

The nutrition financing landscape

March 2018

This report was commissioned by the World Bank, the Bill & Melinda Gates Foundation and The Power of Nutrition. It was authored by David Kim, an independent consultant, under the guidance of Meera Shekar of the World Bank and in consultation with the SUN Coordinator and the SUN Donor Network.

Table of contents

| Section | Page |
|---|-------------|
| Index of acronyms and abbreviations..... | 2 |
| I. Introduction..... | 3 |
| II. Nutrition financing needs..... | 4 |
| III. Nutrition financing landscape: Key actors and their contributions..... | 7 |
| IV. Factors leading to the current landscape..... | 16 |
| V. Emerging themes and areas of opportunity..... | 17 |
| VI. Conclusion..... | 25 |
| Annex – Process & Key inputs..... | 29 |

Index of acronyms and abbreviations

AfDB: African Development Bank
BRICS: Brazil, Russia, India, China and South Africa
CIFF: Children's Investment Fund Foundation
CRS: Creditor Reporting System (OECD)
CRVS: Civil registration and vital statistics
EWEC: Every Woman Every Child movement
FAO: Food and Agriculture Organization of the United Nations
GAFSP: Global Agriculture & Food Security Program
GAVI: The Vaccine Alliance (previously Global Alliance for Vaccines and Immunization)
GDP: Gross Domestic Product
GFF: The Global Financing Facility
GNR: Global Nutrition Report
HFSS: High fat, sugar, salt
IBRD: International Bank of Reconstruction and Development
ICN2: Second International Conference on Nutrition
IDA: International Development Association
IFAD: International Fund for Agricultural Development
IFI: International Financial Institution
M&E: Monitoring and evaluation
MITSK: Mexico, Indonesia, Turkey and South Korea
MQSUN: Maximizing the Quality of Scaling Up Nutrition project
N4G: Nutrition for Growth
N-TEAM: Nutrition Technical Assistance Mechanism (Nutrition International)
OCHA: United Nations Office for Coordination of Humanitarian Affairs
ODA: Official Development Assistance
OECD-DAC: Organisation for Economic Co-operation and Development – Development Assistance Committee
PMNCH: Partnership for Maternal, Newborn and Child Health
R4D: Results for Development
RMNCAH: Reproductive, maternal, newborn, child and adolescent health
SDGs: Sustainable Development Goals
SMS: Sun Movement Secretariat
SUN MPTF: SUN Movement Multi-Partner Trust Fund
SUN Movement: Scaling Up Nutrition Movement
SWA: Sanitation and Water for All
UN REACH: Renewed Efforts Against Child Hunger and undernutrition
WASH: Water, sanitation and hygiene
WHO: World Health Organization
WSSCC: Water Supply and Sanitation Collaborative Council

I. INTRODUCTION

Malnutrition represents a crippling burden and a significant barrier preventing children and societies from realizing their full potential. Undernutrition is the underlying cause of 45% of child mortality, equivalent to over three million child deaths each year.¹ Two billion people experience deficiencies in essential vitamins and minerals.² In 2016, 155 million children were stunted, 52 million children affected by wasting, and 33% of women of reproductive age suffered from anemia.³

These manifestations of malnutrition set in motion a number of largely irreversible problems with wide-reaching social- and economic impact. Stunting is linked with higher risks of illness and poor cognitive skills and -learning abilities, affecting education, labor productivity and earning potential later in life. Wasting poses a significant obstacle to improving child survival rates. Anemia affects productivity, and during pregnancy it is linked with an increased risk of perinatal mortality, low birth weight, and poor growth and development in young children.⁴ Malnutrition decreases countries' workforce capacity and slows economic progress: every year, malnutrition results in an estimated 11% reduction of gross domestic product (GDP) in Africa and Asia.⁵

In recent years, there has been significant progress in raising the profile of nutrition on the global development agenda, with increased political momentum and financing for nutrition. Nevertheless, current spending remains inadequate for achieving the global nutrition targets and addressing the human and economic challenges related to malnutrition. Furthermore, the fragmented and complex nature of the nutrition financing landscape creates difficulties for countries, donors and partners to effectively navigate, align and coordinate.

This report is intended to help provide clarity to this complex space and inform efforts by key nutrition stakeholders to improve the impact and effectiveness of nutrition financing. The report provides a summary and brief analysis of the nutrition financing landscape, describing its key actors and their contributions, and discussing major themes affecting the robustness, coherence and effectiveness of nutrition financing.

The information and analyses presented here are based on existing literature on the topic, interviews with key informants, consultations with the SUN Donor Network, and recent SUN Movement Country Network calls on nutrition financing.⁶

¹ Bhutta, Zulfiqar A, et al., Lancet 2013.

² Global Nutrition Report 2016.

³ The State of Food Security and Nutrition in the World 2017.

⁴ Ibid.

⁵ Global Nutrition Report 2016

⁶ 27th SUN Movement Country Network Meeting, "Financing nutrition: country investments and access to additional resources," 25 September - 2 October 2017. The author participated in three of these calls, which included participants from nine countries, along with the SUN Movement Secretariat and representatives of SUN networks.

II. NUTRITION FINANCING NEEDS

2.1 Estimated financing needs

In 2015, an estimated \$3.9 billion was spent on a “costed package of interventions” towards the four World Health Assembly (WHA) targets⁷ for reducing stunting and anemia, increasing exclusive breastfeeding and reducing wasting in low- and middle-income countries. This included \$2.9 billion by governments and \$1 billion in official development assistance (ODA).⁸

According to recent estimates by the World Bank,⁹ an average of **\$7 billion annually** would be required over the 10 year period of 2016-2025 – in addition to the \$3.9 billion currently spent on nutrition annually – in order to reach WHA targets on stunting, anemia, exclusive breastfeeding and wasting. This “full package” level of financing would enable a **reduction of 3.7 million deaths in children** under the age of five and **65 million fewer stunted children**, based on conservative estimates.

Realistically however, resource constraints may make it difficult to raise this level of additional financing. Furthermore, some interventions included in the package are more cost-effective than others; and some interventions lack global guidelines or established delivery platforms, or could arguably benefit from additional research, before scale-up. Because of these factors, the World Bank has proposed two alternative costed packages of interventions,¹⁰ which would seek to optimize a more limited level of additional financing, although neither package would enable full achievement of the WHA targets:¹¹

The “priority package” includes seven of the most cost-effective interventions (in terms of lowest cost-per-health outcome) with well-established policy guidelines and delivery platforms. These interventions would be scaled-up to full program coverage in the first five years, and maintained at full coverage for a further five years.

- The estimated cost of this priority package is an average of **\$2.3 billion annually**, above current spending.
- It would result in an estimated **50 million fewer children stunted** in 2025 compared to the 2015 baseline and **prevent 2.3 million deaths in children** under five.

The “catalyzing progress package” includes all interventions from the priority package, as well as a phased approach to scaling up other interventions that currently lack sufficient global guidelines or delivery platforms. This phased scale-up would include an emphasis during the first five years on establishing global guidelines, building effective delivery platforms, and developing less expensive products and more cost-effective technologies. During the subsequent five years, coverage expansion of those interventions would accelerate and reach 60% by 2025.

⁷ <http://www.who.int/nutrition/global-target-2025/en/>

⁸ D’Alimonte, M et al. *Financing the Global Nutrition Targets. An investment framework for nutrition: Reaching the global targets for stunting, anemia, breastfeeding and wasting.* From *An investment framework for nutrition* (World Bank Group). Chapter 8, 2016.

⁹ Shekar, M et al. *An investment framework for nutrition: Reaching the global targets for stunting, anemia, breastfeeding and wasting.* World Bank, 2017.

¹⁰ Ibid.

¹¹ Ibid.

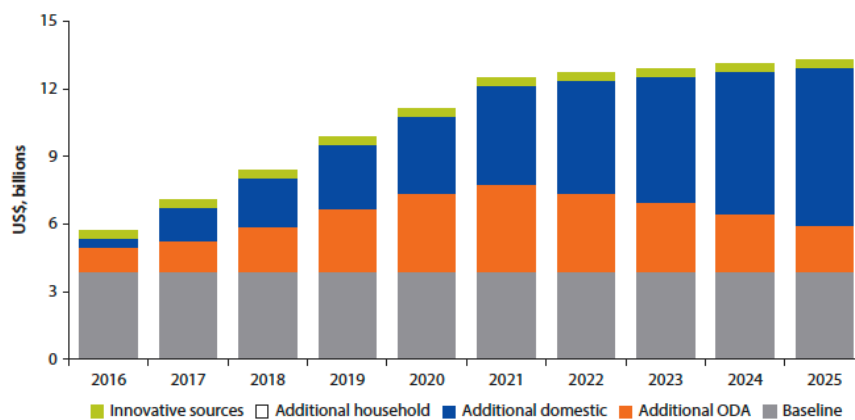
- The estimated cost of the catalyzing progress package is an average of **\$3.7 billion annually**, above current spending.
- It would result in an estimated **58 million fewer children stunted** in 2025 vs. the 2015 baseline and **prevent 2.6 million deaths in children** under five. It would additionally facilitate further scale-up and impact in the future, building on the guidelines, delivery platforms, new products and cost-effective technologies developed.

