

Transforming Global Nutrition Financing

THE POWER OF
nutritioⁿ

Future Direction Strategy 2022-2025

Executive Summary

Introduction

Our vision is a world where every child has the right nutrition to fulfil their potential. To achieve this, we need to think big, be bold, and be in the business of transformational impact in global nutrition. We need to raise more money and create more partnerships to advance the fight against malnutrition in Africa and Asia.

Despite malnutrition being the underlying cause of 45% of all child deaths, there remains a \$10.8bn annual global funding gap, the sector remains an ‘orphan’ in international development (receiving less than 1% of traditional aid) and, most alarmingly, we are seeing progress made over the last decade in reducing stunting (when a child is too short for their age) and wasting (when a child’s weight is too low for their height) being reversed due to Covid, climate change and other factors. If we continue with status quo, global nutrition targets will simply not be achieved.

Our new 2022-2025 Strategy – “*Transforming Global Nutrition Financing*” – is a bold, ambitious response to this bleak context.

It lays out **three strategic shifts** that will help us increase funding for nutrition, ensure it is spent well, and that nutrition is prioritised at the global level.

They are bold and ambitious, while being rooted in our proven track-record of ‘what works’. This is smart, mitigating risk and increasing the chance of success. Together, they aim to unleash our potential as a world-leading nutrition financing partnership platform.

We believe that, working together with the global nutrition community, we can transform global nutrition financing, with and for children, adolescents, and women most in need.

GLOBAL MALNUTRITION

Malnutrition is a global problem¹:

- Globally, more than 1 in 5 children are stunted (149.2 million in 2021)
- 118 million more people faced hunger in 2020 than 2019
- No country is on track to halt the rise in obesity

OUR IMPACT TO-DATE

We have an excellent legacy convening co-financed nutrition programmes. Starting as a concept in 2015, key achievements include:

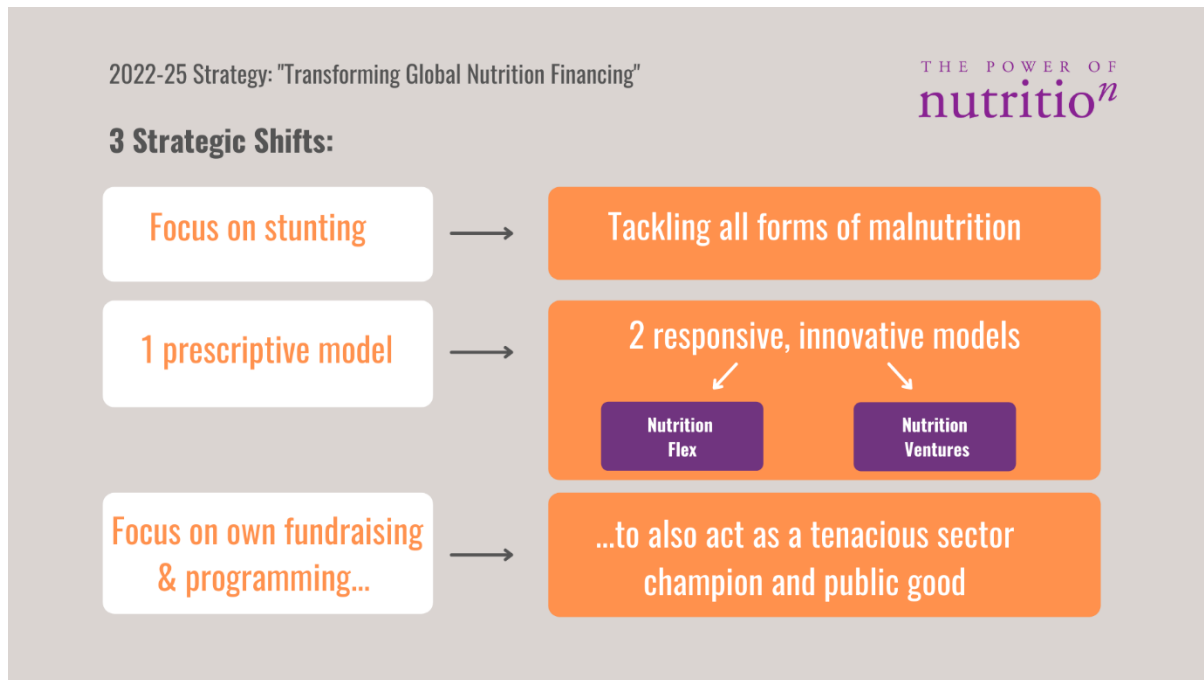
- **Helped prevent 600,000 cases of stunting by end-2022**
- **\$534m mobilised** for nutrition programming, including \$88m new funding, \$300m World Bank IDA commitments, \$52m implementing partner match funds and domestic resources
- **18 programmes** in 13 African and Asian countries
- Only **3 cents** of admin costs **delivers \$1** for nutrition programmes, making us extremely cost-efficient
- Our overall **investment leverage² is 6x**, exceeding our original 4x mandate

1. Global Nutrition Report 2021

2. The total amount The Power of Nutrition has mobilised for nutrition programming through our unique financial model, which sees us multiply several-fold every \$1 directly fundraised, for example through leveraging World Bank IDA loans.

Three Strategic Shifts

The strategy maintains core elements of our existing model that are valued by partners – match-funding, delivering high financial leverage, and convening multiple actors for greater, joint impact. However, these three shifts will allow us to deliver more impact for our partners, the global nutrition sector and, most importantly, the children, adolescents, and women we work with and for.



