



EXECUTIVE SUMMARY

Where Business and Nutrition Meet: Review of approaches and evidence on private sector engagement in nutrition

The 2030 Global Goals commit to end all forms of malnutrition and state the responsibility of governments, development organisations, donors, civil society and the private sector for this goal. There is scope to enhance food systems and markets by leveraging the skills, expertise and resources of the private sector, which produces most of the world's food. The United Kingdom Department for International Development encourages private sector investment in strengthening 'national and global food systems to make nutritious diets more affordable and accessible to the poor, in particular for women, adolescent girls and children' and in 'healthier and more productive workforces [...] as part of [...] responsible and sustainable growth strategies'.¹

This report's overall objective is to increase understanding of business initiatives aimed at reducing malnutrition, by mapping and assessing evidence and lessons learned, identifying good practices and opportunities for further engagement in nutrition, and making recommendations to promote and support sustainable business action on nutrition.

MQSUN+ collected information through desk research and interviews with 85 people who represented 65 organisations, of which 33 were for-profit businesses, 22 development organisations, 6 donor agencies and 4 research organisations. Of the 33 businesses, 17 were multinational corporations (MNC), 7 regional businesses, and 9 small and medium-sized enterprises (SMEs).

¹ DFID (2017) Saving lives, investing in future generations and building prosperity Global Nutrition Position Paper.

Maximising the Quality of Scaling Up Nutrition Plus

Following on the success of Maximising the Quality of Scaling Up Nutrition, or MQSUN (2012–2016), MQSUN+, funded by the UK's Department for International Development (DFID) (2016–2020), provides technical assistance to DFID, Scaling Up Nutrition (SUN) countries and the SUN Movement Secretariat to catalyse multisectoral country efforts to scale up nutrition impact, maximise the quality and effectiveness of nutrition-related programmes, increase innovation in nutrition, support evidence generation and knowledge uptake and develop technical capacity. MQSUN+ is a consortium of five expert organisations: PATH (lead), Aga Khan University, DAI Global Health, Development Initiatives and NutritionWorks. This executive summary is part of a larger report on [Where Business and Nutrition Meet](#).

Overall, MQSUN+ contacted 126 organisations, of which 50 percent did not respond or could not be reached. However, the individuals who did provide interviews provided invaluable information.

The review looked at three pillars through which the private sector may have directly or indirectly impacted nutrition outcomes: (1) access to naturally nutritious foods, (2) scale up of fortified foods, and (3) strengthening of workforce nutrition actions. For each pillar, one or more pathways laid out actions along private sector value chains, in product development, sourcing, production, marketing, distribution and sales. The review found great variation in the strength of evidence for the impact pathways in each pillar, depending on the period over which investments had been made by both the private and public sectors. The evidence base for fortified staple foods is strong, as investments in this pathway started over 60 years ago and accelerated over the past 25 years. Investments to scale up research and delivery through biofortification or naturally nutrient-dense foods are more recent, so the evidence base on the pathway to scale is just beginning to grow.

MQSUN+ found that the size and type of company influenced its rationale, capacity and opportunity to invest in nutrition and that the type of engagement may change over time. Many MNCs had extensive reach and sizeable corporate social responsibility programmes. However, shareholders' expectations of a sizable return on investment constituted a considerable barrier to developing affordable nutrition solutions to serve the poor; though some MNCs have taken up this challenge. Most MNCs stated that they saw investments in nutrition solutions for low-income consumers more as developing a future market rather than as corporate social responsibility. Many large regional and national companies also recognised nutrition as an opportunity, often leading in their markets, especially for fortified staple foods and condiments. However, most poor consumers have been served by SMEs, micro-entrepreneurs and informal vendors, who are constrained by cash flow, access to finance, technical expertise, and quality issues. All types of companies would benefit from support to expand business models targeting low-income consumers with better nutrition solutions.

What worked well in private sector engagement on naturally nutrient-rich foods? The most successful pathways were support to SMEs through vertical integration in global value chains, partnerships between smallholder farmers and larger companies and technology solutions to increase farmers' access to inputs such as fertilisers, seeds, storage, digital technology services and technical advice. On-farm consumption of nutrient-rich crops can be encouraged through business agreements and behaviour change interventions. Sharing low-tech or proximity services and solutions for cold storage or processing reduced nutritious food losses. Mobile phone services increased access to market information and extension services. Publicly funded entities and business accelerators supported investments to de-risk early-stage innovative approaches. Established companies, regardless of size, with mature, viable portfolios were better positioned than start-ups to reach poor consumers or support smallholder farmers to scale innovations. Work needs to be done to define appropriate metrics and to generate evidence with respect to the sustainability and nutrition impact in this pillar.