Note: this report will continue to refer to these figures, which represent the best available estimates to-date for financing the WHA targets. However, **they do not represent the full programmatic and financial need for reaching the targets.** There is currently insufficient evidence to fully understand the full spectrum of interventions that will comprehensively address anemia in women. The costing estimates for anemia are therefore limited to those interventions for which there is a strong evidence base. Likewise, because of insufficient evidence on interventions to prevent wasting, the estimates include only the costs for scaling up the treatment of severe wasting. Furthermore, the costing estimates do not cover two (of six) of the global nutrition targets – those for low birth weight and for child overweight – because of insufficient data on prevalence (low birth weight), and lack of consensus on effective interventions to reach the goal (child overweight). Finally, the costs for addressing some micronutrient deficiencies (e.g. iodine deficiencies) were not included in the estimates, because they were not included in the global targets, despite their significant impacts on morbidity, mortality and economic productivity.¹²

Lastly, these estimates only refer to the nutrition-specific costs and impacts. Evidence for the impacts or costs of nutrition-sensitive interventions are much weaker, and no similar analysis on nutrition-sensitive financing needs exists to-date.

2.2 Financing the global nutrition targets

Figure 1: Global-solidary financing scenario to achieve the WHA targets^{13,14}



Financing the global nutrition targets will require rapid and aggressive mobilization of resources for nutrition. In a recent analysis,¹⁵ a “global solidary scenario” was presented to demonstrate how the

¹² Ibid.

¹³ Ibid.

¹⁴ Annual additional household contributions are small relative to other contributions (\$748 million across the 10-year period), and therefore do not appear in the graph.

¹⁵ D’Alimonte, M et al, 2016. Note: this analysis, developed by Results for Development, is used illustratively here to provide a scenario on the levels of financial inputs that could enable achievement of the four global nutrition targets. Reference to this scenario does not suggest that this exact scenario will be realized, nor that funds will be optimally utilized in a way that would ensure achievement of the global nutrition targets.

four global nutrition targets (for stunting, wasting, anemia and exclusive breastfeeding) could be enabled by a coordinated increase in financing by governments and external financing, supplemented by innovative financing mechanisms.

In this scenario, ***the largest share of additional spending – and by far the largest growth in spending – would need to come from domestic sources.*** Countries would need to increase their domestic nutrition spending (as a share of total government expenditure), and higher-income level countries would need to contribute more. Furthermore, ***sharp initial increases will also be required in external financing for nutrition.*** These increases will enable scale-up while national governments create the fiscal space for nutrition; but implicit here is also the notion that ***external financing should be used strategically to incentivize and support the creation of that fiscal space.*** As domestic resources are mobilized for nutrition, external financing levels can be reduced. Other key assumptions in the global solidarity scenario are that new mechanisms for nutrition financing¹⁶ are fully operational and optimized for nutrition, and that private sector stakeholders are engaged in the scale-up of food fortification, supply of micronutrient supplements and other interventions.

It is not yet possible to determine whether current nutrition spending is on track to meet the financing needs for the global nutrition targets. There is currently no routine system for tracking or reporting domestic nutrition spending across countries, and the latest published global estimates for domestic nutrition spending only cover the period ending in 2013.¹⁷ For external spending, a key source of data is the OECD-DAC Creditor Reporting System (CRS). At the time of this report's drafting, CRS databases included data on resource flows up to 2015, with 2016 data scheduled for release in December 2017.

One encouraging indicator is the significant levels of financing committed for nutrition in recent years through the World Bank's International Development Association (IDA), which provides loans and grants for programs in the world's 75 poorest countries. According to estimates provided by the World Bank, approximately \$1.9 billion has been committed for nutrition activities through IDA17 – covering fiscal years (FY) 2015-2017.¹⁸ IDA18 – covering FY 2018-2020 – was the largest replenishment in IDA's 56-year history, and it is already exceeding IDA17 in nutrition spending, with at least \$1.8 billion in nutrition financing identified within projects for 23 countries thus far. The majority of these projects are planned for FY 2018 delivery, with many projects for FY 2019 and - 2020 not yet identified, but are expected to include additional nutrition financing.

Meanwhile, \$3.4 billion was committed and \$640 million in new funding announced at the recent Global Nutrition Summit 2017 (Milan, November 2017). Notably, this included significant pledges from philanthropies based in high malnutrition-burden countries such as Nigeria and India, and commitments by affected countries including Cote d'Ivoire, El Salvador and Madagascar to expand domestic programs to improve nutrition for mothers and children.¹⁹

¹⁶ Such as the Global Financing Facility and the Power of Nutrition.

¹⁷ D'Alimonte, M et al, 2016.

¹⁸ The World Bank fiscal calendar runs from July to June. The World Bank fiscal year (FY) is denoted by the year in which it ends, i.e. World Bank FY 2016 = July 2015 to June 2016.

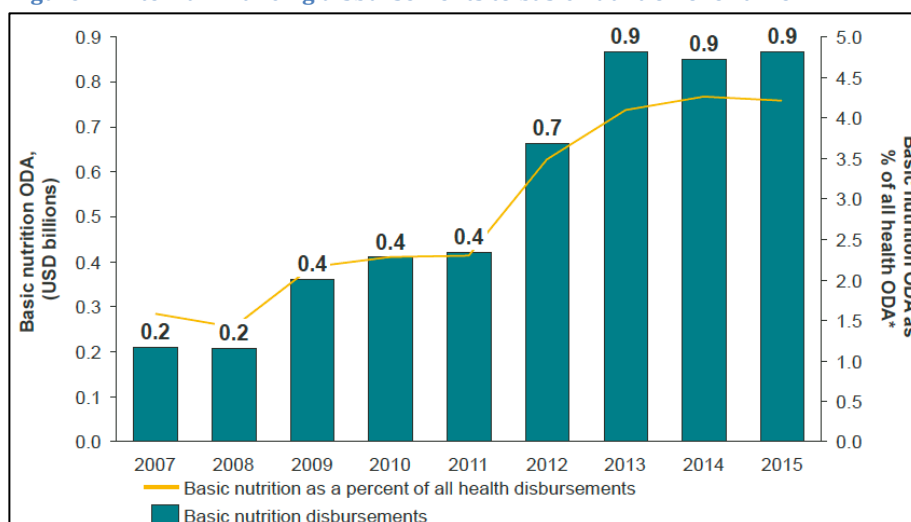
¹⁹ <https://nutritionforgrowth.org/press-release-global-nutrition-summit-2017-milan/>

III. THE NUTRITION FINANCING LANDSCAPE: KEY ACTORS AND THEIR CONTRIBUTIONS

3.1 Current external nutrition-specific spending, and how it is spent

As noted above, an estimated \$3.9 billion was spent on the “costed package of interventions” towards the four WHA targets in 2015, of which approximately 75% (\$2.9 billion) was spent by governments and \$1 billion in external financing.²⁰

Figure 2: External financing disbursements to basic nutrition over time²¹



Looking more specifically at external financing for nutrition, there has been a marked **upward trend from 2007**, although 2014 and 2015 showed a relative flat-lining in spending. This flat-lining coincides with the period following the Nutrition for Growth (N4G)

Summit (London), during which over \$4 billion was committed for nutrition-specific projects²² – this would theoretically lead to an increase, rather than a stagnation, in spending. However, 2014 and 2015 disbursement figures do not necessarily represent the impact of commitments made in 2013, given the often-significant lag time for political commitments to translate to specific project funding approvals, and finally to increased disbursement levels, which themselves are impacted in a phased manner.

In terms of regional distribution, in 2015, approximately 43% of nutrition-specific ODA was disbursed to Sub-Saharan Africa, versus 24% to South Asia, 11% to Latin America and the Caribbean, 6% to Middle East and North Africa and <1% to East Asia and the Pacific, Europe and Central Asia, and North America.²³ In terms of country income distribution, 45% of financing was disbursed to low-income countries, versus 48% for lower-middle-income countries and 7% for upper-middle income countries in 2015.^{24,25}

²⁰ Ibid.

²¹ R4D, 2018. *Tracking aid for the WHA nutrition targets: Global spending in 2015*. Forthcoming. Note: this graphic presents disbursements reported through the OECD Creditor Reporting System under the DAC purpose code for basic nutrition. This code is often used as a proxy for nutrition-specific investments. However, the code has historically included some nutrition-sensitive investments such as school feeding, in addition to nutrition-specific investments. All other data points in this section represent estimates of nutrition-specific disbursements that align with the Global Investment Framework for Nutrition, which could include disbursements coded under basic nutrition or other purpose codes.

²² <https://nutritionforgrowth.org/nutrition-growth/>

²³ The remainder is labeled as “unspecified.”

²⁴ R4D, 2018. *Tracking aid for the WHA nutrition targets: Global spending in 2015*. Forthcoming.

²⁵ Percentages refer to proportion per WHA aid allocated to specific countries, and exclude spending that categorized by the OECD-DAC CRS as “unattributed” to a recipient country, e.g. regional support.

