

TC Document

I. Basic Information for TC

▪ Country/Region:	ECUADOR
▪ TC Name:	Support to Strategies to Reduce Chronic Malnutrition and Promote Early Childhood Development in Ecuador
▪ TC Number:	EC-T1489
▪ Team Leader/Members:	Rubio Codina, Marta (SCL/SPH) Team Leader; Pinzon Enciso, Leonardo Enrique (SCL/SPH) Alternate Team Leader; San Roman Vucetich, Cristina (SCL/SPH) Alternate Team Leader; Asakura, Maya (SCL/SCL); Brito Vera, Juan Carlos (CAN/CEC); Casco, Mario A. (ITE/IPS); Escudero, Carolina (VPC/FMP); Guerra, Martha M. (SCL/SPH); Jimenez Mosquera, Javier I. (LEG/SGO); Parra Hincapie, Julieth Andrea (SCL/SPH); Rodriguez Pineda, Mario Vinicio (VPC/FMP); Vanessa Rios Salas (SCL/SPH)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	EC-L1235, EC-L1250, EC-L1277.
▪ Date of TC Abstract authorization:	08 May 2022.
▪ Beneficiary:	Technical Secretariat Ecuador Grows without Child Chronic Malnutrition
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Japan Special Fund(JSF)
▪ IDB Funding Requested:	US\$1,500,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	30 months
▪ Required start date:	September 19 2022
▪ Types of consultants:	Individual consultants and consulting firms
▪ Prepared by Unit:	SCL/SPH-Social Protection & Health
▪ Unit of Disbursement Responsibility:	CAN/CEC-Country Office Ecuador
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Institutional capacity and rule of law; Diversity Institutional capacity and rule of law

II. Description of the Associated Loan

- 2.1 This Technical Cooperation (TC) will support the execution of loan operations 4928/OC-EC (EC-L1250); 5520/OC-EC (EC-L1277); and 4607/OC-EC (EC-L1235).
- 2.2 **Investment loan 4928/OC-EC** “Institutional Strengthening for Competitiveness Program” (US\$42M) is currently under review to be reformulated with the aim to prevent and reduce child chronic malnutrition by expanding the coverage and quality of the *Paquete Priorizado*, one of the main lines of action of Ecuador’s National Strategy Ecuador Grows Without Child Malnutrition. Delivered by the Ministry of Health (*Ministerio de Salud Pública*, MSP), the *Paquete Priorizado* includes pre-natal controls, vaccination schemes for pregnant women and children, micronutrient supplementation for children under two, and well-child check-ups. The reformulated loan is expected to be submitted for review by the Board of Directors in late 2022.

- 2.3 **Policy-Based Loan 5520/OC-EC** “Social Expenditure Protection and Employment Recovery Support Program–Phase II” (US\$250M) is the second of two-consecutive single-disbursement operations, contractually independent, but technically linked. It was fully disbursed recently and aims to protect social spending and promote employment recovery after the pandemic. The Japan International Cooperation Agency (JICA) added US\$200M in parallel co-financing supporting an additional component to prevent and reduce child chronic malnutrition in collaboration with the Technical Secretariat Ecuador Grows without Child Malnutrition (*Secretaría Técnica Ecuador Crece Sin Desnutrición Infantil*, STECSDI), the beneficiary of this TC.
- 2.4 **Investment loan 4607/OC-EC** “Strengthening of quality services of early childhood development” (US\$42M) is directed towards improving the quality of the early childhood development (ECD) services—parenting program and childcare centers—delivered by the Ministry of Economic and Social Inclusion (*Ministerio de Inclusión Económica y Social*, MIES) to vulnerable, poor, and extreme poor populations. These services include either nutritional counseling (parenting program) or direct provision of food at the childcare centers (childcare service). This loan also supported the inclusion of an ECD module in the 2018 National Health and Nutrition Survey (*Encuesta Nacional de Salud y Nutrición*, ENSANUT).
- 2.5 The current TC will strengthen these operations by articulating the Bank’s work on promoting children’s wellbeing in Ecuador —namely, preventing and reducing child malnutrition (potential reformulation of loan 4928/OC-EC; and JICA’s parallel co-financing to PBL 5520/OC-EC) and promoting child development (loan 4607/OC-EC) — therefore aligning them to the country’s agenda on child chronic malnutrition (“National Strategy Ecuador Grows Without Child Malnutrition”), a priority of the current administration.

