public nutrition (CPPN). This will include three main thrusts: (i) policy advocacy, highlighting to key decision-makers the importance of nutrition-related legislation and the existence of cost-effective solutions to malnutrition, which should be priorities for national investment; (ii) an education campaign aimed at key civil society groups (e.g., workers, women's groups, and consumers) to shift consumer demand; and (iii) producer advocacy to expedite a complementary supply-side shift by raising awareness (especially by private industry) of low-cost techniques for producing high quality, affordable fortified foods. The CPPN will include detailed guidelines for a multimedia campaign, which PNDC will pilot test during the TA, to raise domestic awareness and provide links to international nutrition-related resources and expertise.

9. Third, the TA will set a sound direction for public-private partnerships to allow the PRC to achieve self-sufficiency in and eventually export high-quality fortified foods. In particular, through two sets of special studies, the TA will generate strategies to (i) provide affordable, high-quality fortified foods to the poverty-stricken western PRC, to promote poverty reduction and regional development through improved nutrition; and (ii) enhance national food industry expertise and spur modernization and an increased private sector role.

10. The TA directly addresses three strategic objectives of ADB, (i) poverty reduction; (ii) enrichment of human capital; and (iii) strengthening of the role of the private sector to enhance efficiency, accessibility, and equity in the use of economic resources.

B. Methodology and Key Activities

11. To promote planning and implementation of sound nutrition strategies and policies and to integrate nutrition into broader development planning in the PRC, the TA will support study and dialogue leading to the formulation of key policy recommendations to be laid down in the PNC of the 11FYP. Three sets of economic and social policy studies will provide the empirical foundation for this process. Building on findings of the three regional TAs (para. 1), the first study will spell out the need for policies to direct more resources to child nutrition in 600 very poor counties. A second study will justify the need for key food sector reforms (i.e., improved regulation and changes in price, tariff, and tax policies to benefit consumer interests and trade), and will draw on regional TA findings and international dialogue in Asia and beyond (including with the European Union and World Trade Organization) on international standards and trade reform. Third, the TA will support preparation of a series of SDPC publications demonstrating the links between public nutrition, poverty reduction, and development. These will be finalized after review by key PRC nutrition stakeholders during the TA.

12. Key findings from these studies and activities will underpin the PNC, underscoring the linkages between nutritional improvement and the broader human and economic development goals set under the 11FYP, and emphasizing the nutrition needs of the poor across the life cycle. They will also be reflected in the NNIS, the centerpiece of the PNC, covering (i) national fortification of essential and affordable food products, building on strategies identified under ADB TA 5944; and (ii) nutrition-related regulations, legislation, and trade protocols. The TA will also assist PNDC in designing and implementing a system to monitor and evaluate the impact of nutrition policies (and to identify and support further reforms), and the PNC will outline specific quantifiable targets for national nutritional improvement, based on selected indicators.¹¹

13. To promote the second objective, creation of a strong national coalition for improving national nutrition status, the TA will provide expert advice (including services of ADB-funded consultants and UNICEF support) to guide development of the CPPN to raise awareness of the economic, social, and human costs of malnutrition. This will build upon the groundwork recently laid by PNDC for a nutrition-related website. Finally, the TA will also assist PNDC in mobilizing Government commitment to and budgeting for implementing the CPPN.

14. Finally, to catalyze public-private partnerships and increase the PRC's capacity to produce high-quality fortified foods, the TA includes research and recommendations in two areas. First, the TA will support in-depth study and a preliminary feasibility assessment for future investment to effect poverty reduction in the Western Region by increasing consumption of key fortified foods (e.g., flour and edible oil). This is critical for equitable development in the PRC, and the private sector is unlikely to address the needs of poor consumers in the immediate future, given the start-up costs and risks involved. The TA will thus help provide a model for extending the PRC's recent progress in market orientation in the public nutrition sector and, in turn, development of the nascent private sector. A second special study will help inform the dialogue between SDPC and other nutrition stakeholders on modernizing nutrition and food science and technology to meet the nutrition needs of the PRC population, while creating export opportunities. The study will assess the feasibility of developing domestic capacity in production of fortified foods and fortificants,¹² fortified food production technology, and biotechnology, and will recommend strategic investments and policies to enhance the role of the private sector.¹³

