

INNOVATIVE FINANCING MECHANISMS IN NUTRITION: WHAT ARE THE LESSONS LEARNED SO FAR ?



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ACRONYMS ET ABREVIATIONS

ACF/AAH : ACTION CONTRE LA FAIM/ ACTION AGAINST HUNGER

CIFF : CHILDREN'S INVESTMENT FUND FOUNDATION

DFID : DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (UK)

GAVI : GLOBAL ALLIANCE FOR VACCINES AND IMMUNIZATION

GFF : GLOBAL FINANCING FACILITY

GNR : GLOBAL NUTRITION REPORT

IBRD : INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

IDA : INTERNATIONAL DEVELOPMENT ASSOCIATION

NCN : NATIONAL COMMITTEE FOR NUTRITION

N4G : NUTRITION FOR GROWTH

NGO : NON GOVERNMENTAL ORGANIZATION

NNO : NATIONAL NUTRITION OFFICE

PARN : ' PROJET D'AMÉLIORATION DES RÉSULTATS NUTRITIONNELS'

PON : POWER OF NUTRITION

PTS : PERMANENT TECHNICAL SECRETARIAT

UBS : UNION BANK OF SWITZERLAND

UN : UNITED NATIONS

UNICEF : UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND

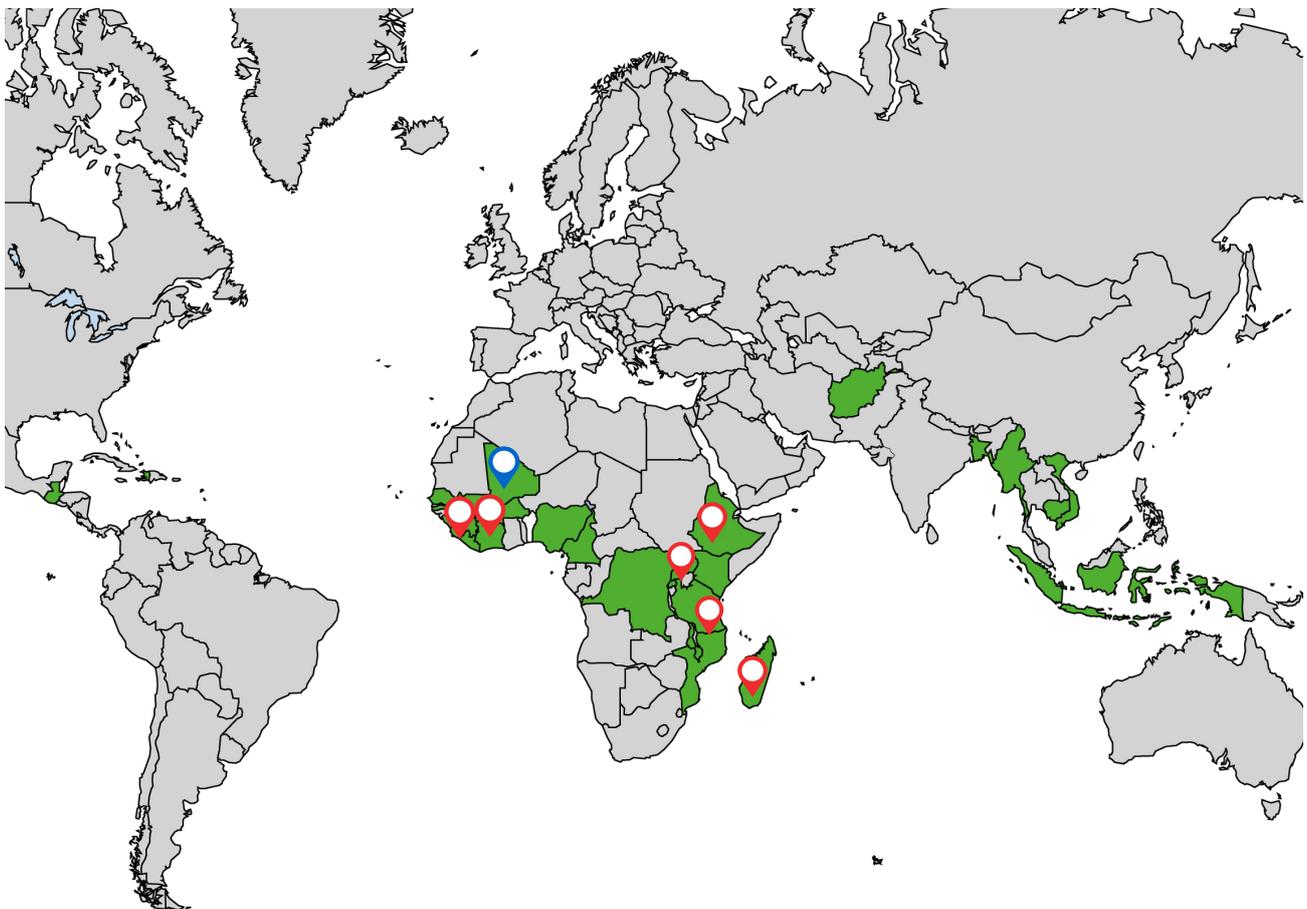
UPNNC : 'UNITÉ DE PROGRAMME NATIONAL DE NUTRITION COMMUNAUTAIRE'

