

# Ending malnutrition: what role for the private sector?

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From prevention  
to treatment



World leaders have committed to ending hunger and malnutrition as part of the universally agreed Agenda 2030. The comprehensive scope of this framework led donor countries to make clear that development aid resources alone were never going to be enough to finance Agenda 2030. Domestic resource mobilisation and leveraging private sector investments emerged out of the political discussion as the most promising alternate ways to finance sustainable development.

While domestic resource mobilisation is essential for countries to develop according to their own local strategies and development goals, some questions are being raised by civil society on the role of private sector in financing development: what impact do private investments have on improving the livelihoods of people living in poverty? Can private sector investments show a clear development added value? Which private actors are best placed to ensure positive contributions to sustainable development?

Unsurprisingly, the definition of “private sector” is very broad and includes a great variety of different actors: from multinational companies to micro, small and medium enterprises (MSMEs), from cooperatives to individual entrepreneurs and farmers who operate in both the formal and informal sectors. The impact of different private sector actors should surely be acknowledged, differentiated and measured.

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The European Union is among those donors increasingly counting on the private sector to mobilise additional resources for sustainable development. In 2017, the EU launched its External Investment Plan (EIP), with the objective of leveraging private investments for sustainable development in Africa and the EU Neighbourhood. As political discussions and new funding mechanisms are being put in place at EU level to involve the private sector in EU-funded food security and nutrition programmes, Global Health Advocates has attempted to analyse the role of the private sector and its impact on both the immediate and root causes of malnutrition.

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## **Main findings and recommendations**

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Malnutrition is a complex and multi-faceted problem, with multiple sets of causes. Interventions to respond to this challenge can either aim to treat malnutrition, responding to its immediate causes and tackling its symptoms, or to prevent malnutrition, tackling its root causes.

While interventions to treat malnutrition are very much needed in specific contexts, they cannot be the only answer to this challenge. Even if initiatives to respond to the immediate causes of malnutrition were to be fully scaled-up, chronic malnutrition could be reduced only by 20.3%.<sup>1</sup> These must be integrated with much-needed long-term interventions aimed at preventing malnutrition. Agriculture plays a crucial role in ensuring food systems are effectively working to deliver healthy, nutritious and diversified diets, which are among the most sustainable and holistic options to prevent malnutrition. Acknowledging that the current food system is facing challenges to deliver positive nutrition outcomes for the global population, interventions in agriculture need to shift towards diversified agroecological models that have the best potential to deliver positive outcomes not only for promoting good nutrition and health, but also for combating climate change and building resilience.

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<sup>1</sup> According to The Lancet, if the set of 10 nutrition-specific interventions was to be implemented to 90% coverage, this would still only reduce stunting by 20.3%. See: Bhutta Z. et al., 2013. Evidence-based interventions for improvement of maternal and child nutrition: what can be done and at what cost? The Lancet Maternal and Child Nutrition series. <http://bit.ly/2FTJpZ6>



## What role for which private sector?

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We can summarise some of the roles of private sector in **treating malnutrition and tackling its immediate causes** as follows:

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- **Production of supplementary food to treat malnutrition**

Ready-to-use therapeutic food is an effective tool to treat children suffering from acute malnutrition, in particular through a community-based approach. Private companies can play a key role in ensuring the provision of high quality, effective and affordable products. Support should specifically be given to local producers, in order to ensure lower costs in the long run, higher coverage of treatments and the creation of sustainable livelihood opportunities.

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- **Food fortification and biofortification**

Private companies play a key role in investing in interventions to fight hidden hunger through food fortification and biofortification programmes. However, it needs to be recognised that as single interventions, they cannot effectively address the causes and scale of malnutrition.

- **Food fortification:** These interventions can be effective only if properly integrated into publicly-owned strategies to shape food systems that can deliver healthy and diversified diets. If not, food fortification risks being a short-term “techno fix” to the complex challenge of malnutrition and as such will not be sustainable or make lasting impacts.
  - **Biofortification:** this practice is in contradiction with food sovereignty. Farmers become more dependent on modified foods, seeds and plants, controlled by external and often private actors, therefore subject to strong intellectual property protection and sometimes high prices. This approach privatises common goods, doesn't empower small scale farmers and is in contradiction to a rights-based approach to food.
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- **Exclusive breastfeeding**