C. Cost and Financing

15. The total cost of the TA is estimated at \$1.125 million. ADB will contribute \$500,000 equivalent, including \$175,000 in foreign exchange and \$325,000 equivalent in local currency. The TA will be financed on a grant basis by ADB's TA funding program. UNICEF will contribute \$400,000 equivalent (including the remaining \$150,000 foreign exchange costs), and the Government will contribute \$225,000 equivalent. Detailed cost estimates appear in Appendix 2.

D. Implementation Arrangements

16. The TA, lasting from February 2003 to November 2005, will build on a strategic partnership linking SDPC, ADB, and UNICEF. SDPC will be the Executing Agency for the TA. A steering committee—chaired by the Vice Minister, SDPC, and including representatives of the

¹¹ SDPC is expected to monitor this system through the remaining years of the tenth and eleventh five-year plans.

¹² An immediate priority is domestic production of ferric sodium edetate, widely used in cereals and condiments. Early PRC pilot tests indicate a capacity to produce such fortificants at costs below current international prices.

¹³ This will also review proposals, such as creation of a nutrition complex including centers for nutrition and applied biotechnology research, policy, and knowledge dissemination, as well as a modern nutrition industrial park.

Academy of Macroeconomics Research and Departments of Social Development, Development Planning, International Affairs, and Rural Economy under SDPC, as well as MOH—will provide guidance to PNDC, which is charged with day-to-day implementation of the TA. Selection of SDPC to execute the TA is justified because SDPC (i) is responsible for framing investment priorities under each 5-year plan, and for inter-sector allocation of the national budget allotted for development;¹⁴ and (ii) recommends supportive policies, and, as the key in linking strategies to action plans (paralleling finance ministries in many countries), is in a position to shape and implement recommendations under the TA.

17. To enhance communication, supervision, and complementarity between ADB- and UNICEF-funded activities under the TA, as well as the ultimate policy influence of TA outputs, ADB will directly appoint UNICEF to distribute to PNDC (and other parties as agreed by ADB and PNDC) ADB funds earmarked for workshops, research, and administrative support for PNDC. UNICEF's (i) sustained on-the-ground presence in the area of PRC nutrition, (ii) local PRC networks, and (iii) ability to distribute funds so as to meet PNDC's needs make UNICEF uniquely qualified to assume this role. The UNICEF Country Representative for the PRC will be accountable for the use of these funds, and for ensuring timely provision of UNICEF-financed inputs in equipment, capacity building, and research and dissemination. Schedules for releasing ADB funds to UNICEF (in accordance with ADB's Advance Payment Facility) and for UNICEF submitting reports on activities and fund utilization will be specified in a jointly signed memorandum of agreement.

18. ADB will finance 5 person-months of international consulting services (in nutrition policy and public dissemination, program evaluation, and nutrition industry development) and 19 person-months of domestic consulting services (in program coordination, nutrition policy formulation, social marketing and communication strategy design, and nutrition industry development). The consultants will be engaged by ADB as individuals and in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Collaborating international and counterpart domestic consultants will complement PNDC expertise, ensuring long-term benefits via knowledge transfer. The consultants will generally assist PNDC in preparing quarterly progress reports, and will provide to ADB (i) midterm and final reports, and (ii) a plan of study and an executive summary for each preparatory study indicated in the outline terms of reference (Appendix 3). All reports should be concise and provided to ADB in English and Chinese.