III. Objectives and Justification of the TC

- 3.1 The objective of this TC is to support the Government of Ecuador in the design, implementation and/or monitoring of strategies aimed at improving the nutritional status and ECD outcomes of children under 5 years-of-age in the country, thus improving their wellbeing. This TC will fund activities to: (i) support the intersectoral coordination role of the STECSDI; (ii) develop a comprehensive behavioral change strategy that promotes best infant and young children feeding practices among vulnerable populations served by MSP and MIES, and monitor its progress; and (iii) design and implement a module to collect ECD outcomes as part of the 2022 National Survey of Child Malnutrition (*Encuesta Nacional de Desnutrición Infantil*, ENDI), collected by the National Institute of Statistics and Census (*Instituto Nacional de Estadísticas y Censos*, INEC), and institutionalize the collection of developmental data alongside that of data on children’s health and nutritional status since all three are essential and integral components of children’s wellbeing.
- 3.2 **Child malnutrition is high in Ecuador:** At 23%, chronic malnutrition rates (stunting or height-for-age below 2 standard deviations, SD) are the second highest among children 0-5 years in Latin America and the Caribbean (ENSANUT 2018). In parallel, overweight and obesity rates have increased to 13.2% (from 9.1% in 2012), resulting in 5.3% of children under five being both stunted and obese (body mass index-for-age over 2 SD), which is known as the double burden of malnutrition. Related, there are substantial delays in child development, with differences in vocabulary levels by age 5 equivalent to 16 months between children of more and less educated mothers.

This puts children from poor households at a major disadvantage even before they start primary school.

- 3.3 **Stunting is a key indicator of wellbeing:** It affects child survival; cognitive, language and motor development in early childhood; school achievement; and health and productivity in adulthood (Victora et al., 2008). Comprehensive behavioral change interventions are a promising way of providing nutritional education and improving nutritional outcomes, particularly if coupled with hygiene, sanitation, and health interventions (Bhutta et al., 2008; Martinez et al., 2018). Therefore, intersectoral articulation is critical.
- 3.4 In late 2020, Ecuador launched the “National Strategy Ecuador Grows Without Child Malnutrition” to prevent and reduce stunting by means of: (i) a package of prioritized actions, the *Paquete Priorizado*; (ii) a nominal monitoring information system; and (iii) a strategic plan involving local articulation and capacity building. The Strategy is coordinated by the STECSDI, which has the mandate to articulate all public agencies addressing child malnutrition (e.g., MSP, MIES), and is partly supported by several Bank loan operations (4928/OC-EC currently under review to be reformulated; 5520/OC-EC; 4607/OC-EC).
- 3.5 Subsequently, the National Development Plan Creating Opportunities for 2021-2025 (Creación de Oportunidades) set the National Strategy as a government priority. In that sense, this TC contributes to the social component of the plan, specifically with Objective 5 (Protect the families, guarantee their rights and services, eradicate poverty and promote social inclusion) and Objective 6 (guarantee the right to comprehensive, free and quality health). It also contributes to the six strategic lines of action of STECSDI as stated in their four-year roadmap.
- 3.6 The Government of Ecuador, through the STECSDI, has requested the Bank’s technical and financial assistance to support the implementation of such roadmap. Specific activities will include strengthening the STECSDI’s intersectoral coordination role by improving information systems, training human resources, and supporting educational and other communication campaigns; designing a behaviorally informed strategy to reduce stunting, and collecting an ECD module as part of the ENDI. The TC directly supports Ecuador’s National Strategy Ecuador Grows Without Child Malnutrition and is therefore aligned with the current government priorities.
- 3.7 **Coordination with nutritional issues and other donors.** This TC will contribute to a larger Bank agenda to promote child wellbeing in Ecuador by supporting supervision activities of loans 4607/OC-EC (\$250M, fully disbursed), 5520/OC-EC (\$42M, 7% disbursed) and 4928/OC-EC (\$42M, currently under review to be reformulated) and/or by funding the development of key components that will complement their investments—i.e., co-financing of JICA under the existing CORE (Framework Agreement for Cooperation for Economic Recovery and Social Inclusion) between JICA and the Bank. To this end, we will define with JICA their involvement in the monitoring of activities, possibly through a Platform on Nutrition that coordinates other efforts on malnutrition in the country led by the IDB, JICA and UNICEF (United Nations Children’s Fund), among other international donors. This TC will also benefit from lessons learnt from these operations, as well as from other efforts to reduce child malnutrition in the region (RG-X1192 (GRT/CF-14712-RG, GRT/CF-14713-RG, GRT/CF-14714-RG, GRT/CF-14715-RG; \$3.55M); and BO-T1259 (ATN/OC-15554-BO; \$200k, fully disbursed)).