Shift 1: Tackling all Forms of Malnutrition

We are going to live up to our name by shifting beyond a focus on stunting to tackle all forms of malnutrition – underweight, stunting, wasting, micronutrient deficiencies and even a partial expansion into overweight and obesity. We will expand our approach from a historically health systems focus to a multisectoral model, leveraging the collective impact of health, food systems, social protection, water, sanitation and hygiene (WASH), early child development (ECD) and gender on nutrition outcomes.

We will keep our focus on improving nutrition outcomes in countries across Africa and Asia with the highest burdens of undernutrition.

Shift 2: More Flexible Model

We will shift from one prescriptive to two responsive, innovative models:

- **Nutrition Flex** – a more flexible version of our current model, still focused on overall leverage, scale and sustainability, but with more accommodating partnership criteria and the ability to create products people want.
- **Nutrition Ventures** – a new entity that will identify, pilot, develop and scale innovative mechanisms that will allow us to tap into the rapidly expanding innovative financing space, including: payment-by-results, blended finance, impact investing, market guarantees, insurance, capital market social bonds and the rapidly growing global demand for wider ‘ESG – Environment, Social and Governance’ investments. Nutrition Ventures aims to be a global hub for innovative nutrition financing. It will allow us to go where

the money is – moving beyond purely traditional grant finance by embracing the full potential of new financing flows and replicating successes seen in other sectors.

This more flexible, responsive model will help us re-energise existing partnerships (as it will make us faster in programme delivery and we will be able to offer them new products and opportunities) and significantly expand our donor base to unlock new funds and exciting partnerships that would have been unworkable due to the constraints of our previous model.

Opportunity: Partnership with the Islamic Development Bank and the World Food Programme

A new \$200m blended finance platform bringing money to nutrition in Muslim-majority countries, targeting the first 1,000 days. Our new model enables us to join this exciting 5-year partnership and together unlock funding through innovative mechanisms.

Shift 3: Tenacious Sector Champion

Since inception, The Power of Nutrition has been working to change the world for nutrition, yet our fixed model has often restricted our potential. With the above shifts, we are now better positioned to embrace the scale of our ambition and work for the greater good. We will place collaboration at the heart of all our work, acting more as a champion for the global nutrition sector. We will pursue transformational partnerships, act as a public good, advocate at the global level, elevate the broader sector's work, participate in global dialogue, and 'sell' malnutrition to non-traditional investors as the top cause to tackle.

Our Goals for 2025

A stronger nutrition sector:

- **More new money for nutrition:** We forecast directly raising \$76m of new funding over the next four years, with the potential to indirectly leverage \$180m of funding from implementing partners, for a total portfolio of \$263m. Nutrition Ventures has the potential to leverage an additional several hundred million dollars in innovative finance for nutrition.
- **Stronger funding architecture:** We will help strengthen the (too weak) nutrition funding landscape by creating a new global hub for innovative nutrition financing, that in time will multiply resources way beyond The Power of Nutrition.
- **Incentivising increased Domestic Resource Allocation:** We will use our funding to incentivise greater allocation of resources by African and Asian governments, contributing to less aid dependent, more sustainable in-country financing of nutrition.
- **More partnerships:** With more flexible products, we will facilitate more multi-stakeholder nutrition partnerships. Our partners will gain access to a much broader network, within and beyond the usual suspects – more opportunities for funding, and more nutrition for funds.

A more self-sustaining organisation:

- **Impact-driven:** We will continue to deliver impact for children, adolescents, and women, through evidence-based nutrition programmes delivered by experienced partners, supporting strengthened government systems.
- **Proactive:** We will be freed to nurture partnerships and create deals that investors want and the sector needs, rather than offering one fixed model for nutrition funding.
- **Expanded funder base:** We will attract funding from a much larger pool, many of them new to nutrition (e.g., impact investors).
- **Appealing, balanced portfolio:** By moving from one narrow product to two agile, flexible products with different risk/return profiles, we will attract more partners and better manage risk.

- **Diversified OpEx:** 4-5, not 2, OpEx contributors, including charging all funders cost recovery and charging fees for innovative financing products.

Transformational impact for children, adolescents, and women:

From 2022-2025, our programmes will contribute to the prevention of approximately:

- 800,000 cases of stunting in children under-5
- 450,000 cases of anaemia in pregnant women
- 17,000 deaths of children under-5

This means that in our first decade (from 2015-2025), we will have contributed towards the prevention of approximately:

- 1.3 million cases of stunting in children under-5
- 1 million cases of anaemia in pregnant women
- 34,000 deaths of children under-5

Outcomes 2026-2029: Many of our new programmes will extend beyond 2025, and as such most of their impact will be seen in 2026-2029 – preventing an additional 460,000 cases of stunting, 405,000 cases of maternal anaemia, and 12,000 deaths of children under-5.

We look forward to collaborating with sector colleagues on this exciting, bold, ambitious strategy that will deliver yet more impact for children, adolescents, and women most in need.

“The need for innovative financing facilities such as The Power of Nutrition is more acute than ever, given the double-whammy of projected increases in malnutrition combined with decreases in traditional aid and resources allocated to nutrition by impacted country governments.” Meera Shekar, Global Nutrition Lead, World Bank

“The Power of Nutrition multiplies resources, promotes effective ways of working and demonstrates results.” David Nabarro, UN Secretary-General for Food Security and Nutrition

“The Power of Nutrition has operationalised a complex model and established itself as a key player in the global nutrition landscape... [it is] filling a critical gap in the sector by bringing private sector money for nutrition, aligning donors and country governments around common priorities, and supporting countries in scaling up evidence-based nutrition-specific interventions.” Mathematica Independent Evaluation, December 2020

“The Power of Nutrition has significantly exceeded expectations in terms of the number of women and children reached with key nutrition services.” FCDO Annual Review, 2021