19. The TA will finance international and domestic consultant remuneration, travel, and per diem; domestic workshops (including participants' local travel); research studies; and miscellaneous administration costs, including a small UNICEF fee. UNICEF will support computer equipment, a tailored capacity building program (including domestic training and international study tours), and operations research and report dissemination. The Government will provide meeting venues, counterpart staff, local transport not related to workshops (e.g., for field surveys), report preparation, and resources for initial implementation of the CPPN.

IV. THE PRESIDENT'S DECISION

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis to the Government of the People's Republic of China for Strengthening National Public Nutrition Planning, and hereby reports this action to the Board.

¹⁴ SDPC's Social Development Department is responsible for planning and evaluating all social and cultural projects above CNY 30 million (roughly \$3.7 million).

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal Improve national nutrition as a key to equitable socioeconomic development in the People's Republic of China (PRC)</p>	Broad improvements in a range of indicators related to health and productivity, particularly in the Western Region	Disaggregated data from the <i>China Statistical Yearbook</i> and other sources	Assumes Government commitment and inter-agency collaboration to implement pro-equity nutrition strategy and policy
<p>Purpose Build capacity for planning and implementing sound nutrition strategies and policies, and integrating nutrition into long-term national development planning</p> <p>Establish a broad national coalition for improving public nutrition</p> <p>Set a sound direction for public-private partnerships to allow the PRC to achieve self-sufficiency and eventually export capacity in production of fortified foods</p>	<p>Public nutrition chapter (PNC) included in the 11th Five-Year Plan (11FYP), to be ratified in March 2006, firmly integrating nutrition into national economic and social planning</p> <p>Stakeholder mobilization across Government, civil society, and the private sector</p> <p>Identify nutrition-related policies and viable investments to spur market orientation and catalyze the private sector's role in advancing public nutrition</p>	<p>Entrance of nutrition in national policy discussions (with media coverage) leading up to the 11FYP</p> <p>Workshops, especially in the middle of the Technical Assistance (TA); coverage of nutrition-related issues in mass media</p> <p>Consultant reports and feedback from PNDC; workshops (especially initial) set public-private partnerships on the agenda and indicate degree of buy-in</p>	<p>Assumes Public Nutrition and Development Center (PNDC) findings are regarded as credible, and prior establishment of a working consensus</p> <p>Assumes ample coordination of varied interests; entry to the World Trade Organization may affect private sector role</p> <p>Possible international shifts. Assumes decision-maker recognition of nutrition-poverty reduction links and balance of equity with "marketability"</p>
<p>Outputs PNC of the 11FYP, embedding prescriptions of the new national nutrition improvement strategy for progress in</p> <p>(i) fortification of essential and affordable food products; and</p> <p>(ii) key regulation, legislation, and trade protocols</p> <p>Launch of communications plan for public nutrition (CPPN)</p> <p>Dissemination of economic and social policy studies building on prior regional TA</p>	<p>Consultant background papers and Asian Development Bank (ADB) review of PNDC draft PNC by mid-2003; comprehensive, well-regarded (in academic and policy circles) document completed in Oct. 2004, demonstrating links between nutrition and broader national development goals, and highlights the needs of the poor</p> <p>CPPN launched (early-phase) by May 2004, and maintained thereafter</p> <p>Comprehensive but concise studies finalized and circulated to key decision-</p>	<p>Progress relative to the 11FYP timetable:</p> <p>(i) thematic discussions start in spring 2003,</p> <p>(ii) formal drafting in March 2005, and</p> <p>(iii) ratification in late March 2006</p> <p>Observations on credibility by policy-makers and scholars</p> <p>CPPN will be externally highly visible</p> <p>Progress reports and draft studies submitted to ADB (see Activities); close</p>	<p>Assumes timely processing and commencement of TA activities. Risk of failure to identify (and agree on) relative priorities and set realistic goals for policy and strategy</p> <p>Assumes ample budget priority and planning (Government-financed after pilot test)</p> <p>Assumes good communication, broad exposure and participation</p>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>results to justify key policy priorities:</p> <ul style="list-style-type: none"> (i) improved nutrition for children in the 600 poorest counties; (ii) stronger food sector regulation, and price and tax/tariff policies to expand trade and benefit consumers; and (iii) public nutrition for poverty reduction and development <p>System, based on appropriate indicators, to make budgeting and implementation of key nutrition thrusts transparent to the public and policymakers, monitor and evaluate the impact of nutrition policies, and provide information for future strategies to meet key needs</p> <p>Recommendations to SDPC on public-private