

## **Section 3**

### **Terms of Reference for the Food Fortification component of the Supporting Nutrition in Pakistan Programme**

#### **Introduction**

The Department for International Development (DFID) leads the UK government's effort to promote stability and sustainable development and to end extreme poverty and aid dependency through growth and jobs.

The Supporting Nutrition in Pakistan programme is a six year, £68 million programme, which consists of £20 million to the World Bank Multi Donor Trust Fund for funding nutrition-sensitive (non-health sector) interventions; £2 million for independent evaluation, and up to £46 million for a national food fortification component.

DFID Pakistan is seeking a Service Provider to design, manage and implement the food fortification component of the Supporting Nutrition in Pakistan programme.

#### **Objective**

The objective of the programme is to contribute to improved nutritional status for people in Pakistan, particularly women of child bearing age and children. The food fortification component will achieve this through sustainably improving access and consumption of fortified wheat flour with iron and folic acid and edible oil/ghee with Vitamin A.

#### **The Recipient**

The primary recipients of the project are the wheat and edible oil/ghee industries in Pakistan and the federal, provincial and special area governments of Pakistan. The secondary recipients will be the people of Pakistan, in particular women of child bearing age and children, who consume the fortified foods.

#### **Scope**

The scope of the food fortification component includes improving political commitment and public/private sector management of food fortification programmes; supporting industry to provide a sustainable supply of fortified wheat flour and edible oil/ghee; raising public awareness and demand of fortified food and their nutritional benefits; and carrying out a range of targeted scoping studies.

#### **The Requirements**

The project will deliver services in all of the following priority areas. The principle of competition and co-financing/cost recovery with the public and private sector should be considered as part of the proposals where appropriate.

- 1) **Technical assistance to the federal, provincial and special area governments to develop and enforce food fortification regulations and standards, potentially complemented by a private sector led, self-regulation system, to ensure that 95% of wheat flour mills and edible oil/ghee plants are inspected and monitored on a consistent basis (indicative budget £8 million).**

This output will include a) building political commitment for food fortification; b) establishing, where necessary and supporting multi-stakeholder national and/or provincial co-ordination platforms for food fortification including the private sector; c) legislating and developing standards and guidelines for the mandatory fortification of wheat flour with at least iron and folic acid and edible oil/ghee with at least Vitamin A, including imported wheat and oil; d) strengthening public/private sector management for food control/quality assurance (QA) including inspections, sampling, laboratory capabilities and enforcement/sanctions; e) supporting the development and implementation of a monitoring system to co-ordinate the regular collection, analysis and dissemination of project results; and f) ensuring financial sustainability for the regulators to enable food fortification enforcement and monitoring activities, through for example, incrementally increasing provincial/special area budgets or enabling the ring-fencing of registration/licensing fees.

- 2) **Technical assistance to the industries to ensure 85% of all wheat flour and edible oil/ghee in urban areas, and 65% of wheat flour and 75% of edible oil/ghee in rural areas, is sustainably fortified (indicative budget £28 million).** Wheat flour should be fortified with at least iron and folic acid, and edible oil/ghee with at least Vitamin A. This includes a) recruitment of wheat flour and edible oil/ghee industries to the food fortification programme; b) identification of equipment needs and the provision of fully funded and/or subsidised feeders and dosifiers for wheat millers (not edible oil/ghee); c) procurement, importation, storage and distribution of a sustainable supply of high quality<sup>1</sup> premix<sup>2</sup>; d) provision of premix to the wheat flour and edible oil/ghee industries on an optimal subsidised sliding scale to ensure sustainability without subsidy, by the end of the programme; and e) in-mill quality control (QC) including trained on-site personnel and testing capacity.

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<sup>1</sup> The Supplier must ensure that the fortificant meets appropriate standards such as the Food Chemicals Codex FCC, Codex Alimentarius standards, British Pharmacopeia, US Pharmacopeia, EU Pharmacopeia or similar.

<sup>2</sup> The Supplier may work with the DFID Procurement Agent or another partner to ensure supply of high quality fortificant and value for money.