SUN : SCALING UP NUTRITION

WB : WORLD BANK

WHO : WORLD HEALTH ORGANIZATION

MAPPING OF NUTRITION INNOVATIVE FINANCING MECHANISMS RECIPIENT COUNTRIES IN 2018



INTRODUCTION

The 2018 Global Report on Nutrition (GNR) highlighted that undernutrition remains a major global problem causing at least 45% of deaths of children under 5 years in most developing countries. Specifically, chronic undernutrition continues to affect the world with 150.8 million stunted children while wasting affects nearly 50.5 million children [1] with an associated economic cost estimated at more than 3 trillion USD per year. Indeed, undernutrition generates significant health costs and reduces the productivity of developing countries' human capital in the long term. [2].

Paradoxically nutrition continues to generate a growing international political interest through the adoption by many countries of frameworks, international, regional and national commitments: the Sustainable Development Goals (SDGs 2030), the Decade of Action on Nutrition (2016-2025), the Global Nutrition Targets of the World Health Assembly (2025), the Nutrition 4 Growth Summit (N4G), the Human Capital Project (World Bank), and various multisectoral national policies, nutrition and food safety, etc. Despite significant progress to put nutrition on the development agenda, the global annual financing gap remains important as 10 billion dollars annually are required to only reach the WHA targets by 2025 [3].

To contribute significantly in achieving these medium and long-term goals, three innovative financing mechanisms focusing on health and nutrition were launched in 2015: the Global Financing Facility (GFF), the Power of Nutrition (PoN) and UNITLIFE. In its 2017 report, Action Contre la Faim/Action Against Hunger (ACF/AAH) devoted much of its analysis on the GFF which was already at an advanced stage compared to other initiatives above-mentioned [4]. Since then, the GFF continued to expand: 27 countries are currently recipients of the mechanism. Power of Nutrition also expanded its list of beneficiary countries in 2018 from 3 to 6 recipients. The UNITLIFE initiative, meanwhile, still encounters delays in its implementation schedule but we already learned several lessons particularly on the domestic resource mobilization in Mali.

In this policy brief, we analyzed the main progress made in nutrition financing through these three innovative mechanisms and the lessons learned from African francophone countries' experiences. Based on evidences collected in several reports on these initiatives and discussions with key people active on these topics, we also make recommendations aiming at a better integration of nutrition and an increased impact of nutritional interventions.

1. THE GLOBAL FINANCING FACILITY (GFF)

1.1. About the GFF [5]

The GFF pursues the ambition to reduce preventable deaths of mothers, children and adolescents by helping recipient countries in their financial and political commitments regarding the SDGs achievements in health and nutrition by 2030.

Hosted by the World Bank, this mechanism is driven by recipient countries defining their own health and nutrition development priorities to be financed by the World Bank (IDA, IBRD), other external resources (GAVI, Global Fund, etc.) and the private sector.

In the long term, the GFF recipient countries notably agree to increase significantly their domestic investments to enhance their human capital and achieve Universal Health Coverage in 2030.

Examples of nutritional interventions supported by the GFF :

- Promote nutrition through the expansion of an integrated Reproductive Maternal's Newborn's Children's and Adolescents' Health (RMNCAH) essential package of services ;
- Build health facilities and strengthen the capacity at the community level on feeding practices and the management of acute malnutrition;
- Provide commodities and increase community benefits

