



Synopsis on the Cost Benefit Analysis of Flour Fortification in Tajikistan Workshop

Hyatt Hotel, Dushanbe, Tajikistan, 10-11 March 2016

On 10-11 March 2016, sixty-five representatives from the public sector, international development partners and the flour milling industry, under the leadership of *Mrs Khayriniso Yusufi - Deputy Chairman of the Lower Chamber of the Parliament (Majlisi Namoyandagon of Majlisi Oli)* and *Mrs Saida Umarzoda - First Deputy Minister of Health and Social Protection of Population of the Republic of Tajikistan*, attended a workshop titled *Cost Benefit Analysis of Flour Fortification in Tajikistan* in Dushanbe. The workshop was co-hosted by the United States Agency for International Development (USAID) and the Global Alliance for Improved Nutrition (GAIN).

Background

Micronutrient malnutrition is a significant challenge in Tajikistan. Twenty-four percent of women of reproductive age and 29 percent of children under five years of age suffer from anemia. The negative and often lifelong consequences of micronutrient malnutrition on health, growth, immune and reproductive functions, productivity and mental development are devastating. Micronutrient deficiencies affect all age groups, but young children and women of reproductive age are particularly vulnerable preventing them from achieving their full potential as students, parents, workers, and citizens. Large-scale food fortification, the addition of small amounts of vitamins and minerals to staple foods and condiments, is one strategy for improving diet quality. Efforts for food fortification in Tajikistan began in 2001 under a regional project funded by the Japan Fund for Poverty Reduction. GAIN has been working in Tajikistan since 2013, with an assessment of the wheat sector. Since 2014, GAIN has been working with the Government of Tajikistan to build an enabling environment for flour fortification. Prior to further adopting wheat flour fortification as an intervention to tackle micronutrient deficiencies, the Government of Tajikistan requested that a robust analysis of flour fortification be conducted to determine its cost effectiveness in addressing iron and folic acid deficiencies.

A workshop on the cost benefit of wheat flour fortification was organized to engage key stakeholders in the aforementioned analysis. The objective of the workshop was to collect, confirm and agree, through discussion, on key assumptions to be used for the cost benefit analysis. Specifically, the goals were:

1. To share findings of the economic impact analysis of food fortification in neighboring countries;
2. To agree on a framework model to conduct such an analysis in Tajikistan; and
3. To come away with a shared understanding of the analysis and stakeholder participation in the process.

Workshop Outcomes

A number of presentations were made by Government representatives, key government officials and sector experts related to fortification legislative status, health conditions and principles of fortification.

In total, 71 indicators related to demography, health, economics and cost of fortification were identified as critical indicators for the analysis. These were discussed and agreed upon during the workshop. Participants reviewed data sets and confirmed data to be used within the model.

The workshop presented:

- The potential economic losses over a ten-year period if no fortification intervention is implemented to address the current health conditions;
- The cost of fortification; and
- The potential economic benefit of the fortification intervention in the form of reduction in potential economic losses.

Using agreed upon data and applying this, the final model projected that:

- The economic cost of doing nothing to address micronutrient deficiencies over ten years would be 6,9 billion Tajik Somoni* (\$889 million US dollars);
- If all premium and first grade wheat flour consumed in Tajikistan is fortified with iron and folic acid, it will reduce the economic loss by 2,3 billion Tajik Somoni* (\$289 million) over a 10 year period;
- A national wheat flour fortification program will cost 252 million Tajik Somoni* (\$32 million US dollars);
- \$1 investment will generate a return of \$9 and significant social benefits;
- Fortification will increase wheat flour retail price by only 0.79% (increase of 1.21 Tajik Somoni in 50kg bag retail price and 24.27 Tajik Somoni in 1MT of wheat flour).

**National Bank of Tajikistan, currency rate for 11 March 2016.*

Call to Action

The cost-benefit analysis clearly demonstrated that the economic cost of micronutrient deficiencies is far greater than the cost of wheat flour fortification. Stakeholders present in the meeting were called upon to examine the draft law for mandatory flour fortification and work together to bring mandatory flour fortification to Tajikistan.

Disclaimer: This workshop was made possible in part by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the Global Alliance for Improved Nutrition and do not necessarily reflect the views of USAID or the United States Government.