- 3) **Public advocacy campaign developed and implemented (indicative budget £6 million)** to primarily increase public awareness, demand and acceptance of fortified foods, particularly targeting a) the poor, women of child bearing age and parents of children; and b) decision-makers and influential actors to make food fortification an issue of national importance.
- 4) **A range of targeted studies (up to £4 million) to better understand and test different food fortification implementation strategies and where appropriate ensure the findings are used to adjust programme design in order to maximise impact and programme efficiency.** The study findings should be made publically available and disseminated to interested stakeholders, both nationally and where relevant internationally.

The scope of the studies will be determined during the inception phase and agreed with DFID, but should include a benefit incidence analysis to be completed within the first year to assess whether the poor and undernourished will benefit from the programme. Example of other studies could include: consumption profiles of the poor including for wheat (commercial and chakki) and edible oil/ghee; options to fortify products from rural chakki mills or to reach excluded groups of people reliant on chakki milling with fortified products; the effect of fortification on the private sector including chakki producers, and markets for fortificant; behaviour change needed to ensure sustainability of the fortification programme; fortifying complementary foods for infants and young children.

The initial logframe for the nutrition programme is attached.

### **Constraints and dependencies**

The project is dependent on successfully engaging with a range of stakeholders including federal and provincial governments and agencies, the food industry including wheat flour and edible oil/ghee producers, industry associations, premix and dosifier/feeder suppliers, UN agencies, donors and other development partners.

Given the devolved nature of the government in Pakistan arising from the 18<sup>th</sup> Constitutional Amendment, the Supplier will need to specify their approach for rolling out the food fortification programme across the country, i.e. whether they plan to take a phased provincial and/or national approach to implementation.

The Supplier will also need to state their approach to co-ordinating with other relevant partners (including donors, the UN and Non-Governmental Organisations) to avoid duplication and ensure synergies and division of labour, maximising effectiveness of international and national inputs and minimising transaction costs for partners.

An independent evaluation commissioned directly by DFID will run alongside the food fortification project. The Supplier will need to co-operate with the evaluators, including on a monitoring framework and agreeing the logframe indicators during the inception phase.

### **Implementation requirements**

**Inception Phase:** The duration of the Inception Phase will be four months from the date of contract signing. The inception report will be finalised and confirmed with DFID and will include the areas listed below.

- a) Governance mechanisms for the programme; project management, sub-contractual arrangements, risks and mitigation measures and budget details
- b) Programme logframe incorporating performance indicators and targets; in consultation with both government and DFID;
- c) Proposed key performance indicators and payment schedule.
- d) Procurement, financial management and monitoring & evaluation capacity and plans
- e) Detailed workplan for year 1 of implementation and indicative workplans for Years 2-5;
- f) Research areas for the studies to be commissioned during the Implementation Phase.

**Implementation phase:** The deliverables of the Implementation Phase will be identified and agreed during the Inception Phase. The Supplier will be responsible for achieving the Performance Indicators, log frame and results targets for the full life of the programme and seamless transition from the inception to implementation phase. The Implementation Phase will not start until DFID has approved the Inception Report and will be reviewed annually to allow a staged focus on priorities and flexibility to scale up or down the scope of work as required for programme effectiveness. The Supplier will provide reports to DFID Pakistan as detailed in the Reporting section below.

### **Performance requirements**

DFID intends to make payments based on achievement of pre-agreed key performance indicators (KPIs). The tender documents should include proposed KPIs which are clearly linked to the logframe and a financial plan which is clearly linked to the workplan and includes a proposed schedule of payments. The payments could be quarterly, bi-annually or annually. The KPIs should be measureable, achievable, realistic and time bound (SMART) with appropriate percentage payments. DFID will assess, discuss and agree the appropriateness of the proposed KPI and performance payments with the winning bidder during the inception phase and will include them in the implementation contract. The proposed KPIs for the inception phase will be firm, whereas the implementation phase KPIs can be indicative to be formally agreed during the inception phase.