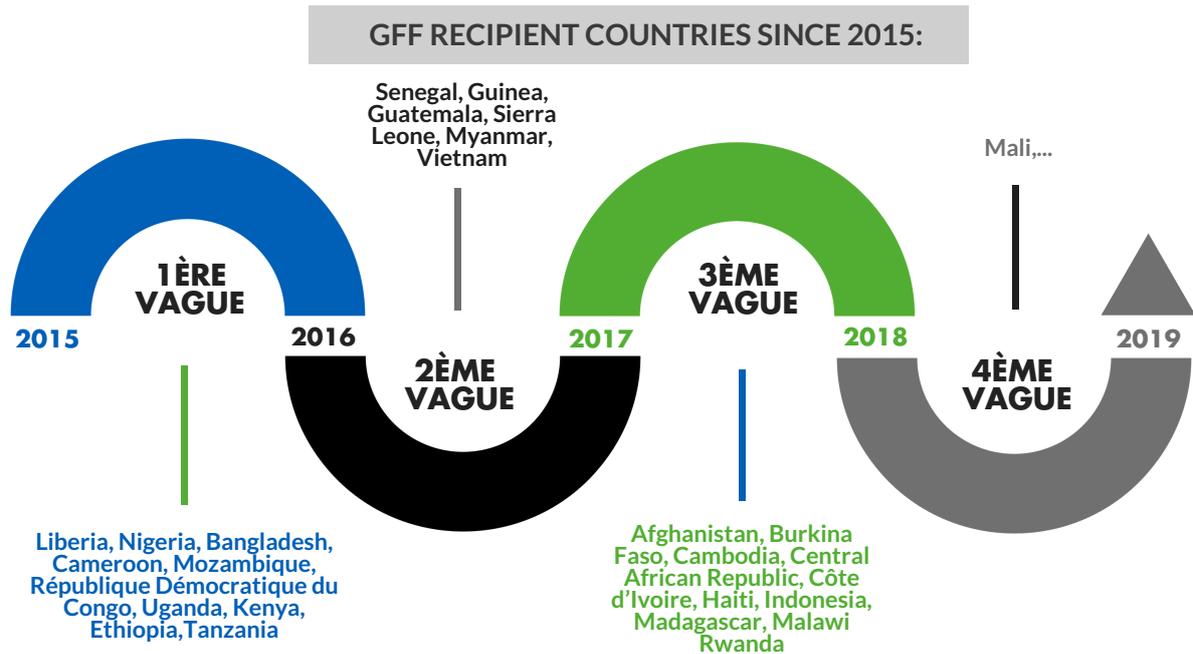
The GFF process in 4 steps



Stages 1, 2 and 4 should involve all stakeholders at country level (Government, Civil society, development partners and the private sector). However, step 3 includes a limited number of stakeholders.

The objective of the GFF Trust Funds is to raise nearly two billion to catalyze domestic and external funding for health and nutrition projects in over 50 vulnerable countries by 2023.





1.2. GFF main achievements in 2018

Launched in 2015, the GFF has experienced a faster growth : among the 27 recipient countries, 17 have started the implementation of their projects. **As of June 2018, US \$ 452 million from the GFF Trust Fund were committed in these countries linked to 3.3 billion US \$ of World Bank IDA/IBRD financing for health and nutrition of women, children and adolescents[6]. In the field of nutrition, 630 million US dollars (19% of the total GFF funding) was allocated.**