partnerships for public nutrition, including</p> <ul style="list-style-type: none"> (i) providing high-quality fortified foods to poor areas in the Western Region; and (ii) policy and strategic investments to spur marketing of fortificant production (e.g., ferric sodium edetate), and domestic capacity (especially the private sector) 	<p>makers by April 2003; international dialogue to spur PRC reforms needed for rapidly meeting international standards; monographs on third area reviewed by mid-TA workshop (spanning key stakeholder groups in Government, civil society, and industry), and copublished by SDPC and ADB by January 2004</p> <p>System design completed and implemented by June 2004 with active SDPC use to monitor progress through 2010 (or beyond)</p> <p>Two reports (draft in March 2004, completed by July 2004) highlighting steps needed to accelerate market orientation and to enable a dynamic private sector. The first report will present a project concept and preliminary feasibility assessment for public investment and policies to improve Western Region nutrition. The second will assess broad feasibility and weigh approaches (e.g., the proposed nutrition complex)</p>	<p>dialogue between PNDC, ADB, and United Nations Children's Fund (UNICEF); ADB involvement in finalization of monographs</p> <p>Consultant reports</p> <p>Consultant reports Dialogue between PNDC, Ministry of Finance, and ADB</p>	<p>(e.g., workshops), and strong Government ownership of TA and credence given to findings, so that studies influence policy</p> <p>Risk of inadequate data access (an interagency issue) or human capacity/resources for final use; must be parsimonious and closely tied to decisions</p> <p>Assumes Government support for greater private sector role, and maintained prioritization of nutrition in national and foreign-assisted project investments; costs and low profitability of reaching target groups in the poorer Western Region could deter private sector entry in medium term</p>
<p>Activities and Inputs Advisory services</p>	<p>International (5 person-months) and domestic (19 person-months) of consultant services to complement expertise of PNDC director and 2 full-time researchers; provide building blocks for the nutrition chapter, CPPN, and approaches to public-private partnerships</p>	<p>TA progress reports and midterm review PNDC reports to steering committee on staff duties and outputs Quality of draft reports, and joint discussion on monographs for copublication with ADB</p>	<p>Assumes seamless collaboration between consultants and with Government agencies</p>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Capacity building program¹⁵ (UNICEF-financed)</p> <p>Development and pre-test of the CPPN for policy and industrial advocacy, and public education</p> <p>In-country workshops</p> <p>Research studies: (i) economic and social policy: (a) nutrition for target groups (e.g., children in 600 poorest counties); (b) legislation, regulation (e.g., quality standards), and incentives to advance food sector modernization and trade; and (c) links between public nutrition, poverty reduction, and development; and (ii) special studies on developing local capacity and public-private partnerships in fortificants/fortified foods: (a) enhancement of Western Region nutrition (leading to project concept); and (b) national policy and catalytic incentives and investments</p>	<p>A tailored program of domestic training and international training/study tours</p> <p>Preliminary design for broad, multiple delivery mode campaign discussed with ADB in the midterm review, in preparation for launch by May 2004 (see Outputs)</p> <p>Initial, mid-TA, and final conference workshops with key stakeholders and policymakers</p> <p>Focused and externally credible reports: (i) economic and social policy studies (a)-(b) circulated by PNDC to key decision-makers by May 2003; (ii) monographs from economic and policy study (c) reviewed by workshop in October 2003, and finalized with ADB by January 2004; and (iii) consultants submit special studies to ADB in July 2004, with independent assessment by the evaluation expert</p>	<p>Subject to standard UNICEF monitoring mechanisms</p> <p>Consultant reports and midterm review; new PNDC website can be used to pilot approaches</p> <p>Attendance and participant feedback Attention to nutrition in 11FYP strategy dialogue</p> <p>Consultant reports and progress reports; midterm review and feedback by workshop participants; submittal to ADB of draft reports: (i) economic and social studies (a)-(b) with English-language executive summaries in April 2003; (ii) draft monographs in June 2003; (iii) preliminary outline (May 2003) and working draft of PNC (October 2003) show integration of these studies into policy thrusts; and (iv) draft special studies by March 2004</p>	<p>Requires proper identification of priority capacity building needs and selection of appropriate participants</p> <p>Must balance content to serve consumers, Government, and industry target groups Eventual budgeting to implement (see Outputs)</p> <p>Risk of discussions being dominated by one set of interests, or compartmentalized into narrow facet(s)</p> <p>Assumes effective working relationship between PNDC, other agencies, consultants (domestic and international), and ADB-UNICEF; challenge of creating comprehensive and concise reports that are well-targeted to policymakers, and relevant to consumer and industry target groups</p>