Performance of the Supplier will be reviewed annually by DFID including programme annual reviews, mid-term review and end of project review. Due to the long duration of the programme, there will be break points at the end of the inception phase and at the mid-term review at the end of year two. Continuation following a review point will be subject to the satisfactory performance of the consultant during the preceding period, and the continuing needs of the programme.

## **Environmental Considerations**

A climate change and environmental risk assessment of food fortification found that there were very low environmental risks from the fortification of staple foods and no opportunities for significant climate and environmental co-benefits.

## **Reporting**

The Supplier will submit three quarterly reports per annum to DFID and an annual report consolidating the quarterly progress reports. The reports will be approved by DFID and any follow up actions taken forward by the organisation.

The reports should incorporate as appropriate:

- Performance against the logframe and KPIs
- Costed annual work plans and activities undertaken
- Risk assessment (fiduciary, political and operational) and adequate risk mitigation measures and safeguards.
- Financial expenditure and forecasts
- Value for Money assessment (annual reports)

On a quarterly basis the Supplier will report to and participate in DFID/Programme meetings. The focus of these meetings is to discuss implementation, monitor progress, agree forthcoming activities, assess risk and mitigation measures and agree overarching strategic opportunities.

Procurement Reporting – Supplier shall submit a quarterly report detailing spend to date, to DFID Goods and Equipment Procurement Manager. A quarterly future spend report shall be submitted to the DFID Pakistan programme team.

## **Timeframe**

The programme will commence on 04 January 2016 and be completed by 30 July 2020. There may be an option to extend the supplier's services for an additional two years, which may be considered from the fourth year of the project. Revised terms of reference will be issued for any contract extension subject to satisfactory performance.

## **DFID co-ordination**

The Supplier will report to the Nutrition Adviser, Health and Nutrition Team in DFID Pakistan. The outputs should also be submitted electronically to the DFID Deputy Programme Manager, Nutrition.

### **Other requirements**

The Supplier will determine the most effective form of the delivery for this requirement ensuring Value for Money in terms of expertise, structure and capability in their bids. The delivery of the food fortification package will be managed by a Supplier who will be selected following competition. The Supplier should demonstrate that they have the range of skills and capability required to effectively design, plan and implement a programme to deliver all the requirements. Where there is a consortium, the lead Supplier will be expected to manage the consortium and lead the effective design, management and implementation of the programme and take action to tackle any poor performance.

It is essential that suppliers demonstrate the capability to effectively source food fortificant and distribute as per the programme requirements. This demonstration shall include evidence of due diligence, fraud, anti-corruption and supplier management of the entire logistics supply chain. Suppliers must also provide evidence of tax management capability

To ensure access to key suppliers in a limited market Lead suppliers are reminded of DFID's statement of Priorities and Expectations for Suppliers which states: Suppliers should apply a strong emphasis on building local capacity by proactively seeking ways to develop local markets and institutions and refraining from the use of restrictive exclusivity agreements.

In relation to this programme DFID expects lead Suppliers (and their partners) to act sensitively to relations across the supply chain to ensure this does not impact on the success of the programme and food fortification in Pakistan.

The Supplier will be required to demonstrate a strong commitment towards transparency, financial accountability and due diligence of approved partners, and to exhibit zero tolerance to corruption and fraud.

The Supplier must demonstrate in their bid that they are aware of and in a position to fully meet any legal or operational requirements of all the respective governments at national, provincial and district levels in Pakistan to ensure the successful delivery of the programme.

### **Duty of Care**

The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

DFID will share available information with the Supplier on security status and developments in-country where appropriate. DFID will provide the following:

- All Supplier Personnel will be offered a security briefing by the British High Commission/DFID on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.
- A copy of the DFID visitor notes (and a further copy each time these are updated), which the Supplier may use to brief their Personnel on arrival.

The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.

The procurement will require the supplier to operate in conflict-affected areas and parts of Pakistan are highly insecure. Travel to many zones within the regions may be subject to obtaining No Objection Certificates from the Ministry of Foreign Affairs in advance. The security situation is volatile and subject to change at short notice. The supplier should be comfortable working in such an environment and should be capable of deploying to any areas required within the regions in order to deliver the contract (subject to NoC being granted and security advice).