Figure 3: Top 10 recipient countries of WHA nutrition disbursements by absolute dollar amount in 2015²⁶

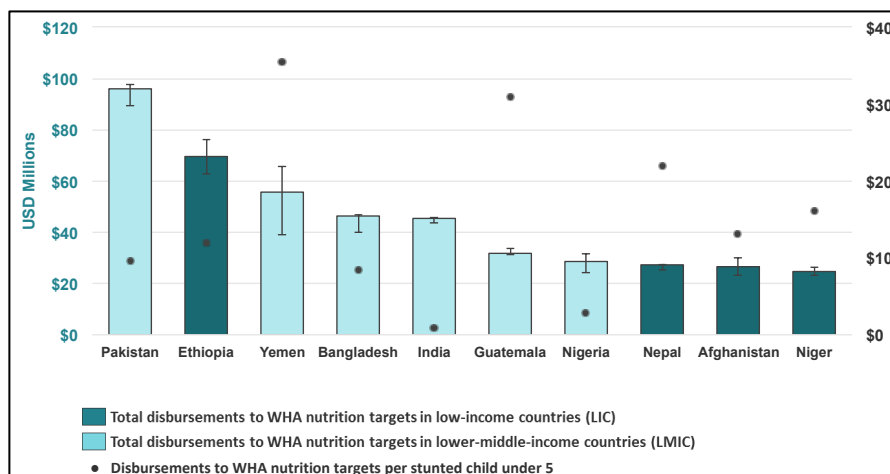


Figure 3 presents the top 10 recipient countries of WHA nutrition disbursements.²⁷ These 10 countries – which represent 53% of the global stunting burden – received approximately 40% of nutrition-specific disbursements in 2015. ***In broad terms therefore, external***

financing for nutrition seems to be directed towards the countries where the burden is greatest, and where the greatest nutrition impact can be achieved.

There are however wide variations in nutrition financing that countries receive, which are influenced by factors beyond nutrition burden alone. Other factors include geopolitical considerations (especially for bilateral donors), income level (ability to pay), absorptive- and implementation capacity, and stability. Population size also factors into financing, since high-burden, high-population countries effectively represent opportunities to reach large numbers of affected individuals and achieve higher levels of impact. This confluence of factors ultimately leads to a number of ***countries that are arguably underfunded***, with high burden, low income and small populations.²⁸

3.2 External nutrition financing sources and -mechanisms

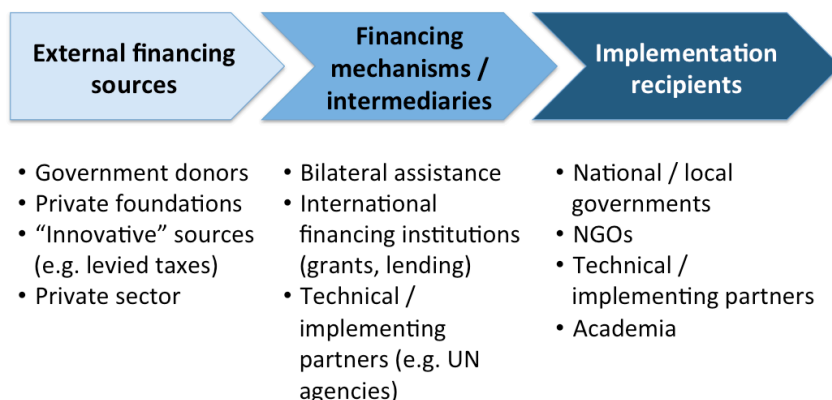


Figure 4: Financing functions and examples of the institutions that fulfill them

In reviewing the nutrition financing landscape, it is important to make the distinction between 1) the categories or terminology often used to describe key financing actors, and 2) their functions. UN

agencies sometimes disburse funds to implementers, and in other instances they act as implementers of programmatic activities themselves. International financial institutions

²⁶ R4D, 2018. *Tracking aid for the WHA nutrition targets: Global spending in 2015*. Forthcoming. Note: only Low- and Lower-middle income countries.

²⁷ Excluding Peru, which is an upper-middle-income country

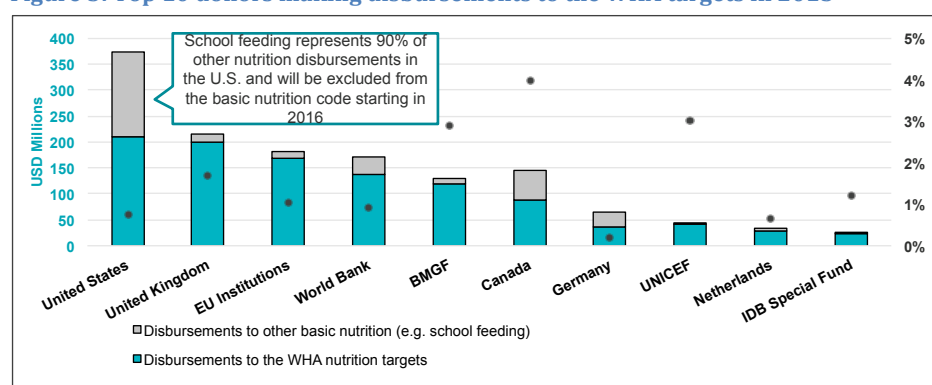
²⁸ Examples include Eritrea, with an U-5 stunting prevalence of 50%, and receiving external spending for WHA targets of \$0.5 million (\$1 per stunted child) and Togo, with 28% U-5 stunting and \$0.6 million for WHA targets (\$2 per stunted child). Source: R4D, 2018. *Tracking aid for the WHA nutrition targets: Global spending in 2015*. Forthcoming.

(IFIs) such as the World Bank are often referred to as donors, and yet they also rely on funding from donors for their financing activities and technical work.

The above graphic (Figure 4) provides a simplified map of financing functions and the types of institutions that fulfill those functions – from the sources providing the financing (e.g. government donors or private foundations), to the mechanisms channeling the funds (e.g. through bi-lateral assistance or development banks), to the actors that receive the funds in country for implementation. *Note: this graphic is non-exhaustive and intended to be illustrative only. There are sometimes several additional layers of actors channeling and managing the funds, and multiple layers of recipients and sub-recipients implementing within projects.*

External financing sources

Figure 5: Top 10 donors making disbursements to the WHA targets in 2015²⁹



ODA from donor countries

comprises the largest source of external nutrition funding, with OECD-DAC country donors providing an estimated 72% of global external spending on

nutrition-specific interventions in 2015.³⁰ The top donors for nutrition include the United States, United Kingdom, EU Institutions and Canada. **Private foundations** such as the Bill and Melinda Gates Foundation and the Children’s Investment Fund Foundation (CIFF) have also been important sources of nutrition financing. Philanthropic foundations featured prominently in the recent Global Nutrition Summit 2017 (Milan, November 2017), with new commitments made from both US- and European-based foundations, as well as from foundations based in high malnutrition-burden countries such as India and Nigeria.³¹ Although philanthropic sources of nutrition financing are unlikely to be “game changing” in terms of scale, they nevertheless have the potential to play a critical role. They can often operate more nimbly and flexibly than bilateral- and multilateral donors, and therefore may be better positioned to make catalytic investments, for example to develop and test new approaches and solutions.

The **private sector** provides funding, for example as a donor to the Power of Nutrition and the Global Financing Facility (GFF), as well as directly for activities in countries. The private sector can also provide “in kind” support, although this is not typically quantified or reported in financing terms. **“Innovative financing”** (e.g. through impact bonds, levied

²⁹ R4D, 2018. *Tracking aid for the WHA nutrition targets: Global spending in 2015*. Forthcoming. Notes: Contributions from CIFF are not included because they do not report to the CRS. Disbursements to upper-middle and high income countries were excluded from the WHA nutrition target disbursement and other basic nutrition disbursements, but not from the total global donor disbursements. For multilaterals, chart includes disbursements from core funding only. Chart does not distinguish between loan disbursements and grant disbursements.

³⁰ Development Initiatives based on OECD DAC CRS

³¹ <https://nutritionforgrowth.org/press-release-global-nutrition-summit-2017-milan/>

taxes, etc.) has been cited as an important and underutilized source of resources for nutrition.³² UNITLIFE was originally launched as an initiative to raise funds for nutrition through a micro levy on the extractive industry, although its model and thematic focus are currently undergoing changes.

Financing mechanisms

Nutrition financing is directed through a variety of different channels. **Direct support** in the form of grants or technical assistance is often provided, for example by donor governments (through **bilateral assistance**) and private foundations. Donors also support the financing activities of international financial institutions. These include **multilateral banks**, for example the World Bank, regional development banks and the International Fund for Agricultural Development (IFAD). Funding is provided to these institutions through core funding (e.g. through IDA or IBRD), or earmarked funding (e.g. channeled through trust funds, and often delivered as grants) for specific thematic initiatives or funding modalities.

Multilateral banks have historically been an important source of financing support for nutrition, primarily in the form of concessional financing,³³ but also through grants. One important feature of multilateral development banks is that – in contrast with many other development partners, which often work primarily with line ministries – the main counterparts of multilateral banks are often Ministers of Finance and planning commissions. In discussing budgetary prioritization and allocations for nutrition with these actors, **multilateral banks are well positioned to play an important role in enabling the long-term scale-up and financial sustainability of nutrition programs.**³⁴ A number of other financing partners, including bi-lateral donors and foundations, also have important access to Ministries of Finance and planning commissions, as part of their broader development assistance frameworks and advocacy activities. Domestic spending for nutrition (and for other development priorities) is increasingly emerging as a key theme in the on-going dialogues between these funders and national government stakeholders.