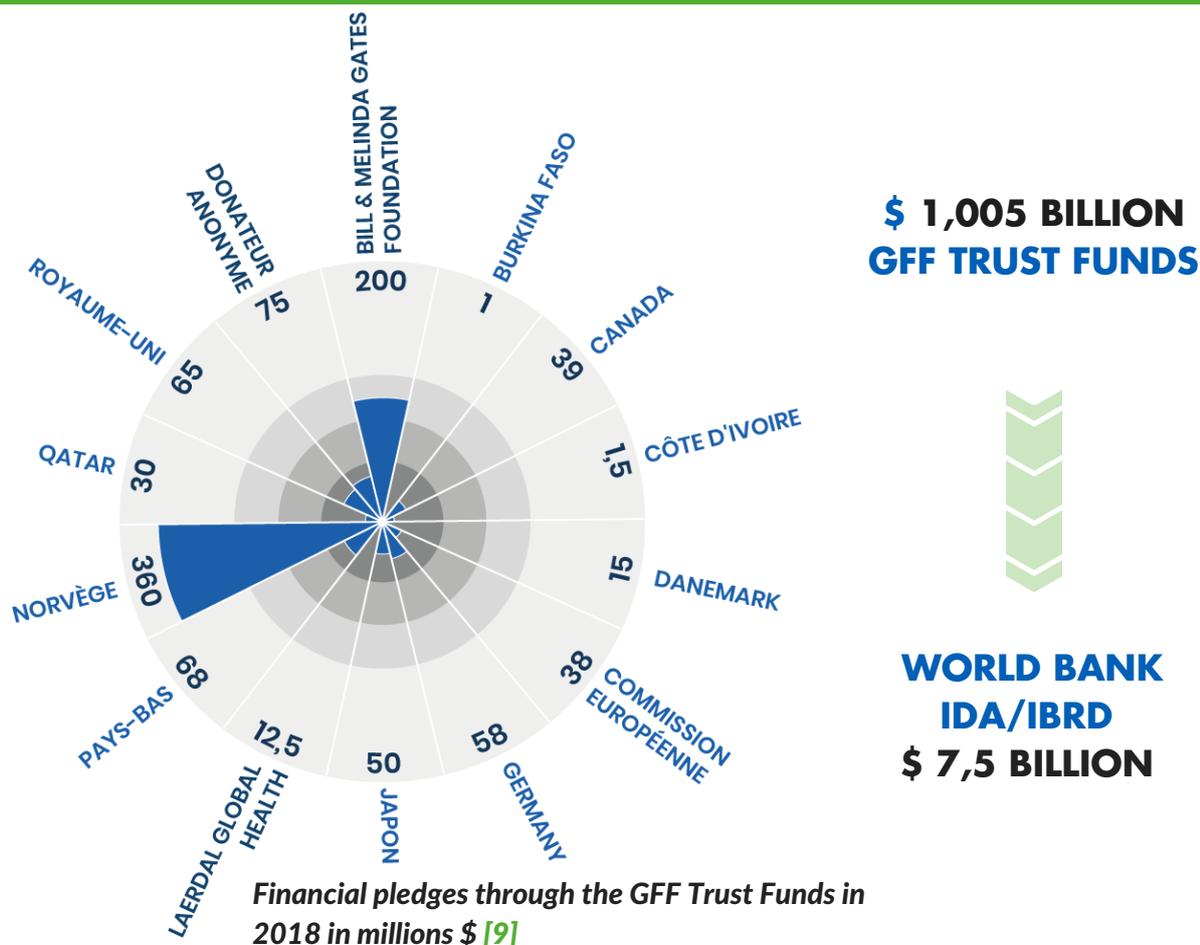
The 2018 annual report of GFF revealed the results achieved by the early GFF countries (Democratic Republic of Congo, Cameroon, Tanzania) in improving access to healthcare and domestic resource mobilization to health. In Tanzania, outpatient care for people living below the poverty line and the quality of care in health centers already increased in a short period of time (18 months). In Cameroon, exemptions from payments of preventive, maternal and infantile healthcare were set up. Meanwhile, a social development bond has been issued (3.5 million USD) to finance the reduction of newborn deaths. In Democratic Republic of Congo, the coverage of vaccines for children, the number of assisted deliveries and the number of antenatal visits were also improved.

In terms of impact on nutrition, we have not obtained evidences in current GFF countries. Until 2017, only the chronic undernutrition served as a benchmark for measuring the nutritional progress of GFF countries[7]. Wasting was recently incorporated in 2018 as a key indicator to measure the nutritional impact in the investment framework directed by GFF countries.

1.3. Recommendations and next steps

The GFF replenishment conference hosted by the Government of Norway, Burkina Faso, the World Bank and the Bill and Melinda Gates Foundation resulted in substantial financial commitments from several partners in Oslo (November 2018). All financiers (multilateral and bilateral) reiterated their commitments to align their financing commitments to transform the future of women, children, and adolescents in the least developed countries[8].

Overall, more than one billion dollars (1,005 billion USD) has been collected against 2 billion expected to expand the GFF partnership to 23 new countries. The GFF Trust Fund received financial guarantees from Burkina Faso, Canada, Denmark, the European Commission, Germany, Japan, Laerdal Global Health (a norwegian private firm), Netherlands, Norway, Qatar, the United Kingdom, the Bill and Melinda Gates Foundation, MSD for Mothers and an anonymous donor. **These commitments through the Trust Fund should be linked to 7.5 billion USD from the World Bank IDA/IBRD loans over the period 2019-2023.**



The GFF has the potential to contribute significantly to the fight against undernutrition. The following recommendations aim at ensuring that the GFF capitalizes on its early successes and scale up nutrition interventions through the mechanism:

- 1  Internationally, the GFF process should be based on existing platforms in the field of nutrition through enhanced cooperation between the GFF Secretariat and the SUN Secretariat. This will allow a better monitoring of the integration of nutrition in investment cases as well as facilitating the evaluation of the nutritional impact of projects
- 2  Nationally, SUN platforms should be systematically integrated in the discussions ahead of the creation of the investment case, its implementation and the monitoring-evaluation of nutrition projects.
- 3  In the interests of transparency, national GFF governments should provide with disaggregated data detailing the programs financed by multilateral and bilateral donors through the GFF. Reporting these commitments to the Global Nutrition Report (starting in 2019) would ease the tracking of nutrition investments via the GFF.
- 4  The investment case should be the common framework for following GFF process. Alongside with the Project Appraisal Document (PAD), the investment framework should be followed to ensure that all the priorities in the field of health and nutrition initially defined by all national stakeholders will be finally met.