¹⁵ Detail to be discussed during Inception Mission.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing			
1. International Consultants			
a. Remuneration	85.0	0.0	85.0
b. Travel, Reports, and Communication	33.0	1.0	34.0
c. Per Diem	8.5	0.0	8.5
2. Domestic Consultants			
a. Remuneration	0.0	95.0	95.0
b. Travel, Reports, and Communication	0.0	16.0	16.0
c. Per Diem	0.0	4.0	4.0
3. Workshops (including related domestic travel) ^a	0.0	70.0	70.0
4. Research Studies ^{a,b}	30.0	85.0	115.0
5. PNDC Administrative Support ^a	0.0	10.0	10.0
6. UNICEF Fee ^c	0.0	10.0	10.0
7. Contingencies	18.5	34.0	52.5
Subtotal (A)	175.0	325.0	500.0
B. UNICEF Financing			
1. Computer and Office Equipment	40.0	40.0	80.0
2. Capacity Building (includes international study tours)	80.0	70.0	150.0
3. Operations Research and Report Dissemination	20.0	130.0	150.0
4. Contingencies	10.0	10.0	20.0
Subtotal (B)	150.0	250.0	400.0
C. Government Financing			
1. Office Accommodation	0.0	90.0	90.0
2. Counterpart Staff for Implementation	0.0	60.0	60.0
3. Local Transport (excluding for workshops)	0.0	20.0	20.0
4. Report Preparation	0.0	20.0	20.0
5. Early-Phase Nutrition Communication Campaign	0.0	20.0	20.0
6. Contingencies	0.0	15.0	15.0
Subtotal (C)	0.0	225.0	225.0
Total	325.0	800.0	1,125.0

PNDC = Public Nutrition and Development Center, UNICEF = United Nations Children's Fund

Notes: ^a Funds administered by UNICEF (to be covered in memorandum of agreement)

^b Economic and social policy studies plus special studies; costs include data/material collection, co-publication or monographs, and any short-term contracting of tasks (e.g. ancillary research, translation, and web publishing). Paragraph 18 will continue to apply to the selection and engagement of any additional consultants.