A number of these institutions are taking important steps to strengthen the strategic focus on nutrition through promoting nutrition as a development priority for countries, as well by adopting more targeted approaches for funding nutrition. This includes the World Bank's global framework linking investments in the Early Years (with a strong emphasis on nutrition) as a core strategy for growth and productivity.³⁵ Examples on the nutrition sensitive side include IFAD's Action Plan to Mainstream Nutrition-Sensitive Agriculture,³⁶ the African Development Bank's (AfDB) Feed Africa strategy for agricultural transformation in Africa,³⁷ and the AfDB's multi-sectoral nutrition action plan (currently under development).

³² ACF-International, Aid for Nutrition: Mobilizing innovative financing for the fight against undernutrition, 2014.

³³ Loans that are extended on terms substantially more generous than market loans. The concessionality is achieved either through interest rates below those available on the market or by grace periods, or by a combination of these (Source: OECD Glossary of Statistical Terms).

³⁴ Kim, D, *Mapping Exercise – Multilateral Funding Sources for Nutrition*, June 2016.

³⁵ <http://www.worldbank.org/en/programs/earlyyears>

³⁶ <https://webapps.ifad.org/members/eb/116/docs/EB-2015-116-INF-5.pdf>

³⁷ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/Feed_Africa-Strategy-En.pdf

There are furthermore a number of other important *financing sources supporting multi-sectoral nutrition-sensitive activities*. These include the Global Agriculture & Food Security Program (GAFSP); health-focused financing mechanisms such as the Global Fund to Fight AIDS, Tuberculosis and Malaria and GAVI; pooled funds for emergency responses and recovery, such as those managed by OCHA and the World Bank; funds focused on climate change and the environment, such as the Green Climate Fund; and financing sources for gender issues, such as the Global Fund for Women, the African Women's Development Fund and others. These financing mechanisms have been profiled in more detail elsewhere.³⁸

New financing mechanisms for nutrition

In 2015, three new financing mechanisms were launched: The Power of Nutrition, UNITLIFE and the Global Financing Facility (GFF). These three initiatives represent important new multi-donor funding mechanisms for nutrition-specific programming, which had previously been largely absent from the global nutrition financing landscape.³⁹

These new financing mechanisms have the potential to raise important levels of new financing for nutrition. The Power of Nutrition's goal is to raise \$1 billion through 2022. Thus far, it has leveraged substantial resources and co-financed four projects through the World Bank (Ethiopia, Tanzania, Madagascar and Cote D'Ivoire) with \$50 million of grant financing and a total envelope of \$375 million (IDA and the Power of Nutrition) with several others in the pipeline, and one project through UNICEF (Liberia).

According to early discussions, UNITLIFE's aim was to raise \$100 million per year for nutrition from initial funding arrangements. However, it is currently undergoing changes in its model. Whereas its initial plan was to raise funds for nutrition through micro levies on extractive industries,⁴⁰ UNITLIFE's new focus has broadened to include malnutrition *and* climate change;⁴¹ and its approach for raising funds will now instead use "digital innovation to collect voluntary micro-donations from consumers at the time of purchase."⁴² Micro-donations will be channeled into a central fund hosted by UNOPS and support programs approved by UNITLIFE's board. Detailed plans regarding UNITLIFE's expected scale (in terms of fundraising targets and number of programs/countries to be supported), funding modalities and rollout schedule are not yet available.

Approximately \$875 million in pledges were made for the GFF Trust Fund's initial investments,⁴³ and the GFF recently launched a replenishment process with the goal of raising \$2 billion to expand the GFF to a total of 50 countries over the next five years.⁴⁴ Nutrition is only one of many programmatic areas eligible for GFF support, alongside family planning, sexual and reproductive health, postnatal care, education, water and sanitation, gender, human rights, social protection, community engagement, advocacy,

³⁸ Kim, D., June 2016.

³⁹ Ibid.

⁴⁰ https://www.unicef.org/media/media_85667.html

⁴¹ <http://www.unitlife.org/>

⁴² <http://www.un.org/sustainabledevelopment/blog/2017/12/one-planet-summit-finance-commitments-fire-higher-momentum-paris-agreement/>

⁴³ <https://www.globalfinancingfacility.org/faq>

⁴⁴ <http://www.worldbank.org/en/news/press-release/2017/09/20/global-financing-facility-launches-replenishment-to-save-lives-of-up-to-38-million-women-children-and-adolescents-by-2030>

human resources for health, and supply chain management. Based on recent estimates by the GFF, of the 11 projects approved to date with GFF co-financing, 19% of the total project amounts have been allocated to nutrition (the bulk of which are nutrition specific).⁴⁵

Beyond mobilizing additional funding for nutrition, these financing mechanisms introduce new models for raising funds from new sources, and for enhancing the value of the financial support. The Power of Nutrition attracts new donors, including private sector- and smaller donors, matching funds supplied through donors such as DFID, CIFF and the Gates Foundation, and “multiplying” these through pre-negotiated co-financing arrangements, such as with the World Bank through IDA, and with matched funds raised by UNICEF. The GFF raises grant funding through a multi-donor trust fund, which links to financing from IDA and IBRD. The GFF’s financing is further complemented by support for health financing strategies to promote financial sustainability, and for civil registration and vital statistics (CRVS).⁴⁶

3.3 Relevant functions and actors in the broader nutrition landscape

Of course, financing is itself not an end, but rather an important means, for scaling up nutrition in countries. Financing is part of a broader ecosystem of nutrition functions and stakeholders – from political agenda setting, advocacy, norms and guidance, technical assistance, planning, budgeting, coordination, implementation, monitoring and evaluation, etc. This document does not cover this broader ecosystem in detail. However, it is important to ensure that 1) financing effectively serves the broader system supporting nutrition in countries; and 2) that system is also set up to help optimize how financing works in countries, and the nutrition impact it enables. In that context, the sections below briefly summarize the constellation of key functions, initiatives and actors with which nutrition financing significantly interacts.

Political agenda setting: At the global level, a number of key initiatives in recent years have or are contributing to raising the profile of nutrition on the global political and development agenda. These include for example the World Health Assembly’s endorsement of a Comprehensive implementation plan on maternal, infant and young child nutrition in 2012, which specified a set of six global nutrition targets (“the **WHA targets**”).⁴⁷ These targets established high ambitions for the world’s efforts on nutrition, and an important basis for much of the costing and resource mobilization that followed.

The Second International Conference on Nutrition (**ICN2**) in 2014⁴⁸ was a high-level intergovernmental meeting that focused global attention on addressing malnutrition in all its forms. ICN2’s primary outcomes were the **Rome Declaration on Nutrition**⁴⁹ and the

⁴⁵ Figures refer to the 11 projects co-financed with GFF and IDA/IBRD funds for 10 countries (Bangladesh, Cameroon, Democratic Republic of the Congo, Ethiopia, Guatemala, Kenya, Liberia, Nigeria, Tanzania and Uganda), which were approved by the World Bank Board between May 2015 and July 2017. Project amounts include both GFF and IDA/IBRD funds.

⁴⁶ More details on these new financing mechanisms are provided in the annexes of a separate report: Kim, D, *Mapping Exercise – Multilateral Funding Sources for Nutrition*, June 2016.

⁴⁷ <http://www.who.int/nutrition/global-target-2025/en/>

⁴⁸ <http://www.fao.org/about/meetings/icn2/en/?%29%04=>

⁴⁹ <http://www.fao.org/3/a-ml542e.pdf>

Framework of Action.⁵⁰ The Rome Declaration commits countries to eradicate hunger and prevent all forms of nutrition worldwide, and the accompanying Framework of Action proposes the creation of an enabling environment for effective action and for strengthening sustainable food systems. Building on this momentum, the UN General Assembly declared 2016-2025 the **Decade of Action on Nutrition**,⁵¹ committing Member States to a decade of sustained and coherent action on nutrition. More broadly, the **Sustainable Development Goals (SDGs)**⁵² called for “ending hunger and all forms of malnutrition by 2030,” which represented significant progress in increasing nutrition’s profile on the broader development agenda (compared with the Millennium Development Goals, which focused on child underweight).

Mobilizing action and commitments: The **Nutrition for Growth (N4G)** summit in London (2013) led to commitments to reduce child stunting by 20 million by 2020, and pledges of over \$4 billion for nutrition-specific projects and \$19 billion for nutrition-sensitive projects.⁵³ At the Global Nutrition Summit 2017 (Milan, November 2017), \$3.4 billion was committed to tackle global malnutrition, with \$640 million new funding announced.⁵⁴ Beyond these major events, a wide network of actors, including prominently from civil society and facilitated significantly by the SUN Movement, are playing an active role in **advocating for increased financing and accountability for nutrition**, both at global and national levels.

Normative functions: A number of UN agencies play important normative functions for nutrition, including developing conventions, regulations and recommendations endorsed by member states; as well as a broad range of normative guidelines on a variety of issues. For example, the Comprehensive Implementation Plan on Maternal, Infant and Young Child Nutrition, developed by WHO and endorsed by the World Health Assembly in May 2012, established the six global nutrition targets that serve as the global compass for nutrition programming and financing. The Food and Agriculture Organization provides scientific advice on food composition and nutrient requirements, which influence policies, programs and spending.

