

Notes from Call between GAIN and Good Ventures and GiveWell, 06/05/12

GAIN: Marc Van Ameringen (Executive Director), Greg S. Garrett (Director of Large-Scale Food Fortification), Matt Freeman (Senior Manager, Investment and Partnerships)

Good Ventures: Cari Tuna (President)

GiveWell: Elie Hassenfeld (Co-founder), Alexander Berger (Research Analyst)

### **Key unmet funding needs by region**

GAIN noted that programs in Ethiopia and India require additional funding. They recently set up an office in Ethiopia to work on staple fortification, maternal and child nutrition, and agricultural fortification.

GAIN has more significant investments in India already, but they believe that they need to do more there in order to help meet the Millennium Development Goals. India is especially challenging to find donors for because the Indian government has said that it no longer needs significant external aid.

### **Key unmet funding needs by program type**

GAIN estimates that the global need is \$11.8 billion/year to deliver all of the desired interventions to everyone who needs them, but the sector now only has \$500 million/year.

GAIN believes that many of its programs could effectively utilize additional funding.

### **Salt iodization**

Worldwide coverage of adequately iodized salt is 70-75%, and GAIN is trying to raise it to 80-85% in partnership with UNICEF. One difficulty is trying to coordinate many small-scale salt suppliers. Another is the high cost of potassium iodate (KIO<sub>3</sub>). Ethiopia is one country where additional funding for salt iodization, particularly for KIO<sub>3</sub>, could be especially valuable.

In Ethiopia, Pakistan, and Afghanistan, GAIN would like to work to set up an effective cost-recovery system for KIO<sub>3</sub> supplies.

In Ethiopia, GAIN has been working with UNICEF for the past two years. Previously, the Federal Ministry of Health had been directly purchasing or receiving donations of KIO<sub>3</sub>, the chemical compound needed to iodize salt and then giving it away for free to salt suppliers. However, there's been a recent spike in the price of KIO<sub>3</sub>, from roughly \$25/kg to \$50/kg, and the government can no longer afford to purchase it. It now appears that Ethiopia's stock of KIO<sub>3</sub> is going to be exhausted in November 2012.

The current stock was donated by GAIN, UNICEF and MI. GAIN cannot donate more with current funding. The estimated annual supply is 24 metric tons of KIO<sub>3</sub>, which is enough for the whole country, costs roughly \$1.2 million.

Ethiopia's government told GAIN and partners last year that they would start to recover the cost of the KIO3 they were supplying, but this did not occur at the expected level. The government didn't have the capacity to enact and enforce a cost-recovery scheme. GAIN is currently training the government around iodine content testing and salt iodization management techniques, and is assessing how they can effectively administer a sustained cost-recovery scheme. GAIN believes that an independent agent may need to be selected or established to procure the KIO3 necessary for iodization and to collect the funds from the salt producers.

Last year, the government started enforcing salt iodization, and they say that want to put the revolving fund in place, but they need a new seed stock.

GAIN would like to set up a revolving fund with cost-recovery in Ethiopia. This would mean giving a relevant Ethiopian body about 25%-33% of the required annual supply (a seed stock), which they could then pass on to producers while recovering 100% costs over a quarter of the year. Once it had recovered the costs of the seed supply, the Ethiopian body would then be fully sustainable because it could use the recovered costs to purchase more KIO3. However, the producers don't want to pay the full costs right now, so the full prices may need to be phased in over time.

On this opportunity, GAIN may be able to share:

- ▲ a report from Ghana that explains how these revolving funds work
- ▲ a two-page document explaining why there was a global spike in KIO3 prices
- ▲ specific costs associated with setting up a cost-recovery system for Ethiopia

In addition to setting up revolving funds, there's a global need for better monitoring of salt iodization levels, and GAIN believes that \$150,000-200,000 would purchase needed equipment and training. (That equipment is mostly rapid test kits, some of which are more appropriate in the field and some which work in office settings.)

Finally, GAIN has piloted a salt bank cooperative model piloted in Ghana and the Philippines, which could be duplicated in other places. Establishing the costs of those duplications is somewhat more difficult.

On these opportunities, GAIN may be able to share:

- ▲ Internal evaluations from the salt bank cooperative pilots
- ▲ some documentation around the quality assurance work they have done

### **Why further salt iodization work is difficult to fundraise for**

When Jim Grant took over at UNICEF 20 years ago, universal salt iodization (USI) was one of their big goals. About 10 years ago, they declared success at 70% coverage, so people in the global health community often seem to think that USI is “done.” Other areas have gradually become more prominent with funders. There seems to be a general fatigue amongst donors.

GAIN has not tried to raise money for USI from major funders during the past 3 years because they believe other areas are most attractive to donors right now. They haven't asked for money for USI work in Ethiopia yet.

### **Global obstacles to adequate iodine coverage**

The obstacles vary country by country, but they tend to be “last mile” issues, in places where there are a lot of producers who can't be easily regulated and there are many people who are outside the market and hard to reach.

In India, one issue is that the small-scale producers don't need licenses, so they are tough to regulate. GAIN is trying to work with the salt department in the government to build incentives for the small scale producers in India, but that is challenging. Similarly, Senegal has 10,000 salt producers. Working with that many producers is a challenge, and the salt bank cooperative idea is useful in this context.

Another problem is that a lot of the salt that's being consumed is not adequately iodized. Iodization efforts can be pretty ad hoc; it's like someone standing on a pile of salt with a squirt gun full of KIO<sub>3</sub>. That is not going to create adequately iodized salt.

### **Relationship between GAIN and other groups working on salt iodization (e.g. ICCIDD, Micronutrient Initiative)**

GAIN works with ICCIDD around quality assurance and quality control (QAQC). ICCIDD has prepared some country manuals for internal and external QAQC for GAIN. GAIN is currently working with ICCIDD to plan for the 13 countries where GAIN and UNICEF are currently working but where their current interventions on the Partnership Project come to an end in 2015. One example is GAIN, UNICEF and ICCIDD's joint goal to strengthen and/or set up national Iodine Deficiency Coalitions, which would get all countries' stakeholders around the table to keep salt iodizations programs sustainable.

GAIN also works with Micronutrient Initiative (MI) in a number of countries, including Ethiopia.

### **Other**

GAIN also shared about its public awareness campaign, Future Fortified, to help millions of women and children globally gain access to essential nutrients.