^c Amount, terms, and currency of payment to be covered in memorandum of agreement

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Technical assistance (TA) for public nutrition in the People's Republic of China (PRC) comes at a critical stage in the transition toward integration of public nutrition in national planning. In part through collaboration with the Asian Development Bank (ADB) and United Nations Children's Fund (UNICEF), including PRC's participation in a series of regional TAs, and partly in recognition of the consequences of the declines in public sector provision of primary health care, the State Development Planning Commission (SDPC) has placed a new emphasis on planning and policy for national nutrition. This is a key paradigm shift away from earlier treatment of nutrition as subordinate to health policy. The PRC has also begun major steps to merge agriculture and industry in promoting nutrition, and an increasing market orientation in food production represents a clear precursor to a dynamic and fully private sector.
2. Consultant inputs will focus on assisting the Public Nutrition and Development Center (PNDC) under SDPC in formulating high quality principal outputs under the TA. These are: (i) the public nutrition chapter (PNC) of the Eleventh Five Year Plan (11FYP), covering evidence (e.g., role of nutrition in poverty reducing growth, efficacy of interventions, etc), priority nutrition strategy and policy, and nutrition targets; (ii) a system of indicators to make budgeting for and implementation of key nutrition programs and policies transparent to policymakers and civil society, and to monitor progress on stated objectives and broader developments; (iii) a communications plan for public nutrition (CPPN) to mobilize a national coalition of stakeholders from the public, private, and civil service sectors to support nutrition policies and programs throughout the country; and (iv) recommendations for public-private partnerships to enhance the role of the private sector in improving nutrition in the PRC. These will dovetail with UNICEF initiatives, including capacity building and efforts to establish a high-level national committee on nutrition.
3. For national ownership, capacity building, and sustainability, it is important that PNDC take the lead in creating key, externally-visible TA outputs, particularly the PNC, published monographs, and the CPPN. Consultants will provide important inputs, and PNDC will benefit from their focused and complementary expertise and international perspectives. The consultants (especially the evaluation expert) will also add external credibility to policy recommendations. Finally, PNDC is committed to forming strong partnerships with the public, private, and civil society sectors, and consultants will help to ensure strong stakeholder involvement in activities under and following directly from the TA.
4. Under the TA, three international consultants will be recruited as individuals, for a total of 5 person-months: (i) a nutrition policy and public dissemination expert (2 person-months); (ii) an evaluation expert (2 person-months); and (iii) an expert in nutrition industry development (1 person-month). Four domestic consultants will be recruited as individuals, contributing a total of 19 person-months of services: (i) a nutrition program coordinator (11 person-months); (ii) a nutrition policy formulation analyst (3 person-months); (iii) a social marketing and communication strategy designer (2 person-months); and (iv) a specialist in nutrition industry development (3 person-months).
5. The evaluation expert will maintain close dialogue with the director, PNDC, but will report directly to ADB, in order to ensure the independence and external credibility of assessment findings. All other consultants will report to the director, PNDC, but will work with the nutrition policy coordinator to ensure smooth compilation of consultant outputs. In addition to assisting PNDC to prepare quarterly progress reports, the consultants will provide to ADB (i) midterm and final reports, and (ii) a plan of study and an executive summary (included in reports for the

quarter prior to starting work and quarter of study completion) for each preparatory study indicated below. Given the emphasis on national capacity building, the international consultants will try to maximize knowledge transfer.

A. International Consultants

6. **Nutrition Policy and Public Dissemination Expert** (2 person-months, including an estimated 25 days in-field during 3 visits to the PRC). The expert will provide oversight and technical expertise to two counterpart domestic consultants, (i) the nutrition policy formulation analyst; and (ii) the social marketing and communication strategy designer. To assist PNDC in forming a preliminary outline for the PNC (second quarter of 2003), the expert will present:

- (i) background research on the best international practices in national nutrition strategy and policy, to assist the process of priority-setting in the PRC context;
- (ii) a brief survey of the role of public-private partnerships in nutrition in countries with similar development contexts, as well as related recommendations for the PRC; and
- (iii) an overview of potential mechanisms for nationwide dissemination of nutrition information to policymakers and the public, with particular emphasis on achieving nutrition improvements among the poor.