National nutrition coordination: Countries employ a variety of mechanisms for coordinating national nutrition programs, engaging relevant stakeholder groups, and ensuring alignment of actions and funding behind country needs. These include structures to coordinate and align nutrition activities, budgets and M&E across sectoral ministries and stakeholder groups; working groups to coordinate technical and financial assistance, SUN Government Focal Points and Donor Conveners.

Technical support: A number of actors and initiatives are working with countries to support effective planning, costing, coordination and implementation, to ensure nutrition financing is spent in ways that effectively addresses countries’ needs and delivers impact. These include significant SUN Movement work on costing,⁵⁵ technical support provision

⁵⁰ <http://www.fao.org/3/a-mm215e.pdf>

⁵¹ <http://www.who.int/nutrition/decade-of-action/en/>

⁵² <https://sustainabledevelopment.un.org/sdgs>

⁵³ <http://nutritionforgrowth.org/nutrition-growth/>

⁵⁴ <https://nutritionforgrowth.org/press-release-global-nutrition-summit-2017-milan/>

⁵⁵ <http://scalingupnutrition.org/share-learn/planning-and-implementation/costing-nutrition-actions/>

through MQSUN,⁵⁶ N-TEAM,⁵⁷ and UN REACH,⁵⁸ as well as by numerous UN agencies, the World Bank, bi-lateral agencies and civil society organizations.

Financial tracking and accountability: The *Global Nutrition Report (GNR)*⁵⁹ plays a key accountability function in nutrition. It assesses progress in meeting the WHA targets and documents whether different stakeholder groups are meeting commitments made at the 2013 N4G summit and other events. The Civil Society Advocacy network ACTION maintains a *Nutrition for Growth Scorecard*,⁶⁰ an important accountability tool, based on GNR data, to track delivery against N4G commitments related to financing. In order to harmonize and facilitate accountability in donor reporting on nutrition spending, a group of stakeholders including Action Contre le Faim and the SUN Donor Network have been working on *amendments to the OECD Creditor Reporting System (CRS) for nutrition-related investments*. At country level, the SUN Movement has supported work to improve government spending on nutrition through its *budget analysis exercise*.⁶¹ Several bi-lateral donor-funded activities such as the USAID-funded SPRING project are also making important contributions in improving nutrition resource tracking in countries.

Data and information systems: Data plays a critical role in relation to nutrition financing, including for generating evidence on intervention efficacy, impact and value; and providing the basis for planning, prioritization, course corrections, advocacy and accountability. The nutrition data and information systems landscape has its own large and complex set of actors and initiatives, which have been discussed in greater detail elsewhere.⁶²

Knowledge sharing and learning: The SUN Movement has actively promoted knowledge sharing and learning around a variety of topics relevant to nutrition, including through a number of initiatives already mentioned in this section. More recently in September-October 2017, the SUN Movement convened Country Network Meetings to discuss progress in accessing and using financial resources for nutrition, share experiences and generate insights on how to improve financing for national nutrition impact.

SUN Movement structures: The SUN Movement puts countries at the center of its efforts, supported by a number of structures operating at global- and country level, which are working to mobilize and align efforts for countries. These include the stakeholder networks for Civil Society, Donors, UN agencies and businesses; a Multi-Partner Trust Fund (MPTF) and the SUN Movement Secretariat.⁶³

Broader alliances: Recognizing that nutrition relies on the inputs from, and provides important inputs into, a wide variety of topics and sectors, it is worth noting the alliances

⁵⁶ <http://sites.path.org/mchn/our-projects/nutrition/maximising-the-quality-of-scaling-up-nutrition-mqsun/our-work/>

⁵⁷ <https://www.nutritionintl.org/what-we-do/nteam/>

⁵⁸ <http://www.reachpartnership.org/reach-approach>

⁵⁹ <http://www.globalnutritionreport.org/>

⁶⁰ <http://www.action.org/accountability/following-the-funding-nutrition-for-growth/nutrition-scorecard/>

⁶¹ <http://scalingupnutrition.org/share-learn/planning-and-implementation/tracking-nutrition-investments/>

⁶² Kim, D., Global Data and Accountability Initiatives for Nutrition, 2016.

⁶³ <http://scalingupnutrition.org/sun-supporters/how-is-the-movement-supported/>

and partnerships on the broader set of topics with which nutrition interacts. These include the Global Breastfeeding Collective;⁶⁴ the Every Woman Every Child (EWEC) movement;⁶⁵ the Partnership for Maternal, Newborn and Child Health (PMNCH);⁶⁶ Sanitation and Water for All (SWA);⁶⁷ the Water Supply and Sanitation Collaborative Council (WSSCC);⁶⁸ New Vision for Agriculture;⁶⁹ the Global Gender and Climate Alliance;⁷⁰ and the Climate Action Network.⁷¹

⁶⁴ https://www.unicef.org/nutrition/index_98470.html

⁶⁵ <https://www.everywomaneverychild.org/>

⁶⁶ <http://www.who.int/pmnch/en/>

⁶⁷ <http://sanitationandwaterforall.org/>

⁶⁸ <http://wsscc.org/>

⁶⁹ <https://www.weforum.org/projects/new-vision-for-agriculture>

⁷⁰ <http://gender-climate.org/>

⁷¹ <http://www.climateactionnetwork.org/>

IV. FACTORS LEADING TO THE CURRENT LANDSCAPE

Much of the landscape described above is relatively new – a product of the past ten years. In 2006, the World Bank called for reframing nutrition as central to development in an influential publication,⁷² bringing significant attention to the issue. The 2008-2009 spike in global food prices and the global financial crisis created significant challenges related to hunger and malnutrition. In 2008, the Lancet released its series on maternal and child nutrition,⁷³ which provided a new evidence base of action on nutrition and highlighted the high costs of stunting. That same year, the UN Secretary-General established the High-Level Task Force on Food and Nutrition Security.⁷⁴ In 2010, the World Bank also released the first-ever cost estimates for scaling up nutrition.⁷⁵

During this period, there was significant concern about the ability of the international system to effectively respond. This was part of a broader acknowledgement of the challenges in the nutrition aid architecture, with poor inter-agency coordination and collaboration, difficulties in implementing a wide range of discrete technical interventions, and the absence of a global leadership function for nutrition, among other issues.⁷⁶

As options for an improved nutrition aid architecture were explored, some partners discussed the prospect of a “global fund for nutrition,” which some hoped would help focus and increase resource mobilization efforts, and improve coherence and coordination for nutrition assistance. However, this option was not pursued for a number of reasons, including concerns about the unsuitability of a “vertical” type of fund for nutrition (which inherently requires a more multi-sectoral approach), as well as concerns around donor fatigue and the ability to raise sufficient resources to justify creating a new global fund.

Instead, attention was primarily directed towards aligning multi-stakeholder actors and approaches around coordinated multi-sectoral actions on nutrition at country level, with focused efforts globally and nationally on political- and resource mobilization. The SUN Movement – launched in April 2010 at the World Bank Spring Meetings with five key partners⁷⁷ – was a major outcome of these discussions and the vehicle for many stakeholders’ ambitions for a more robust, coordinated and effective support structure for scaling up nutrition in countries. Since then, the SUN Movement has evolved, and a number of the initiatives and structures described above have emerged, both within as well as outside of the SUN Movement architecture.

⁷² Shekar, M. et al, “Repositioning Nutrition as Central to Development: A Strategy for Large Scale Action,” World Bank, 2006.

⁷³ <http://www.thelancet.com/series/maternal-and-child-undernutrition>

⁷⁴ <http://www.un.org/en/issues/food/taskforce/>

⁷⁵ Horton, S. et al, “Scaling up Nutrition: What will it cost?” World Bank, 2010.

⁷⁶ Levine, R. and Kuczynski, D., *Global Nutrition Institutions: Is there an appetite for change?* Center for Global Development, 2009.

⁷⁷ Canada, USAID, the Bill & Melinda Gates Foundation, Japan and the World Bank

V. EMERGING THEMES AND AREAS OF OPPORTUNITY

This section highlights key themes and messages – including challenges, gaps and areas of opportunity – which emerged through this exercise.

5.1 Political and financing trends

A critical (and time-limited) opportunity for nutrition: The past several years has featured notable momentum for nutrition on several important fronts, including:

- *Political momentum*, with the WHA targets, N4G, Decade of Action, and the inclusion of nutrition in the SDGs.
- *Growing technical consensus* on what is needed, e.g. the Lancet series.
- *An investment framework*, which lays out the financial needs based on the technical consensus, and what “results” can be achieved with those resources.
- *Significant advances to track donor spending*, with multiple initiatives underway to improve the availability of information, align donor tracking against technical consensus, etc.
- *New important initiatives for accountability on nutrition progress and financing*, e.g. GNR.
- *Increased activity to support countries to plan, cost, track*, e.g. through MQSUN, N-TEAM, SMS, the World Bank, the USAID-funded SPRING project, etc.
- *New “innovative” funding sources for nutrition*, including Power of Nutrition and the GFF, which are raising new funds from new sources, and new modalities for support.
- *Increased focus on nutrition from key nutrition-sensitive funders*, e.g. IFAD, AfDB.