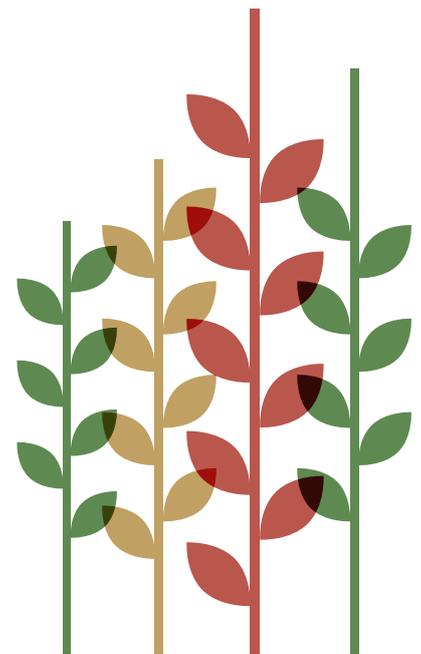
Breastmilk substitutes manufacturers are putting children's lives at risk when illegally marketing baby milk formula, undermining the promotion of exclusive breastfeeding that is one of the best natural preventions of malnutrition. Private companies should limit their action to the production of baby milk formula for mothers and children under specific health conditions where it is advisable to use these, without irresponsibly marketing and promoting their products at the cost of undermining appropriate breastfeeding practices. Private companies that are breaching the International Code of Marketing of Breast-milk Substitutes should be held legally accountable for their actions by national authorities.

We can summarise the role of private sector in **preventing malnutrition and tackling its root causes**, through interventions in agriculture, as follows:

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- **Support diversified agroecological models of agriculture**

Diversified agroecology is an approach that not only can have positive nutrition outcomes, but can also combat climate change, build resilient communities and promote good health. Small scale producers, farmers cooperatives and micro, small and medium enterprises (MSMEs) can have a key role to play in adopting this model of agriculture. Initiatives taken by these actors to move away from the industrial model of agriculture towards more sustainable and diversified agroecological systems should be promoted and facilitated. This should be done by investing in capacity building and training, facilitating access to credit and linking farmers with local territorial markets.



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## Engaging the private sector to end malnutrition – under which circumstances?

When the donor community, such as the European Union, seeks to leverage private sector engagement to promote nutrition, a set of recommendations should be taken into account:

- **Evidence-based policies to engage the private sector**  
Before investing in initiatives to leverage private sector engagement in development, donors must be able to prove a clear development added value of the private sector intervention, based on solid evidence and impact assessment. No engagement with the private sector should be promoted based on flawed theories of change of resource mobilisation, short-term political interests or weak evidence.
- **The key role of public policies**  
Public authorities and national governments have a key role to play, and need to be in the driving seat to promote effective and sustainable long-term strategies to ensure healthy, nutritious and diversified diets, adopting relevant legislation and promoting effective nutrition policies. Public authorities should implement policies to guarantee the right to food of their citizens and should ensure legal accountability for any violations.
- **The crucial role of small farmers**  
It is important to consider small scale farmers as fully legitimate private sector actors in the field of agriculture and food systems, as they produce the majority of food in the world but are still the most affected by malnutrition. Initiatives to seek engagement with the private sector should first and foremost be addressed to small farmers, as they should be considered the main drivers of change towards delivering sustainable and positive nutrition outcomes.
- **Phase out support to industrial models of agriculture**  
Donors must acknowledge that the current industrial model of agriculture has failed to improve global food and nutrition security, having focused on increasing the quantity of agricultural production rather than its quality, and having produced negative consequences on climate, health and resilience of local communities. The EU should not support initiatives that seeks to leverage investments by agribusiness promoting an industrial model of agriculture. As an important step in this direction, the EU should officially withdraw its support from the New Alliance for Food Security and Nutrition, following the example of France.
- **Support transition to diversified agroecological models of agriculture**  
Evidence increasingly shows that these models are effective at ensuring positive outcomes for nutrition, combating climate change, building resilience of local communities and promoting good health, at the same time strengthening the concept of food sovereignty, strengthening local markets and empowering communities to produce food locally. Initiatives that seek to support the private sector in agriculture should primarily focus on supporting local farmers, and micro, small and medium sized enterprises, to enable them to move towards a diversified agroecological model of agriculture.
- **Increase research into innovative and sustainable models of agriculture**  
The current industrial model of agriculture still attracts most of the investments in research and innovation (R&I), while the potential of innovative approaches like diversified agroecology is massively underexplored. The EU and other main global R&I players should substantially shift the focus of their agriculture research programmes towards innovative, sustainable and diversified models of agriculture, such as agroecology, that should be climate-resilient, nutrition-sensitive and context-specific.
- **European External Investment Plan – Agriculture window**  
The European External Investment Plan (EIP) needs to ensure full transparency and accountability. All interventions implemented should be sustainability-proof, demonstrating a clear development added value from all private sector partners engaged. The current operations proposed under the agriculture window will make it difficult for the most marginalised small farmers, especially women, to benefit. Nevertheless, we stress that this window should support initiatives to promote diversified agroecological models of production that could contribute to preventing malnutrition, empowering small farmers and supporting the investment capacity of MSMEs, providing capacity building and training, linking local producers to territorial markets and facilitating access to credit, focusing in particular on women, promoting their empowerment in the agriculture sector. Indicators to monitor and ensure nutrition sensitivity of investments should be included. Small farmers and local farmers' organisations, together with civil society, should be considered key partners in the implementation of the agriculture window, ensuring an inclusive governance approach to the implementation of projects.