- 3.8 **Gender and diversity priority alignment.** At 40.7%, child chronic malnutrition before the pandemic was substantially higher among indigenous populations compared to mestizos (21.8%). Therefore, with regards to the diversity alignment, Component 2 TC activities will focus on improving nutritional outcomes among highly vulnerable populations (rural, indigenous) for which we will work closely with MIES, MSP, STECSDI, and nutritionists with prior expertise working with these population groups, for intervention targeting and design.
- 3.9 **Strategic Alignment.** This TC is consistent with the Second Update of the Institutional Strategy (AB-3190-2) and is aligned with the development challenge of “*Social Inclusion and Equality*” and with the Early Childhood Development Sector Framework Document (GN-2708-5) by contributing to quantifying and narrowing the existing socioeconomic gaps in child nutritional and developmental outcomes. These disparities prevent vulnerable children from developing their potential. Component 2 activities will intentionally address the nutritional needs and feeding practices of rural, indigenous populations to design behavioral change strategies effective in reducing child chronic malnutrition rates among these populations, thus meeting the Diversity priority alignment criteria. Therefore, the TC will contribute to promoting social inclusion, equality, and productivity, and is hence aligned with Strategy on Social Policy for Equity and Productivity (GN-2588-4). It is also aligned with the cross-cutting theme of “*Institutional Capacity and Rule of Law*” by supporting STECSDI’s capacity building and improving transparency and efficiency through the improvement of information systems. The TC is also aligned with the IDB Group Country Strategy with Ecuador 2022-2025 (GN-3103-1), by means of the strategic objective to expand access and coverage of basic and social services and the outcome indicator of reducing chronic malnutrition for children under five.

IV. Description of activities/components and budget

- 4.1 **Component 1: Strengthen intersectoral coordination (US\$180,695).** This component will contribute to strengthening institutional coordination and governance on Ecuador’s strategic agenda on child malnutrition by: (i) improving STECSDI’s existing dashboards and information systems; (ii) enhancing STECSDI’s territorial capacity through training; and (iii) supporting STECSDI’s communication activities. The STECSDI has territorial representation (territorial teams) in all provinces of the country, in addition to a main team in Quito. Specifically, it will fund: (i) a consultancy firm with expertise in big data, artificial intelligence and data security that will identify and develop any improvements required to STECSDI’s information system (*Sistema Unificado y Universal de Seguimiento Nominal*, SUUSN), such as algorithms to automatize data gathering, improving data processing and quality control efficiency, and ensuring data security; (ii) a consultancy firm that will design and implement a training strategy to raise STECSDI’s on the ground teams knowledge on child malnutrition and development and strategies to improve outcomes; and (iii) an individual consultant who will support existing communication activities at STECSDI, including web page content maintenance and the design and launch of educommunication and behavioral-change campaigns to reduce child malnutrition. This component will also support the inclusion of critical indicators on child nutrition, child development, and feeding and parenting practices in nationwide information systems to facilitate monitoring the progress of Ecuador’s efforts to reduce child malnutrition, in alignment with the aims of JICA parallel co-financing of PBP 5520/OCEC. The results will be an improved information management system, a training package (implemented through workshops) and a set of communication strategies.