There remain significant challenges and gaps, as will be discussed below. Nevertheless, compared with the landscape only 10 years ago, this undoubtedly represents ***significant progress, and a combination of factors that, in aggregate, represent a unique opportunity for making large and sustained gains in scaling up nutrition.*** Arguably this is a ***time-limited opportunity***, before momentum and interest wane.

Spending has increased, but radical increases will be needed: External spending on nutrition has increased considerably since 2007, from \$200 million annually for basic nutrition to almost \$1 billion. However, spending has flat-lined in the last two years for which data exists (2013-2015). In order to achieve the global nutrition targets, radical increases will be required over the 2016-2025 period, including a sharp increase in external financing in the initial five years, until domestic spending increases. Currently available data does not yet allow for an assessment of whether spending is on track, but achieving the targets will require far more than incremental increases.

Current commitment events model: The London N4G event (June 2013) helped initiate an important process of mobilizing commitments and establishing the groundwork for accountability vis-à-vis commitments. Since then, a follow-up N4G event was held in Rio (August 2016), and another event was held in Milan (November 2017). Having the N4G event host governments play a championing role for nutrition has provided important value, especially given that there is no clear lead agency to push the nutrition agenda at the highest levels.

However, it is unclear whether this model is sufficient for generating the commitments needed. One of the implications of the “moveable feast” model is that there is **limited high-level “cracking of the whip” to push for greater increases, ensure follow-up and steer the broader financing commitments towards financing goals in a sustained manner, especially in between events.** It can also leave nutrition championing somewhat at the mercy of the often-precarious potential attentions and priorities of rotating host governments.

The changing landscape of development cooperation: The nutrition financing landscape is part of, and impacted by, the broader development landscape, which itself has changed drastically over the past few decades. In 1990, 94% of the world’s poor lived in low-income countries.⁷⁸ Today, middle-income countries are home to 73% of the world’s poor people, and they represent about one third of global GDP and are the major engines of global growth.⁷⁹ A critical aim of current development efforts is therefore to **support the transition of emerging economies into higher levels of domestic spending on development priorities, including on nutrition.** This was the central component of the Addis Ababa Action Agenda (2015)⁸⁰ signed by 193 UN Member States, and it will arguably be the most important feature in scaling up nutrition financing and ensuring its sustainability. Towards this end, it has been suggested that a model similar to national health accounts⁸¹ might be useful for tracking and managing resources for nutrition across sectors.

Related to this, the current development paradigm of *donors, recipients and assistance* is also beginning to shift. BRICS and MITSK countries⁸² are all emerging as important donors and investors. Official assistance from non-DAC sources⁸³ plus South Korea grew almost five-fold during the 2000-2009 period, from an estimated \$2.4 billion to \$11.5 billion.⁸⁴ The G20 is growing in influence. Countries with recent development progress are an important source of “hands-on” experience and technical expertise. For these reasons, **the world’s emerging powers represent an untapped potential for nutrition** – whether for resource mobilization, technical exchange, co-investment, regional approaches, etc. This may require identifying new models of cooperation to embrace and promote the emerging powers’ potential for effective and positive impact regionally and globally.⁸⁵

Non-traditional sources of assistance: The new nutrition financing mechanisms – The Power of Nutrition, the GFF, UNITLIFE – include “innovative” financing features, in that they raise, leverage and deploy resources in new ways. However, there is arguably a need to further exploit **innovative financing** models for nutrition. Some models discussed in past studies have included:⁸⁶

- Nutrition impact bonds;
- Matched funds;

⁷⁸ Refers to population living on less than US\$1.25 per day. Source: Martin Ravallion, *Should we care equally about poor people wherever they may live?* Blog post, 11.8.2012

⁷⁹ <http://www.worldbank.org/en/country/mic/overview>

⁸⁰ <http://www.un.org/esa/ffd/ffd3/>

⁸¹ <http://www.who.int/health-accounts/en/>

⁸² BRICS: Brazil, Russia, India, China and South Africa. MITSK: Mexico, India, Turkey and South Korea.

⁸³ For a list of DAC members, see <http://www.oecd.org/dac/dacmembers.htm>

⁸⁴ Greenhill, R. et al, “The Age of Choice: Developing countries in the new aid landscape.” ODI working paper, 2013.

⁸⁵ http://www.huffingtonpost.com/amb-mark-dybul/a-new-development-framework_b_4564341.html

⁸⁶ ACF-International, *Aid for Nutrition: Mobilizing innovative financing for the fight against undernutrition*, 2014.

- Levied taxes, e.g. on financial or other transactions, or on HFSS (high fat, sugar, salt content), especially as a tool for fighting obesity; and
- Lotteries.

Another opportunity to explore is how to **leverage household spending on food so that it is a resource that is more “pro nutrition,”** and a form of consumer purchasing power that can shape markets for healthier food and greater food diversity.

Finally, the private sector has begun to emerge as a source of financial contributions, and there may be room for additional financial contributions from businesses. This includes both international- and national-level private sector entities; and contributions that can be made both through global financing mechanisms (e.g. the GFF or Power of Nutrition) as well as directly to governments, NGOs and other implementers in countries. However, there is likely a limit to the financing that can be realistically expected from businesses in traditional “donor-model” terms. Beyond financial resources, **there is a broad spectrum of potential contributions and engagement opportunities with the private sector that may not have been fully explored for nutrition.** These include workplace-based nutrition activities; in-kind provision of products and services; implementation and technical support; and utilization of private sector facilities and operations for programmatic implementation (for example in remote environments, where a company’s supply chain and health facilities may be the most viable source of service delivery).⁸⁷ The SUN Business Network is working to better articulate and execute models of cooperation with the private sector.

5.2 Complexity and fragmentation in the nutrition financing landscape

The nutrition financing landscape is complex and fragmented. To some extent this mirrors the **complexity and multi-sectoral nature of nutrition itself**, with its multitude of agencies and ministries working across a diverse set of interventions and sectors. Likewise, nutrition financing is multi-dimensional, with disparate sources and mechanisms working with diverse modalities, across multiple sectors, actors, expenditure types and markets.

Country-level factors affecting nutrition financing fragmentation: Countries have acknowledged challenges related to aligning donor financing to their priorities and contexts. Factors affecting fragmentation at country level include:

- Countries have expressed difficulties when donors disburse directly to implementers (e.g. to NGOs or technical agencies). These **“off budget” direct disbursements** can create challenges for governments in managing the larger picture of programmatic and financial inputs, as well as in ensuring that relevant activities are feeding into national or sub-national M&E systems. However, this is not to suggest that all off-budget financing leads to fragmentation. Often, the underlying issue is not necessarily the off-budget channels, but rather the **absent or weak national plans and/or coordinating mechanisms.** When well coordinated with the national government and programs, off-budget financing can play a useful role in supporting the work of local NGOs and community-based organizations.

⁸⁷ <http://www.gbchealth.org/focal-point-roles/global-fund-private-sector-delegation/the-private-sector-the-global-fund/>

- With the process of **decentralization**, some countries have noted challenges in coordination, prioritization and transparency of financing at sub-national levels.
- In many countries, donors rely heavily on **technical partners** for identifying priorities and ensuring alignment to country needs – particularly when donor presence in a country is limited, with little or no “in-house” nutrition expertise. Countries have also cited technical partners (for example UN agencies) as influential partners in determining programmatic priorities and for nutrition – often more so than donor institutions themselves. As such, technical partners are in a uniquely influential position with regards to the alignment of financial resources to country needs.
- Countries in **humanitarian and emergency environments** experience a unique set of challenges and constraints. Long-term planning is often difficult or quickly rendered irrelevant, as urgent and constantly evolving needs take priority. Governments are often compromised in their ability to play a lead role. This leads to difficulties in planning, prioritization and coordination. The nature of the needs also prioritizes humanitarian- over development assistance, and short-term project funding over longer-term strategic support. Finally, humanitarian situations frequently involve parallel structures, plans and fiscal cycles, which often fail to link with, build on, or support existing coordination and response mechanisms.⁸⁸

This fragmentation in nutrition financing can also take its toll on countries, in terms of coordination, programmatic coherence, and administrative- and reporting burden.⁸⁹

Country ownership, planning and commitment: Donor institutions contribute to country-level challenges in nutrition financing fragmentation (and therefore are well placed to contribute to the solutions). Nevertheless, the consensus from both countries and donors seems to be that the most important factor in improving alignment is **country ownership**. The starting point for this ownership is a **clearly articulated plan that is prioritized and demonstrates potential for impact and scale, which the national government owns and shows commitment to through its own spending**. Other key elements include good governance, and the capacity for implementation, coordination and financial management.

Some countries have adopted variations of the “three ones” approach widely promoted in the HIV/AIDS community⁹⁰ (and proposed as an operating principle in the SUN Framework for Action⁹¹), which seeks to align work in countries around one action framework, one coordinating authority with a broad-based multi-sector mandate, and one country-level M&E system. This approach has reportedly helped countries helped to improve alignment and facilitate resource mobilization and accountability across sectors and partners.

Related to this, countries have found value in **tracking tools**, in helping to strengthen alignment and effective partnership with donors and other partners. These include budget- and partner tracking tools and resource maps, which provide countries with

⁸⁸<https://www.humanitarianresponse.info/system/files/documents/files/Cluster%20Approach%20Evaluation%202020.pdf>

⁸⁹ Kim, D. June 2016.