What worked well in private sector engagement in scaling up fortification solutions? Fortification of staple foods and condiments was the most successful pathway, thanks to decades of experience, advocacy, legislation, technical assistance and capacity building. Mandatory fortification legislation is necessary to achieve scale and reach poor consumers, but it requires enforcement capacity. Over 90 percent of business respondents in this area indicated that they worked with a technical nutrition partner, providing legitimacy, insight and direction. Public sector investments in pre-competitive research and development have kick-started fortification. Tax waivers were another example of how governments created a favourable enabling environment for fortification. Large businesses can apply

efficient and smart sourcing strategies, combining inputs from local, regional and global supply chains, but this has remained a challenge for small firms. Partners working on technology solutions to enable participation of small- and medium-scale producers. Proximity distribution channels can be strengthened to facilitate fortified foods reaching the poor; these channels can use vouchers, mobile technology or incentives to create demand and consider different ways that households source food. Complex issues in the arguments for and against industrially processed complementary foods for children have hindered progress in increasing access for that vulnerable group.

What about private sector engagement in scaling up nutrition in the workforce? Workforce nutrition has been a new focus area since the 2013 Nutrition for Growth summit. This focus area has been picked up by a few companies operating in developing countries thanks to the advocacy and technical support of public sector nutrition organisations. Multinationals have generated evidence of the positive impact of comprehensive employee health and well-being programmes. There also was some evidence of the positive impact of iron supplementation in workers in developing countries. Nutrition and food security interventions were sometimes integral parts of global suppliers' responsible sourcing strategies. Nutrition behaviour change interventions were implemented by both MNCs and SMEs; but intervention quality, frequency and duration varied widely, as did their impact.

Overall, it was determined that the following worked well for business engagement in nutrition:

- **Joining of forces** through creating partnerships between businesses and nongovernmental organisations or technical agencies, de-risking private sector investments by public sector support mechanisms and establishing national nutrition platforms to expose business to nutrition solutions.
- **Vertical integration** of smallholder farmers and other actors in global supply chains via deep engagement with suppliers who provide technical advice and inputs. This engenders better agricultural practices and higher-quality produce that is delivered more efficiently to market to minimise losses as foods move off the farm and into markets. It also fosters measures to improve the nutrition and food security of the farmer families themselves.
- **Sharing of resources**, such as cold storage facilities, processing units and the like, through lease or pay-as-you-use mechanisms.
- **Proximity solutions** that bring technologies or services (e.g. solar drying or on-farm processing) to the farmer's doorstep, or nutritious foods in appropriate package sizes for on-demand purchase by the low-income consumer. These overcome infrastructure and geographical challenges.
- **Innovative use of existing technologies** to reach low-income consumers with information, products or services through mobile phone or other digital technology, solar energy or vacuum solutions.

What has not yet worked well across all pathways was creating demand for nutritious foods with poor consumers. Businesses could justify investing in the promotion of their branded nutritious products, since this created demand for nutritious foods. However, focusing on motivating consumers to generally value benefits derived from better nutrition was beyond the means of most companies. Additionally, it was a major barrier to building a viable business in this area. Whilst some of the largest MNCs have invested in promoting nutrition and health messages, micro-, small-, medium- and large-sized national companies that served most of the market did not have the means nor the credibility to do so.

There is an urgent need for the public sector to collaborate with business to invest in large-scale, continuous and innovative efforts to establish population-wide norms and preferences for healthy eating. Moreover, such a collaboration should support poor populations in the food choices that they must make daily—to choose naturally nutrient-dense as well as fortified foods.

Despite the enticement of the potential market inherent in a large number of poor consumers, investing in reaching the poorest of the poor is a large barrier for most companies. Nutritional quality comes at a cost, and nutritious foods cannot always be produced and/or sold at volumes that would bring affordable prices. Distributing these foods at subsidised cost or for free requires public sector collaboration—for example, through cash transfers or vouchers. Additionally, the poor may not have access to distribution channels such as modern retail. Proximity distribution networks of a community sales force could help ensure distribution to the most hard-to-reach consumers.

Evidence and knowledge gaps. This review underlined the fact that commercial marketing of nutritious foods to low-income consumers does not yet lead to profits in the short or medium term. Companies therefore use hybrid and social business models to develop future market opportunities. They also invest in sustainable supply chains, including improving nutrition of their workers, with the expectation of a longer-term return on investments. Except for staple food fortification, for which the evidence is strong, there is no or only weak evidence for the nutrition impact of the other business engagement pathways. Though the efficacy of multiple nutritious products developed by the private sector has been proven, data to substantiate nutrition or business impact of these solutions are currently not being collected in any systematic or meaningful way. Metrics and methodologies to estimate business and nutrition success need to be defined; value chains and pathways are long, and impact on nutrition indicators cannot be attributed easily to individual interventions or products.

Multiple knowledge gaps have been identified in the report, ranging from cost effectiveness of demand-creation approaches to effectiveness of policies and legislation to create an enabling environment for a nutritious foods market that especially targets poor mothers and children. Particularly in workforce nutrition, there is an evidence gap on cost-effective interventions impacting employees' food and nutrition security.

About MQSUN+

MQSUN+ provides technical assistance (TA) and knowledge services to the UK's Department for International Development (DFID) and the Scaling Up Nutrition (SUN) Movement Secretariat (SMS) in support of pro-poor programmes in nutrition. MQSUN+ services are resourced by a consortium of five non-state organisations leading in the field of nutrition.

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