2. THE POWER OF NUTRITION (PON)

2.1. About the Power of Nutrition [10]

Power of Nutrition is a partnership launched in April 2015 with international investors and implementing partners in nutrition.

Primarily a financial catalyst for Nutrition, PoN attracts new donors, including private donors and other “smaller” lenders, then multiply their investments through pre-negotiated financing arrangements, including with funding from the World Bank (IDA) and UNICEF matching funds.

The mandate of Power of Nutrition is quadruple to help eliminate the cycle of undernutrition[11]:

- Mobilize new funding for nutrition
- Stimulate and engage donor funding through co-financing
- Invest in ambitious nutrition programs with proven results;
- Increase the involvement of recipient countries committed via the PoN initiative (increase their domestic funding)

Donor : 2,5 million \$
PoN : 2,5 million \$ / **5 million \$**

+

Implementing partners
5 million \$

=

10 million \$ "minimum"
For nutritional programs

Early investors in the initiative are "Children's Investment Fund Foundation" (CIFF), DFID and the UBS Optimus Foundation. Subsequently, the PoN ability to catalyze funding for nutrition gradually generated strong interests from new institutional and private donors that recently joined the initiative).

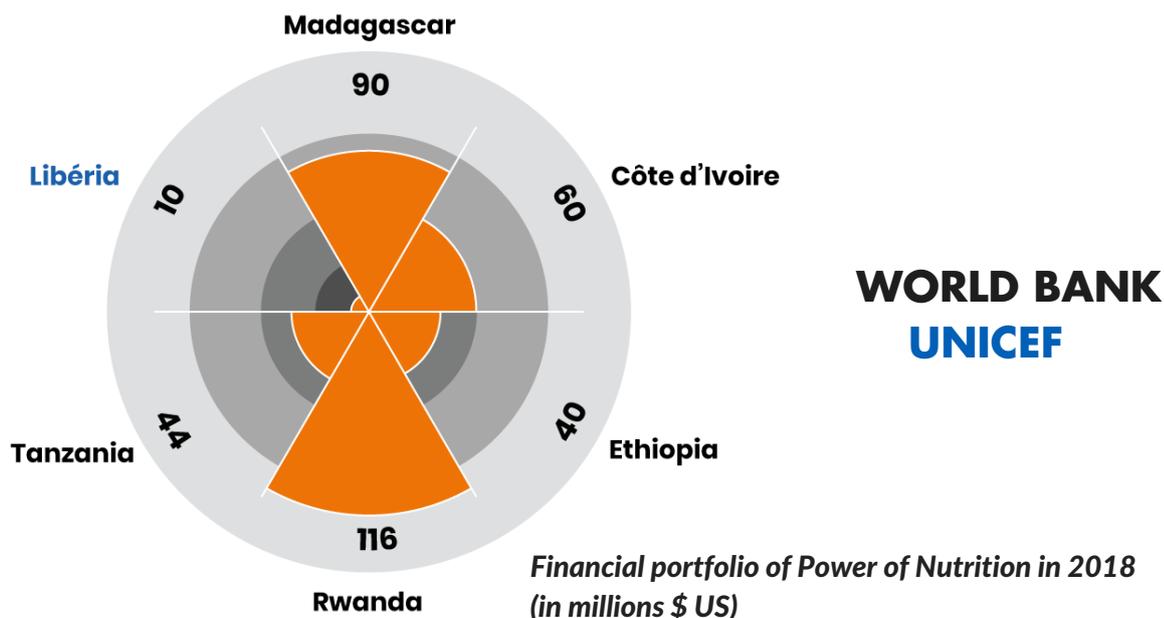
Power of Nutrition is committed to mobilize close to one billion dollars of new nutrition funding by 2022 to cover nearly thirty developing countries with high stunting rates.

2.2. Main achievements of Power of Nutrition in 2018

Power of Nutrition invests in countries with high chronic malnutrition prevalence rates with key health and nutrition partners implementing the process such as the World Bank and UNICEF.

In 2018, the list of countries eligible for the scheme was expanded to thirty countries (against 5 to 10 countries in 2017) mainly in Sub-Saharan Africa and Asia where the prevalence of chronic malnutrition rate is at least 30% and / or 250,000 children under 5 years stunted.