Tenderers must develop their PQQ Response and Tender (if Invited to Tender) on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID (see Annex 1 of this ToR). They must confirm in their PQQ Response that:

- They fully accept responsibility for Security and Duty of Care.
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your PQQ will be viewed as non-compliant and excluded from further evaluation.

Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence, interested Suppliers should respond in line with the Duty of Care section in Form E of the Pre-Qualification Questionnaire (PQQ).

## **Media, Communications and Branding**

Transparency, value for money, and results are top priorities for the UK Government. DFID has a duty to show UK taxpayers where their money is being spent, its impact, and the results achieved.

All announcements/information given to the media by the Supplier must be pre-agreed with the Nutrition Adviser and the British High Commission's communications team; there must be 'no surprises'.

The Supplier is required to:

- work with the British High Commission communications team to 'launch' the new project/programme, agreeing timescales, tactics (press notice, event, etc.), and messages.
- give appropriate recognition to the provision of funding by DFID Pakistan in any other press notices or other contact with the media (including broadcast interviews and web-based media). The timing of any announcement and nature of such recognition must be agreed in advance with the British High Commission's communications team.
- provide DFID Pakistan with a range of professional quality photography (containing UK aid branding), and video if possible, which demonstrate results and benefits to recipients.
- provide DFID Pakistan with at least one case studies suitable for media use (frequency to be agreed later) which shows results and benefits to recipients.
- work with and enable the British High Commission's communication team to develop media and communications plans to build support and proactively raise awareness of the results of the project, where feasible and appropriate, both in the UK and overseas.

DFID will have full rights to use all media materials provided on its website, in newsletters and publications, and in other public places. DFID has the right to veto any media or communications activity proposed by the Supplier.

'DFID', 'UK aid', or variants of, must not be used by partners in any publicity without prior consent. Security is paramount. UK aid branding should not be used in the field permanently where there are security concerns, where it poses a risk to staff or beneficiaries, or where it impairs the credibility of the programme. Where necessary, branding can be staged temporarily to capture photography and video footage.

## **Background**

Pakistan has alarming rates of undernutrition with little improvement over three decades. However, the Government of Pakistan (GoP) affirmed its commitment to address this problem through joining the global Scaling Up Nutrition (SUN) movement and is considering a commitment to reduce by half the current levels of undernutrition by the year 2025.

There has been minimal progress in improving nutritional outcomes of children and mothers with static stunting rates for under-fives over the last three decades. According to a report by UNICEF in 2013, Pakistan ranks 3rd



in the world for the number of stunted and wasted children under five years old.

Micronutrient deficiencies are widespread, with high rates of iron-deficiency anaemia, as well as zinc, iodine, folic acid and vitamin A deficiencies, all of which have a particularly damaging impact on the survival, growth, development and productivity of pre-school children and pregnant women. 62% of children under five years and half of pregnant women suffer from anaemia. Also, vitamin A deficiency among women has significantly increased from 5.9% in 2001 to 42.5% in 2011. Overall, made with very little progress has been respect to micronutrient deficiencies among women and children in Pakistan, with the exception of gains in iodised salt use with resulting large reductions in iodine deficiency rates.

Undernutrition in Pakistan is associated, as elsewhere, with food insecurity, poor diet quality and quantity, high rates of infection and gender inequality. Poverty, conflict and state fragility make the context for reducing undernutrition more challenging. The National Nutrition Survey indicated that 58% of households in Pakistan were food insecure, with hunger at nearly 30% across Pakistan. Undernutrition in Pakistan is strongly correlated to poverty. For example, children from households in the lowest income quintile were twice as likely to be underweight than children from the highest income quintile.

Food fortification strategies in Pakistan have already been successful. The iodisation of salt has made real impacts in reducing iodine deficiency among mothers and school children.