- 4.2 **Component 2: Promote behavioral change strategies to reduce child (chronic) malnutrition (US\$553,680).** It will fund the design of a comprehensive behavioral-based strategy to improve infant and young children feeding practices among vulnerable populations reached by MIES and MSP, as a complement to the *Paquete Priorizado*, the delivery of which would be supported by loan 4928/OC-EC, currently under review to be reformulated. Activities will include: a diagnostic study to identify the target population; the design and piloting of a strategy to improve maternal and child malnutrition outcomes using participatory and formative research methods; the production of any required materials to implement the strategy; and support for data collection supervision and data processing. To this end firm and individual consultants with expertise in child malnutrition—specially, in rural indigenous communities—and formative research processes will be hired. The result will be a behaviorally informed strategy that combines education counselling and participatory play-based activities to reduce child malnutrition and its materials.
- 4.3 **Component 3: Introduce an ECD module in ENDI (US\$625,000).** This component will fund the inclusion of a module that will collect ECD outcomes and parenting practices on children younger than five years in the ENDI, collected by INEC. Activities will include the module design and adaptation, the purchase of testing materials and licenses, enumerator training, data collection, data validation programs/software, data analysis, and the dissemination of results. This will entail hiring INEC by sole sourcing to collect the data and carry out all preparation activities, and an individual consultant expert on ECD measurement to advise on the module design and data interpretation and develop training materials. The results will be a dataset with ECD outcomes and a report systematizing findings on ECD outcomes and their association with child malnutrition. The ENDI is the main tool that Ecuador will use to monitor child malnutrition indicators. Adding ECD outcomes to it will contribute to monitoring the progress of activities in 4607/OC-EC and the potential reformulation of 4928/OC-EC.
- 4.4 **Coordination and monitoring (US\$140,625).** This will fund a local consultant that supports the management, coordination, and supervision of all project activities on the ground; and support the Platform on Nutrition and dissemination activities (including any translation and professional editing needs). The expected result will be the efficient implementation of TC activities in the pursuit of its objectives.
- 4.5 The total cost of this TC will be US\$1.500.000, which will be financed by the Japan Special Fund (JSF). There will be no local counterpart resources. The execution and disbursement period will be 30 months.

Indicative Budget (US\$)

Component	Description	IDB/JSF	Total Funding
Component 1. Strengthen intersectoral coordination	1.1. Strengthen SUUSN information system.	96,500	96,500
	1.2. Improve territorial capacity by training local teams.	45,695	45,695
	1.3. Support to STECSDI's communication activities.	38,500	38,500
Subtotal Component 1		180,695	180,695
Component 2. Promote behavioral change strategies to reduce child (chronic) malnutrition	2.1. Diagnostic study to identify target population.	38,810	38,810
	2.2. Design of strategy to improve maternal and child nutrition outcomes using participatory methods and formative research processes.	87,000	87,000
	2.3. Pilot and formative evaluation of the strategy designed.	303,995	303,995
	2.4. Produce required materials for strategy implementation.	30,000	30,000
	2.5. Data collection supervision and data analysis.	93,875	93,875
Subtotal Component 2		553,680	553,680

Component	Description	IDB/JSF	Total Funding
Component 3. Introduce an ECD module in ENDI	2.6. Data collection and preparation activities (module design, enumerator training, data collection and validation).	558,000	558,000
	2.7. Psychometric testing materials and licenses.	39,000	39,000
	2.8. Support ECD module design and adaptation, develop training materials, and advise on data interpretation.	28,000	28,000
Subtotal Component 3		625,000	625,000
Coordination and monitoring	Activities to support management, coordination, and supervision of project activities, and dissemination efforts.	140,625	140,625
Total		1,500,000	1,500,000

- 4.6 The TC will be supervised by the Social Protection and Health Division (SCL/SPH), in collaboration with Ecuador's Country Office (CAN/CEC). The Unit Responsible for contracting and disbursements will be the Bank Country Office in Ecuador (CAN/CEC).
- 4.7 The monitoring and supervision of any activities and products contracted with TC resources will be carried out periodically from HQ or Ecuador's country office. Supervision activities will be both in person—including through missions—and remotely, by means of teleconference and electronic communications. Any associated costs will be funded by SCL/SPH.
- 4.8 The Bank's systems will be used for the periodic monitoring of the indicators in the results matrix, as well as for all required reporting.