⁹⁰ http://data.unaids.org/una-docs/three-ones_keyprinciples_en.pdf

⁹¹ <http://siteresources.worldbank.org/NUTRITION/Resources/281846-1131636806329/PolicyBriefNutrition.pdf>

useful information to understand where the resources are going, and to help ensure that gaps and overlaps are effectively managed.

Global factors affecting nutrition financing fragmentation: At global level, the factors contributing to fragmentation and difficulties in alignment include:

- The ***absence of a recognized lead agency on nutrition*** that is mandated and empowered to push the global nutrition agenda and work towards the optimal functioning of its actors and resources.⁹²
- The ***geopolitical considerations that often drive bilateral assistance***, which are often managed at the higher levels of foreign- and economic policy.
- The ***lack of available information on funding sources***, including upcoming funding opportunities, how to request funds, etc. – this affects countries, but also partners, who are less optimally prepared to support the development of proposals, provide data to help identify priorities, or ensure coherence and coordination with other activities.
- Although OECD donors and some other financing sources⁹³ are reporting spending through the OECD-DAC CRS, many other funding sources do not, including the private sector and many private foundations. There have furthermore been challenges in the current system with reporting and coding.

Absence of a large-scale global nutrition financing mechanism: There have been intermittent discussions over many years on the pros- and cons of establishing a “global fund for nutrition,” with relevant considerations including the appropriateness of a “vertical” fund for such a multi-sectoral topic, the appetite for another major fund, and the ability to raise mobilize resources to justify creating one. Global financing mechanisms are not a panacea, nor without challenges. Nevertheless, they can feature a number of important positive characteristics, including:

- Consolidated and focused resource mobilization efforts;
- Opportunities to develop coherent global strategies for the allocation of resources across countries and interventions;
- Systematic engagement of the multi-stakeholder community in the governance, strategy development and policies of financing;
- Predictability of funding; and
- Increased attention to the supporting factors required to achieve objectives (e.g. systems, data, financial management, human capacity).

To be clear, this report does not propose the creation of a new global fund for nutrition. It is however worth noting that the absence of such a fund has implications on the coherence, coordination and predictability of nutrition financing, which will need to be addressed by other means.

⁹² There are notional lead roles amongst the global agencies for different aspects of nutrition, and the UN Standing Committee on Nutrition has been working to help ensure that there are aligned within the UN system, and joint global approaches to address the complex, multi-sectoral and multi-faceted challenges inherent in nutrition. Although there have been on-going discussions about the possible need for designating a singular “lead agency” for nutrition, it is not within the objectives of this report to comment on the pros- and cons, nor to predict the likelihood, of doing so. As such, this report observes the absence of a singular lead agency for nutrition not to suggest that this situation should change, but rather to note that it affects coordination, priority-setting and coherence in nutrition more broadly, and in nutrition financing more specifically.

⁹³ Including the World Bank and the Bill & Melinda Gates Foundation

Compromised strategic coherence in nutrition financing: One of the implications of the fragmented nutrition financing landscape is that it is more difficult to ensure coherence and pursue strategic priorities. This leads to important gaps and missed opportunities. There is currently no mechanism for avoiding or addressing the underfunding of “nutrition donor orphans,” nor for coordinating and mobilizing responses to emerging threats. The Lancet series and WHA targets provided much needed frameworks for informing priorities. And yet they also illuminated a number of gaps in terms of the evidence base for interventions and the insufficient delivery platforms required. ***Filling these gaps requires concerted efforts and a critical mass of resources, which is challenging to coordinate, given the disparity of financing sources.***

Nutrition-sensitive challenges: *Much of this report has focused on nutrition-specific financing, which admittedly risks inadvertently underplaying the need for more, and more effective, nutrition-sensitive financing. This is not the intent. Rather, the relative focus on nutrition-specific financing reflects the fact that this report relies primarily on existing analyses, reporting and literature, which in many ways is lacking in nutrition-sensitive financing.*

Most global reporting – e.g. through the OECD-DAC CRS – is focused on the basic nutrition code (nutrition specific), with further work still to be completed on how nutrition-sensitive spending is reported. As noted recently in the Global Nutrition Report 2017, there are limited data and diverse methodologies in reporting on nutrition-sensitive spending, which makes it difficult to assess and interpret spending trends. This furthermore drives inherent limitations in discussing the “how-much” and “how-effective” questions of nutrition-sensitive financing.

There is furthermore a ***weak evidence base for the contribution of some nutrition-sensitive interventions towards nutrition outcomes.*** As a consequence, much of what is spent and implemented under “nutrition-sensitive” labels may in fact have limited impact in improving nutrition. There is significant activity underway to review evidence of impact for past interventions, as well as to generate further evidence. However, more research is still required to better understand how nutrition sensitive interventions can impact nutrition; and better use of available evidence in programmatic planning and prioritization will also be necessary to maximize nutrition impact.⁹⁴ This will arguably require more strategic and coordinated approaches amongst the many relevant actors involved in funding, implementing, M&E and normative guidance for nutrition-sensitive interventions.

The recent move of some important nutrition-sensitive funders to increase their strategic focus on nutrition – for example IFAD, with its action plan to mainstream nutrition-sensitive agriculture; USAID’s Global Food Security Strategy for 2017-2021,⁹⁵ in which nutrition is one of three high-level objectives; the AfDB’s multi-sectoral nutrition plan, currently under development and the World Bank’s scaled-up investments in this space as well as recent work by IFPRI to better document the evidence base – represents an

⁹⁴ Ruel, M. et al, *Nutrition-sensitive interventions and programmes: How can they help to accelerate progress in improving maternal and child nutrition?* The Lancet, 2013.

⁹⁵ <https://www.usaid.gov/sites/default/files/documents/1867/USG-Global-Food-Security-Strategy-2016.pdf>

opportunity to build the evidence base, and develop learnings on how to measure impact and bring nutrition-sensitive funders closer to the broader nutrition dialogue.⁹⁶ Capitalizing on this opportunity will require active efforts to engage, coordinate, and find ways to further leverage lessons emerging from these initiatives.

Finally, given the fact that many of the major funders of nutrition-specific activities (e.g. the European Commission, the World Bank and several bi-lateral donors, especially DFID the US Government and Canada) are also important funders of nutrition-sensitive activities, there is an **opportunity for these institutions to find concrete pathways to better connect the financing, reporting, evidence building, and overall coherence of nutrition-sensitive programming with global nutrition efforts.**

Integrating and promoting nutrition in the broader health and development agenda: As noted in the GNR, “Improved nutrition is the platform for progress in health, education, employment, female empowerment, and poverty and inequality reduction.”⁹⁷ And yet, nutrition is not sufficiently mainstreamed into these broader development topics, nor prioritized in budgeting and planning as key contributors to their goals.

There is arguably a need to **more effectively promote nutrition’s “value for money” in contributing to the outcomes related to health, education, etc.** This may be achieved partly through developing analytical and advocacy tools. But further work may also be required to cultivate nutrition champions in the higher levels of development agencies and governments, who will advocate for nutrition’s prioritization in budgeting and planning. Promising examples of this include the World Bank’s previous work in repositioning nutrition as central to development, and its more recent framing of nutrition as strongly contributing to growth and productivity (as part of its Early Years initiative), as well as FANTA’s country-level nutrition advocacy work⁹⁸ providing evidence-based analyses on the benefits of nutrition on health and development outcomes and the consequences to individuals and societies if nutrition does not improve.

It has also been noted that the nutrition financing dialogue often ignores or undervalues the **broader health systems and human capital needed to effectively deliver nutrition programming.** This also calls for a more holistic and integrated approach to planning and budgeting for nutrition, in ways that account for its dependencies and synergies within broader health- and other sectoral systems.

Leadership in nutrition financing: This report has noted in several instances the absence of an institutional leadership function for nutrition, and more specifically in nutrition financing, as well as some of the resulting difficulties.

The SUN Donor Network is sometimes cited as having the “lead role” for nutrition financing. There is certainly significant utility in having a platform for bringing donors and financing mechanisms together. However, nominally assigning “leadership” to what is

⁹⁶ The AfDB’s recently concluded 14th replenishment (ADF-14) resulted in relatively modest pledges: US\$ 7.06 billion for the 2017-2019 period, vs. US\$ 7.3 billion and US\$ 9.35 billion for the previous two replenishments (ADF-13, covering 2014-2016; and ADF-12 for the 2011-2013 periods, respectively). This may limit the scale of the AfDB’s multi-sectoral nutrition plan implementation.

⁹⁷ Global Nutrition Report 2016.

⁹⁸ <https://www.fantaproject.org/focus-areas/country-level-nutrition-advocacy>

essentially a diverse set of actors may not lead to the fulfillment of the leadership functions required, nor enable accountability for that leadership – at least under current modes of working.

VI. CONCLUSION

In reviewing this space, three major themes emerge for what is needed in order to improve the robustness of nutrition financing and the effectiveness of its contributions towards nutrition impact:

- 1) More resources;
- 2) More coherence; and
- 3) More leadership.

