



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/06/2001	
<b>PROJ ID:</b> P037156		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Iodine Deficiency Disorders Control	<b>Project Costs (US\$M)</b>	152.3	118.8
<b>Country:</b> China	<b>Loan/Credit (US\$M)</b>	27	17.3
<b>Sector(s):</b> Board: HE - Other industry (100%)	<b>Cofinancing (US\$M)</b>	0	0
<b>L/C Number:</b> C2756; L3914			
	<b>Board Approval (FY)</b>		95
<b>Partners involved :</b> UNICEF	<b>Closing Date</b>	12/31/1998	12/31/2000
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
Timothy A. Johnston	Ronald S. Parker	Alain A. Barbu	OEDST
<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
The project's objective was to help reduce the incidence of iodine deficiency disorder (IDD) in China through improved production, iodization, packaging and distribution of iodized salt . The project's scope and activities were designed as part of a master plan for rationalizing and upgrading the salt industry in China, covering over 200 enterprises and 31 provincial-level jurisdictions.			
<b>b. Components</b>			
The project supported the government's National IDD Elimination Program -- a comprehensive, multisectoral initiative -- which was launched in 1993 and benefited from high-level political support. The loan focussed on the salt industry, consistent with government's request.			
The project consisted of two parts :			
A. Physical projects at the salt enterprise level, including civil works, equipment, purchase and installation, training and management support for upgrading and expanding industry capacity for salt iodization;			
B. A limited program of technical assistance for information systems and project management .			
<b>c. Comments on Project Cost, Financing and Dates</b>			
An IBRD loan of US\$7 million was included in the Bank's initial assistance, but was canceled in 1998 due to savings in procurement . The \$17.3 million IDA credit was dispersed. The project benefited from parallel financing by UNICEF and other UN agencies.			
<b>3. Achievement of Relevant Objectives:</b>			
The project met or exceeded all of its physical targets, and the technology transfer to improve the packaging of salt for retail distribution was highly successful . The production of quality iodized salt in China rose from 3.0 million tons per year in 1995 to more than 6.7 million tons per year in 1999. As part of the National IDD Elimination Program, the GoC passed laws and regulations mandating iodization of all edible salt, set a new price for quality iodized salt, and levied a proportion of salt producers' revenue for a reconstituted Iodized Salt Industry Development Fund . With project support, the salt industry (which remains under state control) was rationalized and upgraded, including consolidation of production and iodizing units, reduction of excess capacity, installing modern machinery for iodization and packaging, and improved project management and information systems . While the project significantly contributed to reducing IDD among the poor, an estimated ten percent of households are not yet consuming iodized salts. These are predominantly located in the poor provinces and counties, which were not reached directly by the project. Government has made plans to address these areas, making use of funds generated through the Iodized Salt Industry Development Fund .			
<b>4. Significant Outcomes/Impacts:</b>			
The proportion of households in China with adequately iodized salt rose from 40 percent in 1995 to 89 percent in 1999, and the percentage of schoolchildren 8-10 years with low urinary iodine declined from 13 percent to 3 percent in the same period. Given that China was estimated to have 40 percent of the world population at risk of IDD, the project thus contributed to reducing the global burden of IDD . Children born into previously iodine deficient communities will have on average intelligence 10-15 IQ points greater than if they had not been protected .			
<b>5. Significant Shortcomings (including non-compliance with safeguard policies):</b>			

The project faced various challenges and difficulties during implementation, but did not have any major shortcomings. Because nearly all project inputs focused on the salt industry, contributions to the Ministry of Health -- which has responsibility for policy and monitoring of micronutrients -- were more limited. This made it more difficult at times to engage the MOH in policy dialogue. The small TA component was not implemented, but was financed through other sources.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Highly Satisfactory	Highly Satisfactory	
<b>Institutional Dev .:</b>	Substantial	Substantial	
<b>Sustainability :</b>	Highly Likely	Highly Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	The project provides a good example of an interdisciplinary Bank team implementing a multisectoral project.
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

### 7. Lessons of Broad Applicability:

The ICR includes a range of lessons for China and other countries addressing IDD . This project also was reviewed as part of an OED study of the Bank's experience in addressing IDD . Some major lessons include:

- Salt iodization is a highly cost-effective means to reduce iodine deficiency, but the approach and strategy for iodization must be aligned with the structure and incentives of the country's salt industry . China's IDD program was successful because it gave a central role to the salt industry, and aligned industry objectives with a social objective -- rather than working exclusively through the health sector . State control over the salt industry (through licensing, quotas and other regulations ) facilitated implementation, however; different approaches may be necessary in countries with a large number informal salt producers and distributors, and /or with weaker regulatory capacity.
- Effective IDD campaigns should be based on a comprehensive approach, including analysis of national IDD status; awareness building among political leaders and stakeholders; market and social analysis of consumer preferences regarding iodized salt; development of a strategy identifying key interventions, responsibilities of implementing agencies and partners, and coordination mechanisms; and a program of technical assistance through local and international agencies . In China, sound scientific analysis of IDD greatly helped in generating high level and multisectoral support.
- Attention to developing appropriate monitoring indicators and enforcement mechanisms is also essential, as well as identifying the appropriate institutional "home" for these functions . Industry and MOH initially had different methods, standards, and definitions for reporting and monitoring iodine concentration in salt, which have since been resolved . The salt industry is now responsible for its own quality control, while the MOH monitors compliance, and tracks population trends in IDD .
- Although there was no formal project partnership with UNICEF, the Bank signed Memoranda of Understanding (MOUs) with UNICEF and three other UN agencies to clarify roles and responsibilities under the National IDD Elimination Program . This contributed to a high level of cooperation, which was sustained throughout the project.

**8. Assessment Recommended?**  Yes  No

### 9. Comments on Quality of ICR:

The ICR is comprehensive, and provides extensive evidence to document the project's accomplishments, successes, and difficulties. The Executive Summary at the end is useful.