7. The expert will also serve as a facilitator and resource person, as appropriate, during (i) the initial workshop to be held shortly after inception; and (ii) midterm workshop, tentatively scheduled for October 2003. These will draw together key stakeholders to discuss key nutrition issues, and will provide guidance on TA activities. At the end of the first quarter of 2004, the expert will work with the two domestic counterparts and the evaluation expert in guiding:

- (i) finalization of strategy and policy proposals to be laid out in the PNC of the 11FYP; and
- (ii) implementation of the national CPPN, including recommendations for division of tasks (e.g., Government unit equipped to manage procurement, contracting tasks where appropriate, and monitoring and evaluation).

8. **Evaluation Expert** (2 person-months, including an estimated 30 days in-field during 2 visits to the PRC). The expert will support policy formulation by assessing the efficacy of public nutrition programs and identifying shortfalls, particularly with respect to the needs of disadvantaged groups in the Western Region, the migrant “floating population,” and other at-risk groups. The expert will then recommend courses of action to the director, PNDC, including expansion of existing programs demonstrated to be effective and cost-effective (and phasing out of ineffective programs), adoption of wholly new approaches, and integration of nutrition into broader thrusts (i.e., linkages to agriculture/food security initiatives). Specific tasks will include

- (i) assembling evidence on the efficacy, effectiveness, and cost-effectiveness of nutrition programs (e.g., supplementation, nutrition information dissemination and education, etc.) and strategies in the PRC and similar developing country contexts, and recommending priority support for interventions that meet all three criteria;
- (ii) assisting PNDC and the nutrition program coordinator in identifying appropriate indicators, and providing guidance in formulating a nutrition performance monitoring and evaluation system, with a special focus on capturing nutrition-poverty dynamics;
- (iii) assessing national readiness and resource needs for broad adoption of modern food sector technologies (i.e., fortification, biofortification, and biotechnology) and quality control and codification systems;

- (iv) providing an independent evaluation of public and private sector programs proposed for inclusion in the PNC of the 11FYP, assessing the degree to which these address the needs of public, private, and civil society stakeholders, and proposing ways to enhance progress toward a dynamic private sector; and
- (v) submitting a concise report to ADB documenting the process and outputs to date of these TA activities.

9. **Expert in Nutrition Industry Development** (1 person-month, including an estimated 15 days in-field during 1 visit to PRC). Reporting to the director, PNDC, the expert will provide initial oversight and technical expertise to the counterpart domestic specialist in nutrition industry development. The expert will provide the following consultant services during the middle part of the TA:

- (i) discuss strategies for meeting priority nutrition needs for the Western Region (based on dialogue with the nutrition policy formulation analyst), and provide appropriate models from abroad (and perhaps from other sectors within the PRC);
- (ii) assess progress toward market orientation in public nutrition and prospects for private-sector-led development in the PRC in light of experience in other countries;
- (iii) propose specific reforms and mechanisms (e.g., incentives) to improve domestic capacity and the environment for private sector producers of fortificants and fortified foods, and gauge the overall feasibility and impact of a possible nutrition complex for advanced food science and technology and other approaches;
- (iv) in view of the best international practices, provide critical evaluation and guidance for the specialist in nutrition industry development in preparing a preliminary feasibility study for a project concept for improving nutrition in the Western Region; and
- (v) serve as a resource person and facilitator during the midterm workshop, as appropriate.

B. Domestic Consultants

10. **Nutrition Program Coordinator** (11 person-months, including an estimated 10 days in-field during 2 visits to Western Region). Working under the guidance of the director, PNDC, the coordinator will provide overall coordination of consultant inputs for initial evaluation, design, communication, and implementation of TA activities. The coordinator will have six principal roles:

- (i) advise the director, PNDC, and other relevant SDPC officials on managing the institutional planning process for use of TA resources to support national coalition building for public nutrition, and consensus building for the 11FYP investment chapter in public nutrition;
- (ii) assess progress and action needed to integrate nutrition into national economic and social planning, including national poverty reduction efforts;
- (iii) work with the evaluation expert to assist PNDC in designing a performance monitoring and evaluation system for nutrition;
- (iv) provide overall supervision and coordination of research inputs under the TA, including the special studies and associated stakeholder dialogue into fortification in the Western Region and expansion of domestic capacity in producing fortified foods, fortificants, and related technologies, in order to ensure complementarity and strong consensus;