More resources

Achieving the global nutrition targets will require significant increases in financing. There are different estimated “packages” noted in this report. And yet, whether the aim is to mobilize \$23-, \$37- or \$70 billion in financing over the 2016-2025 period – beyond current spending levels – ***the needs extend far beyond incremental increases.***

The largest portion of this additional funding will ultimately need to come from ***domestic spending***, and significant efforts will be required to support and encourage countries to increase their spending on nutrition. As discussed above, there are approaches that have helped increase domestic resource mobilization for nutrition, including the effective engagement of parliamentarians and political leaders, as well as specifically targeting finance ministries and planning commissions in higher-level discussions around national development priorities. Certain development partners such as multilateral development banks may have a comparative advantage in accessing these audiences. In order to help achieve financial sustainability for nutrition in countries, it may be worth pursuing more focused ***strategies for domestic resource mobilization***, with clearly defined approaches, roles assigned to stakeholders, targets and tracking for accountability.

External financing will need to increase sharply as well – at least over the next five years – and it should be designed to both support scale-up as well as to help encourage and facilitate the creation of fiscal space for more domestic spending on nutrition. It may be useful to explore ways to ***complement the existing N4G model of generating commitments in order to sustain the push and accountability for resource mobilization between events.***

Given the needs and the likely resource constraints, it will be necessary to more aggressively pursue ***non-traditional sources*** of assistance for nutrition. The non-traditional sources below all would require further analysis to better understand the opportunities and options:

- ***Emerging economies*** such as the BRICS and MITSK countries represent an untapped potential for nutrition, both as a possible source of resources, but also through exploring new models of cooperation to leverage these countries’ regional interests, technical expertise and their own national experiences in scaling up nutrition.
- ***The private sector*** is engaged through the SUN Business Network and as a donor, and yet there does not yet seem to be a clear strategy on how to engage the private sector, including for contributions that extend beyond financial support, e.g. in-kind support.
- Thus far, there has been limited success in mobilizing resources through ***innovative financing*** models such as impact bonds and levied taxes.
- ***Household food spending*** represents a potential opportunity to shape more “pro nutrition” markets.

As noted previously, this report has largely focused on nutrition-specific financing. **Nutrition-sensitive financing** will undoubtedly also be critical to achieving the global nutrition targets. This requires increases in funds, but also more work to generate better information on spending, more aligned methodologies in reporting on nutrition-sensitive spending, and strengthening the evidence-basis for nutrition-sensitive interventions.

Finally, targets on stunting and exclusive breastfeeding (for example) are manifestly important to the nutrition community, but less obviously relevant for political leaders. In a resource-constrained environment, and with the resources for nutrition having already increased significantly over the past decade, further work may be needed to develop and deliver a **more effective narrative on nutrition's return on investment**.

More coherence

Beyond increasing resources, there is a need to **improve the coherence in nutrition financing, so that the funds are used effectively and efficiently**, in line with the mantra “More money for nutrition, and more nutrition for the money.” This requires greater coherence in how funds are allocated vis-à-vis needs and priorities, strategic opportunities, risks and potential for impact. It also calls for addressing issues of fragmentation, coordination, harmonization and alignment; and improving the ability of countries to navigate and access external financing for nutrition.

At country-level, the nexus for alignment, harmonization, resource mobilization and effective allocation of resources is a **costed and prioritized plan, with an aligned M&E framework and mechanisms for effectively coordinating partners**. Countries and their partners should continue efforts to strengthen these key features, actively working to collectively identify needs, coordinate how to finance them, and ensure that the funds are being used effectively, with impact, on an on-going basis. Complementary to this are tools that enable countries to effectively track and align resources for nutrition and manage priorities and gaps.

In essence, the pathway towards greater coherence in the global nutrition financing landscape is not all that different. The aim of having of a national plan, M&E framework, coordinating mechanisms and tracking tools at country level is to take stock of the needs, gaps, opportunities, available resources and capacities; identify priorities; develop approaches to address needs and opportunities; align partners around the plan; and generate feedback for accountability and to understand progress and where course corrections are needed. Arguably, **these needs equally apply to the global nutrition financing landscape**.

Funders and partners should work in a focused manner to address the many issues of coherence created by the fragmentation in the nutrition financing. As noted in this report, these include targeting funding and efforts around key gaps (such as evidence gaps, delivery systems and “donor orphans”); increasing the predictability and transparency of funding; responding to emerging threats; addressing the disconnect with nutrition-sensitive financing; linking more effectively with humanitarian financing and better integrating nutrition financing into the broader health and development agenda.

As is the case with scaling up nutrition in countries, addressing these issues in the global financing landscape will require clear strategies, mechanisms for collaboration and coordination, and frameworks for understanding progress and fostering accountability.

More leadership

National leadership will continue to be central to scaling up nutrition in countries. It requires demonstrating ownership by countries – in actions and resources – of nutrition strategies, and coordinating partners to align their contributions to national priorities. It will also require the meaningful collaboration of partners to affirm and help strengthen national leadership.

Likewise, at global level, many of the issues raised in this report will require more effective leadership.

Already, there are institutions and mechanisms playing important leading roles in nutrition financing. The World Bank has significant scale of financing (particularly through IDA); scope across countries, sectors and financing instruments; access to Finance Ministers and high-level planning processes; and a leading role in supporting health systems. Government donor agencies are the driving force in supplying the bulk of funds for both bi-lateral programs and multi-lateral financing mechanisms. Private foundations such as the Bill & Melinda Gates Foundation – together with NGOs and others – are already playing a critical role in the advocacy and accountability around nutrition financing. Given their influential role in supporting countries, technical UN agencies are well positioned to push for improved alignment of external financing to country priorities. Likewise, IFAD or other important nutrition-sensitive funders could be well positioned to lead efforts in reducing the “nutrition-sensitive disconnect.” The SDN is an important platform for bringing together donors and financing mechanisms.

But the nature of the issues and challenges in nutrition financing (as noted in this report) suggest that more focused and proactive work is needed to coordinate, convene and push for new solutions, more resources and more effective ways of working. This will arguably require leadership, initiative and accountability beyond current practice, for example in order to:

- Strengthen resource mobilization in line with global financing needs for nutrition;
- Ensure that financing models (and the interactions between them) are working effectively for countries;
- Align the allocation of resources with needs, capacities, opportunities and strategic priorities;
- Evolve nutrition financing to adapt to- and leverage shifts in the broader development landscape;
- Devise and employ approaches to improve coordination and alignment; and
- Ensure the availability of information on nutrition financing, and identify ways to help countries navigate the complex landscape.

Closing

The nutrition financing landscape is a complex space. This report attempts to provide clarity to the landscape by presenting at a high level the needs, the key functions, the actors fulfilling those functions, the challenges and the areas of opportunity for improving

the landscape. And yet there are too many actors, initiatives and facts to explore comprehensively here. Where possible, the report has sought to provide references where further information and deeper analyses are available; and also to identify areas where more analysis and thinking will be necessary in order to more fully understand the issues and the opportunities.

In looking towards an improved nutrition financing landscape, this report attempts to highlight key gaps and opportunities, and inform the efforts of stakeholders to develop specific solutions and pursue refined ways of working to address challenges in nutrition financing. While it makes some high-level recommendations about what is needed, it does not make detailed suggestions about specific mechanisms, activities or stakeholders. Arguably there are too many options and variables on too many fronts; and finding the optimal solutions will depend on working through individual and collective priorities, the implications of different options and the political appetite for new models and ways of working. This is the collaborative and analytical work required moving forward, beyond this report.

The needs are great in nutrition financing, in terms of increasing the level and effectiveness of resources, improving coherence and addressing the many inherent challenges. And yet, there has probably been no other period in time with as much momentum and as many critical enabling factors in favor of scaling up nutrition.

There will undoubtedly be no simple nor perfect solutions to the issues raised in this report. Arguably, one of the key success factors for achieving global nutrition ambitions will be an openness to learning, and iterating to improve the nutrition financing landscape on an on-going basis.

Annex – Process and key inputs

The draft Terms of Reference for this work were co-developed by the World Bank Group, the Bill & Melinda Gates Foundation and the Power of Nutrition, and shared with the SUN Movement Coordinator before the work began.

Key inputs into the exercise included:

- Literature review
- New nutrition spending data and analysis (Results for Development)
- Individual interviews with key informants (August-October 2017)
- Country input, via the SUN Country Network Meetings on Nutrition Financing, (September-October 2017)⁹⁹
- Consultation meeting during the World Bank Annual Meetings (Washington, October 2017)
- SUN Donor Network input and feedback sessions
 - At the SUN Movement Global Gathering (Abidjan, November 2017)
 - During a SDN teleconference to provide feedback on the draft report (December 2017)

The following institutions provided input and/or feedback for the exercise:

- The SUN Movement Secretariat
- The World Bank Group
- The Bill & Melinda Gates Foundation
- The Power of Nutrition
- The UK Department for International Development
- The US Agency for International Development
- Results for Development
- Global Affairs Canada
- The European Commission
- The French Ministry of Foreign Affairs & International Development
- Irish Aid
- The German Federal Ministry for Economic Cooperation and Development
- The Global Financing Facility
- Nutrition International
- Bread for the World

⁹⁹ 27th SUN Movement Country Network Meeting, “Financing nutrition: country investments and access to additional resources,” 25 September - 2 October 2017. The author participated in three of these calls, which included participants from nine countries, along with the SUN Movement Secretariat and representatives of SUN networks.