V. Executing agency and execution structure

- 5.1 As per the beneficiary's request, the TC will be executed by the IDB through the Social Protection and Health Division in Ecuador's Country Office (SPH/CEC). Given the existing loan operations between the Bank and the Government of Ecuador—either disbursing or in preparation—that address child malnutrition and development, the Bank is best placed to coordinate activities among all agencies involved (MIES, MSP, STECSDI), thus ensuring a well-articulated work agenda that avoids duplicities. Furthermore, as indicated in Annex II of the "Procedures for the Processing of Technical Cooperation Operations and Related Matters" (OP-969-4), IDB's execution is justified by the institutional capacity and technical support the Bank team can provide to the country. TC activities and products are highly complex and require high levels of specific technical expertise. The Bank team has the relevant technical knowledge and previous expertise and will hire external experts on the subjects, as required, to ensure the timely and efficient execution of resources as per project needs.
- 5.2 **Procurement.** The activities to be executed under this TC have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the Bank's established procurement processes, namely: (a) the contracting of consulting firms for services of an intellectual nature according to the Policy for the Selection and Hiring of Consulting Firms for Operational Work Executed by the Bank (GN-2765-4) and its associated operational guidelines (OP-1155-4); (b) the hiring of consultants, as established in regulations AM-650; and (c) the contracting of logistics and other non-consulting services in accordance with policy GN-2303-28. Inputs for the collection of ECD outcomes (psychometric testing materials and licenses, which do not include software) will be procured by single sourcing to Pearson and the CDI Board, given that there is only one provider per test (who also owns the copyrights), and will also follow corporate procurement policy GN-2303-28. Some contracts with consulting firms (see TOR III-1, III-2, III-4, and III-8) may include the purchase of

technological equipment required for the successful implementation of the TC for up to 10% of the total consultancy contract cost as per Bank policies (GN-2765-4). As part of the consultancy services, the technological equipment will be donated to the beneficiary at no cost to assure the sustainability of the project. The equipment's maintenance and functioning will be the responsibility of the beneficiary and the Bank will not be responsible for device malfunctioning.

- 5.3 **Single Source Selection.** The procurement plan includes the contracting of INEC by single sourcing for the collection of the ECD module as part of the ENDI, as the only institution qualified for the assignment, this method is chosen in accordance with the Policy for the Selection and Contracting of Consulting Firms for Bank-executed (GN-2765-4), paragraph 4.1, numeral 3 (d). INEC is the government agency in charge of the design and periodic implementation of all national and public data collection processes, including all National Surveys and the Census. INEC also produces and publishes all country-level statistics. As such, INEC has ample expertise in the organization and execution of large and complex data collection efforts in Ecuador, including the ENSANUT, which, in 2018, with the Bank's support, included an ECD module similar to the one that will be included in the ENDI. Moreover, INEC will be in charge of the collection of the full ENDI, of which the ECD module will be a subcomponent. Therefore, the direct hiring of INEC will facilitate the collection of the ECD module and ensure that synergies are maximized, and processes are made as efficient as possible for smooth data collection. This will also contribute to the institutionalization of ECD measurement in Ecuador going forward.
- 5.4 Under the Bank's execution, the financial management of the TC will follow internal financial procedures and hence no external auditing services will be contracted. There are no conditions required prior to disbursement and the project does not foresee any reimbursement of expenses.
- 5.5 The Bank will have the property rights of the products developed by this TC and will grant the Government of Ecuador royalty-free, irrevocable, non-exclusive, worldwide, and perpetual licenses to use, publish or distribute the products, materials and software developed with TC resources, including any datasets generated.

VI. Major issues

- 6.1 We foresee two main interrelated risks: (i) changes in government authorities before the end of the TC, which could change priorities at the national level, and potentially restructure the STECSDI and any other relevant areas in the Ministries; and (ii) challenges in the effective and timely articulation of all different agencies. A potential restructuring of the STECSDI due to a change in government authorities could result in a limited capacity to implement any activities in Component 1 not executed by the time of an eventual restructuring or change of priorities.
- 6.2 To mitigate these risks, the Bank team will: (i) promote ownership by government national and local authorities and technical teams, actively engage in the dissemination of the TC activities, and collaborate with other multilaterals (i.e., JICA, UNICEF) and civic society organizations working on the area (i.e., RENDI, National Network on Child Nutrition), as well as ensure that all activities in Component 1 are committed/contracted during the first year of the TC, before an eventual restructuring of the STECSDI due to a change in government; and (ii) work closely with the authorities and technical teams in all involved agencies to ensure constant communication and coordination. Furthermore, we will design and implement a system for the monitoring of contract execution which will establish milestones and means of

verification. The individual consultancy to support project coordination will also contribute to minimizing this risk.

VII. Exceptions to Bank policy

- 7.1 This project does not foresee objections to any Bank's policy.

VIII. Environmental and Social Strategy

- 8.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client - EC-T1489](#)

[Results Matrix - EC-T1489](#)

[Terms of Reference - EC-T1489](#)

[Procurement Plan - EC-T1489](#)