The current portfolio of the mechanism is estimated in 2018 to nearly 360 million \$ [11]. Nutritional projects are currently being implemented in Ethiopia, Liberia and Tanzania since 2017 meanwhile Côte d'Ivoire, Madagascar and Rwanda recently started the implementation of projects in 2018. Power of Nutrition catches a glimpse further expansion to other countries in 2019: Mali, Niger, Nigeria, Indonesia and the Indian State of Maharashtra. Some projects are currently under revision and development with Benin and the Indian State of Gujarat.



2.3. Focus Power of Nutrition: Cote d'Ivoire and Madagascar

Power of Nutrition is evaluated by a US independent policy research organization "Mathematica Policy Research". [12]. In 2017, a first assessment revealed that the mechanism was an important financing leverage with a margin of improvement in facilitating coordination and advocacy at the global and country level [13]. Mathematica Policy Research's recommendations to improve the mechanism were :

- 1 Providing specific guidelines for the redaction of conceptual notes to reduce the delays for the investment approvals
- 2 Improving flexibility around co-financing
- 3 Strengthening communication with technical partners and improve coordination between members of the partnership at the national level

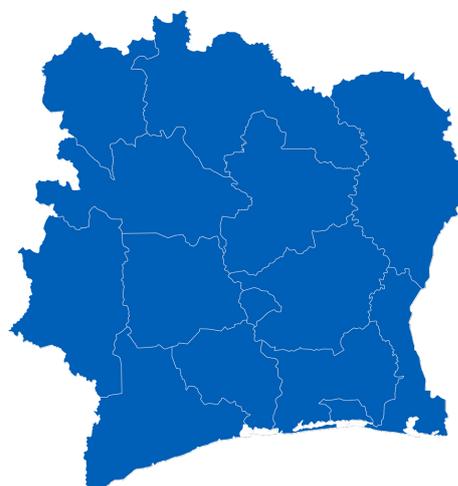
We collected pieces of information on the process in two Power of Nutrition's recipient countries in 2018 : Cote d'Ivoire and Madagascar.

THE POWER OF NUTRITION EXPERIENCE IN COTE D'IVOIRE



Ivory Coast has a National Multisectoral Nutrition Plan (NMNP) which integrates all sensitive areas to nutrition. The monitoring of this NMNP is managed by the Permanent Technical Secretariat (PTS) of the National Committee for Nutrition (NCN) [14] depending on the Prime Minister (because of its multisectorality) with the support of a technical committee including civil society and other development partners.

From this NMNP flowed a nutrition multisectoral regional plan which prioritizes the north of the Country where undernutrition rates remain high and a National Multisectoral Nutrition and Early Childhood Development Plan (NMNECDP) has been launched on November 2018 [15]. The total budget for the NMNECDP is 50 million USD for which Power of Nutrition's contribution will be 12 million USD, the World Bank closing the financing gap.



All these funds are involved in the implementation of NMNECDP defined together with all members of the Technical Committee of the NCN. A national management unit including regional representatives was set up to report to the PTS and members of the technical committee. Civil society is therefore built into the process as a member of NCN. However, it remains to be seen how the operationalization of this NMNECDP will be done thereafter. It will also be important to ensure the active participation of civil society at national and regional level now that NMNECDP has a regional coordination.

THE POWER OF NUTRITION EXPERIENCE IN MADAGASCAR



The Power of Nutrition process was launched in Madagascar on January 2018 with a \$ 10 million funding included in the multi-phase approach the World Bank (\$ 90 million). The project named '*Projet d'Amélioration des résultats nutritionnels*' ("PARN") [16] is currently under designed with the Government of Madagascar but the absorption is such that Power of Nutrition is almost understood by each actor as being a World Bank project. .

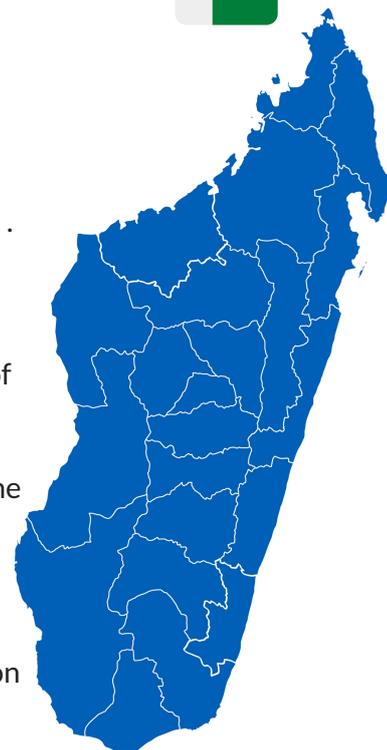
Since there is no specific platform for Power of Nutrition the funds are transferred and managed programmatically by the national Government through a financial management cell 'UPNNC' (an operational department of National Nutrition Office –NNO managed by the Prime Minister) and a steering committee comprising the NNO, the Ministry of Health, the 'HINA' platform (SUN Civil Society Alliance). UNICEF has successfully integrated the cell as technical partner, with funding from the 'UPNNC'.