- (v) coordinate the submission of the midterm and final reports to ADB—each not exceeding 50 double-spaced pages, plus appendixes—and assist PNDC in submitting quarterly progress reports; and
- (vi) act as overall coordinator for the inception and midterm workshops and final conference.

11. **Nutrition Policy Formulation Analyst** (3 person-months, including an estimated 10 days in-field during 2 visits to Western Region). The analyst will work as an adviser to the director, PNDC, and assist in formulating the PNC for the 11FYP by preparing technical background papers that contribute to the chapter. These may include papers on the economic costs of life-cycle malnutrition (especially among the poor) and the benefits (including indicative rates of return) of strategic investments; a regional strategy paper identifying nutritional needs in the Western Region and potential solutions; and a forward-looking strategy paper on reforms and other programs needed to create an environment conducive to development of the private nutrition industry, as well as the role of the private sector in eliminating malnutrition and opening up an export platform for the food industry. The analyst will also serve as a resource person and facilitator during the midterm workshop and final conference, as appropriate.

12. **Social Marketing and Communication Strategy Designer** (2 person-months, including an estimated 5 days in-field during 1 visit to Western Region). The designer will work with SDPC, UNICEF, and leading federations of Chinese workers, consumer groups, and women's groups (e.g., the All-China Women's Association and the Chinese Association of Women Entrepreneurs) to formulate a national nutrition education campaign to improve awareness of nutrition and to advise on dietary guidelines and shift in consumption patterns that will be placed on lessons learned from the national salt iodization campaign, applied to soy sauce and flour fortification with elemental iron and iron premix. In collaboration with UNICEF and with guidance from the nutrition policy and public dissemination expert, the designer will oversee message development, pretests, and media campaigns under the CPPN. This will include generation of content for the PNDC website, making this an effective tool for educating consumers and other key stakeholders.

13. **Specialist in Nutrition Industry Development** (3 person-months, including an estimated 10 days in-field during 2 visits to Western Region). Reporting to the director, PNDC, the specialist will work under the guidance of the expert in nutrition industry development to provide background research and technical inputs for the two special studies outlined in the text. First, the specialist will collaborate with the nutrition policy formulation analyst in identifying approaches to address priority nutrition needs in the Western Region, culminating in the development of a specific project concept for improving nutrition in the Western PRC. The project concept will prioritize increased access to affordable high-quality fortified food among poor and disadvantaged population groups, especially women and children. Given the tight focus on poor consumers and on areas where production and distribution infrastructure is weak, the public sector will likely have to play a catalyzing role. Framed within the context, and suggesting specific strategies to increase the role of the private sector in the medium term, the project concept should elaborate on

- (i) capacity building for formulating (including via participatory assessment techniques) an action plan to improve the nutritional status in the Western Region, supported by sound policy;
- (ii) investments in physical and human resources needed to implement that plan, to ensure it reaches key target groups among the poor; and

- (iii) more specifically, a preliminary feasibility assessment for a production facility for key fortified foods (e.g., flour, cooking oil, and condiments) within the Western Region.

14. In the second special study, the specialist will take direct responsibility for evaluating (i) the current capacity of the PRC nutrition industry to produce high-quality fortificants and fortified foods, (ii) trends and constraints in modernizing the nutrition sector, (iii) prospects for increasing the role of private sector producers (including existing impediments), and (iv) the potential contribution of the proposed nutrition complex and other strategic investments emerging from dialogue under the TA. Both of these special studies will entail thorough consultation with all stakeholders, and the consultant should explore partnerships and linkages to other initiatives.