These successes were due to legislation, strong government ownership and commitment, coupled with effective monitoring and supervision. Sustainability was achieved through quality control measures, stringent regulatory and enforcement mechanisms, the availability of fortificants in the open market and demand generation. This programme will take into account the findings of the salt iodisation work and build on its successes to improve the fortification of wheat and edible oil/ghee. Although some regulation exists around wheat and edible oil/ghee, more work needs to be done to encourage the mandatory fortification of foods.

The UK government is highly committed to improving nutritional outcomes globally and has set a target to reach 20 million children under the age of five with nutrition interventions between 2011 and 2015. The UK is committed to contribute £655 million for nutrition-specific programmes globally during 2013 – 2020.

DFID is helping Pakistan to overcome the nutrition challenge through the provincial health and nutrition programme, which began in March 2013. This programme supports delivery of a 'Essential Health Services Package' by the Governments of Punjab and Khyber Pakhtunkhwa through earmarked non-budget support financial aid of £130 million. The programme aims to improve

health outcomes in reproductive, maternal, newborn and child health as well as nutrition.

DFID Pakistan will further contribute up to £68 million of support for nutrition interventions through the new Supporting Nutrition in Pakistan programme, focusing investment on improving micronutrient deficiencies. Wheat will be fortified with iron and folic acid, and edible oil/ghee with vitamin A.

DFID Pakistan will also be the first donor to invest funds in multi-sectoral, non-health sector nutrition interventions through a World Bank Multi-Donor Trust Fund. These funds are to incentivise provincial governments to embed multi-sectoral nutritional interventions within their programmes.

A substantial part of the investment will be support to food fortification, with funding of up to £42 million available which includes £23m for Technical Assistance and up to £16 million for purchase of fortificant and up to £3 million for equipment. The delivery of the food fortification package will be managed by a service provider who will be selected following competition. The lead provider will be expected to form a consortia that has the range of skills and capability required to effectively design, plan and implement a programme to deliver the following outputs:

- Political commitment and improved public/private sector management of provisional food fortification programmes;
- A sustainable supply of high quality fortified food;
- Raised public awareness of the nutritional benefits of fortified food.
- Targeted scoping studies to better understand and test different food fortification implementation strategies.

They will work with and through the organised sector of the wheat flour and edible oil/ghee industries including key stakeholders such as the Pakistan four and oil millers association, Pakistan Standards and Quality Control Authority, private sector suppliers, and federal and provincial governments. The aim will be to produce and distribute a fortified product complying with the relevant national standards in a consistent and financially sustainable programme.

### Annex 1: DFID Overall Project/Intervention Summary Risk Assessment Matrix

Theme	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score
Province	Islamabad Capital Territory & Rawalpindi	Punjab (north) including Lahore	Punjab (south)	Sindh (north)	Sindh (south) including Karachi	Balochistan	FATA	Khyber Pakhtunkhwa (south) including Peshawar	Khyber Pakhtunkhwa (north and east)	Karakoram Highway (KKH)	Gilgit-Baltistan (except KKH)
Overall Rating*	3	3	3	3	4	5	5	4	3	4	2
FCO Travel Advice	2	2	2	3	2	4	4	4	3	4	2
Host Nation Travel Advice	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transportation	3	4	4	4	4	4	4	4	4	4	4
Security	3	3	3	3	4	4	5	4	3	4	2
Civil Unrest	3	3	3	3	4	5	5	4	2	2	2
Violence/crime	4	4	4	4	5	4	4	4	3	4	2
Terrorism	4	4	4	3	4	4	4	4	3	2	2
Conflict (war)	2	2	2	2	2	4	5	3	2	2	1
Hurricane	2	2	2	2	2	2	2	2	2	2	2
Earthquake	4	3	3	3	3	4	3	4	4	4	4
Flood / Tsunami	2	4	4	4	4	4	2	2	2	2	2
Medical Services	1	2	3	3	2	4	4	3	3	3	3
Nature of Project Intervention											

1 Very Low Risk	2 Low Risk	3 Medium Risk	4 High Risk	5 Very High Risk
Low		Medium	High Risk	