Until November 2018, there were no tenders for technical partners for coordination, monitoring and evaluation unlike many projects of the European Union and other financial partners. In addition, the communication about the mechanism at the country level could be improved: some project presentations were succinctly made in the context of a health cluster.

A first tender was launched on the axis of community health, while other components are expected, including the WASH sector. In Madagascar, the process has also revealed that the call for projects via the 'PARN' project imposed fixed-price services which is difficult to sustain for several implementing partners. The modalities for implementation are highly questionable and the cost of implementation is inadequate. The final contracts will be broken up in the same district with several local NGOs, which goes against the rationalization and spirit of a synergy in this project.

The nutrition civil society is represented in the steering committee by the chairman of the platform HINA. However, this representation is still marginal while mobilizing more civil society organizations need to be mobilized. Action Against Hunger (ACF), is involved in the project as an implementing partner in response to a tender of 'UPNNC'/NNO strictly following the World Bank norms. The tender partially covers the general focus of the project, focusing on community health by integrating nutrition.

The presence of UNICEF in the project 'PARN' was seen as an opportunity for all relevant NGOs and civil society organizations in nutrition to advocate for joining the select committee level. However, until now the civil society is still facing many difficulties to be fully part of the process partly because of a lack of political will.



2.4. Challenges and recommendations

Power of Nutrition is primarily a powerful catalyst to reduce chronic malnutrition applying investments based on recognized activities for their effectiveness [17].

Following the experiences of PoN process in Côte d'Ivoire and Madagascar, we find that several recommendations above-mentioned from the 2017 Mathematica Policy Research's evaluation of Power of Nutrition remain relevant. Indeed, the coordination between partners at international and national level is not optimal. The absence of a specific national platform makes the collaboration with all stakeholders difficult. The PoN partners must increase their coordination efforts and include more often the civil society and other nutrition advocates at national level.

Finally, the Power of Nutrition partners are responsible for monitoring their own projects with the support of national platforms SUN whose involvement should be systematic.

Following these experiences in both countries, we make the following recommendations to enhance the impact Power of Nutrition's interventions as part of its expansion to other countries by 2022.

- 
- 1 **Improve coordination between donors and international communication with implementing partners in recipient countries**
 - 2 **Strengthen accountability partners in recipient countries if they are in charge of coordination with other national development stakeholders and partners. Power of Nutrition should create a list of essential criteria for all its partners in terms of governance**
 - 3 **Engage national real open phase of consultation of civil society to mount collaborative and inclusive project**



3. UNITLIFE

3.1. About UNITLIFE [18]

The UNITLIFE initiative has a strong potential for mobilizing new financing resources for nutrition. Although, since its inception, the mechanism faces difficulties to operationalize its activities. The initial strategy was oriented towards the mobilization of domestic resources in developing countries. In 2017, this strategy has been reviewed to target donor countries. Until now, UNITLIFE has not released any information about its roadmap and future investment projects.

Unitlife V1 : Mobilize domestic resources to fight against undernutrition

In a strategy originally presented, UNITLIFE aims at catalyzing public and private domestic funding for nutrition at national level. The international initiative was launched in September 2015 at the United Nations General Assembly with a clear mandate to fight against acute malnutrition by increasing access to treatment (therapeutic products) through bulk purchases of drugs for example (to reduce the costs). UNICEF was then designated as the structure hosting the mechanism to ensure the proper management of resources mobilized.

From a technical viewpoint, all the funding would be raised through a tax on mining resources (oil, gas, minerals) in a model based UNITAID. The countries involved in the initiative were: Mali, Niger, Guinea (Conakry) and the Democratic Republic of Congo.

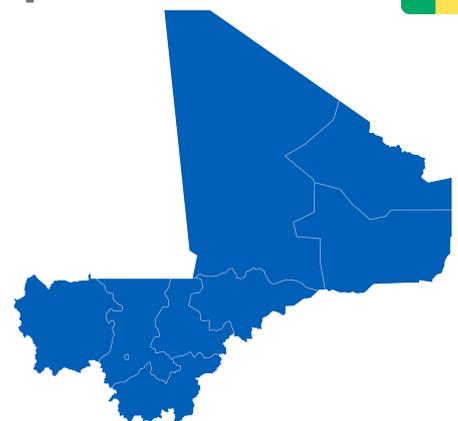
Unitlife V2 : Channeling development aid for nutrition and climate change

Since 2017, the UNITLIFE funding model is to mobilize financial resources via voluntary micro-donation (payment terminals, online purchase, donations on social networks etc.) from citizens in advanced countries. The funds managed by the United Nations will finance the fight against chronic malnutrition and climate change. The steering committee of UNITLIFE Fund would be composed by a Board of Directors including UN agencies and NGOs engaged in the field of food security and nutrition. The latter would be responsible for proposing the projects audited by the United Nations.

3.2. Lessons learnt from the UNITLIFE experience in Mali



As part of the first version of the UNITLIFE initiative, Mali was the only country to voluntarily apply a national tax on its gold production (0.60 US dollars for each gram of gold) with potential gains estimated between **10 and 20 million dollars** (between 2% and 4% of the current budget for the Malian Multisectoral Nutrition Action Plan). **In 2017, nearly 340.000 US dollars were collected through this mechanism during the second semester.** As of now, the Government of Mali is the only contributor to the UNITLIFE initiative through its Ministry of Mines and Petroleum.



As the Executive Committee of UNITLIFE remains unactive and with no clear and precise roadmap, UNICEF transferred all the mobilized funds to the Malian Ministry of Foreign Affairs. This option was chosen temporarily pending the finalization of the statutes of the mechanism and the implementation of a specific nutrition program by the Malian Government.

Recent discussions have begun around the management of the collected funds through the initiative to finance the budget of the multisectoral nutrition action plan over the period 2014-2018, initially estimated at 508 million US dollars (18% financed by the Malian State). The funding obtained through UNITLIFE can contribute to finance 0,06% of this plan, which is really weak but enough to cover several nutrition programs.

3.3. Recommandations et étapes suivantes

Given its two versions, the UNITLIFE initiative is a great opportunity for external and domestic funding for nutrition. However, the operationalization of a formal platform with a clear roadmap both at international and national level would allow the implementation of the initiative very quickly.

The new UNITLIFE funding model has great potential but the initiative is still not yet operational. In November 2018, France and the United Arab Emirates announced cofinancing to come through this initiative in 2019^[19].

In Mali, Action Against Hunger supports this initiative and contributed with the nutrition civil society alongside the network of parliamentarians in raising funds via UNITLIFE. However, a few recommendations were identified to capitalize on the early success of the initiative and trigger a momentum around domestic resource mobilization to cover the health sector and the particular field of nutrition:



Integrate the UNITLIFE initiative in the Law of Public Finance of Mali in 2019 to give to this initiative an institutional character and ensure its sustainability;

Improve UNITLIFE national governance defining the governmental structures able to manage these funds. Establishing a multi-stakeholder steering committee via a ministerial decree will allow a rigorous monitoring of the disbursed funds and an evaluation of the impact of the projects.

Identify all the programs to be financed through UNITLIFE and strengthen the coordination between the Government and the nutrition civil society platforms.

Mobilize the Malian SUN platform and continue to involve the nutrition civil society in the process and especially in all strategic discussions. The Malian Civil society should also monitor and ensure that the Government of Mali's commitments in this framework are achieved.

CONCLUSION

In the last three years, both raised nearly 990 million USD (630 million USD for the GFF, 360 million for Power of Nutrition) of commitments in nutrition. Even though the GFF and PoN fundraising goals respectively 2 billion (by 2023 linked to World Bank IDA/IBRD financing) and 1 billion (by 2022) are not yet achieved, the funds collected to date confirms the high propensity of these mechanisms to significantly fight against undernutrition in vulnerable countries identified in the long term.

The UNITLIFE initiative in Mali revealed that the political will of a developing country could help to mobilize domestic resources. Such initiative should be included within national funding mechanisms aimed at tackling malnutrition in other Sub-Saharan African countries. However, to continue this process, it is important that this initiative effectively become operational at global and national levels.

Beyond the financial aspect, many adjustments should be made in all these innovative financing mechanisms in terms of facilitating the coordination between all key actors, inclusion of civil society and support of existing nutrition platforms. These corrections will undoubtedly ensure a better impact of all the nutrition investments made in the recipient countries.

Despite the documentation available, it is currently difficult to measure the impact of funding allocated to nutrition via the GFF and Power of Nutrition. A particular attention should be paid to the monitoring of disbursements and will also demonstrate the added value of such mechanisms in order to generate interests among governments and donors.

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TO GO FURTHER

Where could you find more informations about nutrition innovative financing mechanisms?

Try the website of Action Against Hunger and the following link:
<https://www.actioncontrelafaim.org/en/publication/aid-for-nutrition-making-aid-work-better-for-nutrition/>

Who to contact in Action Against Hunger?
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