



JULY 2018

AID FOR NUTRITION FIGURES DON'T LIE

WHO FEELS RESPONSIBLE FOR THE NUTRITION FUNDING GAP?

POLICY BRIEF



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PREAMBLE

Each year, malnutrition claims the lives of 3 million children and costs the global economy over \$3 trillion in lost productivity and health care costs. Despite the scale of the crisis and the burden of malnutrition¹, figures show a massive funding gap.

The world needs **\$7 billion per year until 2025 to reach four of the six WHA targets**. Currently, only \$3.9 B is spent by both government and donors on nutrition specific interventions annually, which means that nutrition disbursements are still well below the financial needs.

For too long, the world has gravely underinvested in solutions to this pervasive problem. **It is incumbent upon all development partners, which are supporting partner countries in achieving their development goals to tackle malnutrition issues.** Today, we know what to do, we know nutrition interventions that can save lives and alleviate hunger. We know that **high economic returns make nutrition one of the best buys in development. We need to do a much better job of mobilizing resources for these interventions.** The nutrition aid architecture is fragmented and complex. We already know that all donors will have to contribute more. To have a greater understanding of the role of multilateral donors (and more specifically the World Bank, the EU as well as UNICEF and WFP) within this financial landscape, Action Against Hunger and Results for Development release an analysis to identify whether donors are coherent, what are the current gaps, who should feel accountable for what, and to what extent donors operationalize a multi-sectoral approach to tackling nutrition.

BASED ON THIS ANALYSIS, ACTION AGAINST HUNGER CALLS FOR RENEWED EFFORTS TO INVEST MORE, SOONER AND BETTER IN NUTRITION.

Most global spending continues to be provided by a few major DAC members, and multilateral donors could do better in leveraging more funds for nutrition. Current levels of funding from major multilaterals are inadequate to make the difference. The share of aid dedicated to nutrition specific interventions in support of WHA targets and delivered by multilateral organizations via core funding channels is only around 34%. However, nutrition is either part of their mandate or a strategic priority of the multilateral organizations analyzed by Action Against Hunger and R4D. All major multilateral donors have the potential to increase their financial contributions to nutrition, and more specifically WFP and UNICEF. The World Bank and the EU will have to focus on their priorities or strategies.

BASED ON THIS ANALYSIS, WE CALL DONORS TO STEP IN AND TO:

- Increase funding for nutrition now, with a specific boost before 2021 by doubling their disbursements to nutrition until 2021.
- Increase the impact of current investments, through improved coordination and alignment with each country's priorities to ensure that all high-burden countries are supported and that most vulnerable populations are targeted.
- Ramp-up multi-sectoral actions, with nutrition-sensitive planning and programming within the nutrition sector but also across key contributing sectors (health, WASH, food security and agriculture, social protection, education) to help fill the nutrition funding gap and increase impact.
- Improve transparency and accountability by reporting on their nutrition investments every year to the Global nutrition report and to the OECD.

CIVIL SOCIETY WILL HAVE A KEY ROLE TO PLAY:

- Encourage multilaterals to improve multi-sectoral coordination by improving financial reporting across sectors, and by reporting on the policy marker for nutrition.
- Urge both bilateral and multilateral donors to make progress towards achieving WHA targets and nutrition sensitive interventions while increasing their nutrition funding.
- Fill the information and data gap by tracking efforts made by every multilateral and bilateral donor using the policy marker for nutrition, and any other relevant accountability mechanisms (scorecards, etc).

1 - After steadily decreasing for a decade, global hunger is on the rise again, affecting 815 million people in 2016, or 11 per cent of the global population. In addition to being a public health and food security problem, malnutrition is also a development problem with human, social and economic impacts, killing two children every minute.

ACRONYMS

CSO	Civil Society Organizations
DAC	Development Assistance Committee
EU	European Union
DEVCO	Development and Cooperation
GNR 2017	Global Nutrition Report 2017
IDA	International Development Association
NGO	Non-governmental organization
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
SDG	Sustainable Development Goals
UNICEF	United Nations Children's Fund
R4D	Results for Development
WASH	Water, Sanitation and Hygiene
WHO	United Nations World Health Organization
WFP	World Food Programme

FIGURES

- FIGURE 1** Investments from donors until 2015
- FIGURE 2** Multilateral core funding by donors
- FIGURE 3** Multilateral non core funding
- FIGURE 4** Multilateral core funding to nutrition-specific interventions and the WHA nutrition targets in 2015
- FIGURE 5** The number of sector strategies that explicitly mention nutrition

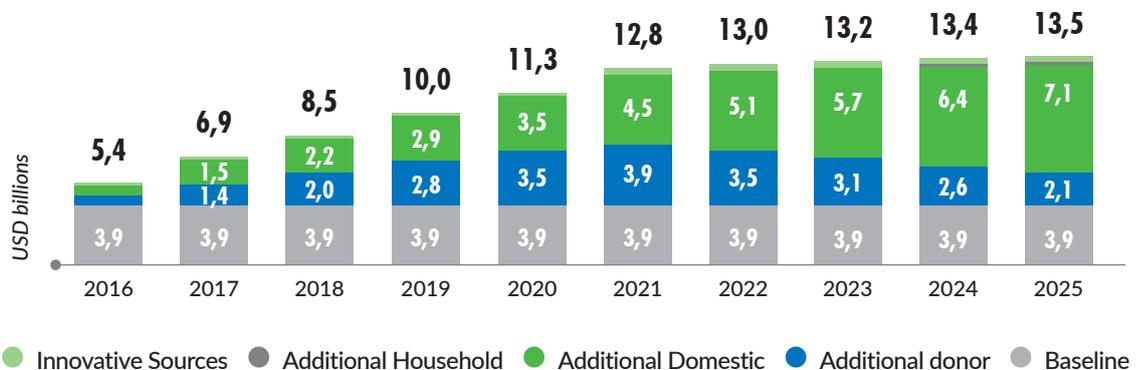
01/ INCREASE FUNDING FOR NUTRITION, WITH A SPECIFIC BOOST BEFORE 2021

WHY ARE CURRENT INVESTMENTS NOT ENOUGH?

With global nutrition spending from DAC bilateral donors remaining lower than in 2013, current trends are of great concern (GNR 2017). While global hunger is on the rise, the amount spent on nutrition-specific interventions as a proportion of ODA has fallen since 2013, from 0,6% in 2013 to 0,50% in 2015. If these ten proven nutrition-specific interventions were scaled-up from existing population coverage to 90%, an estimated 900 000 lives could be saved in 34 high nutrition-burden countries.²

According to the Investment Framework for Nutrition developed by the World Bank, the 10-year funding gap to reach four of the six global nutrition targets is \$7 billion per year. Currently, only \$3.9 B is spent by both government and donors on nutrition specific interventions annually, which means that nutrition disbursements are still well below the financial needs. To reach this target, traditional ODA (from both bilateral and multilateral donors) would need to contribute an extra \$2.6B per year, which means that investments from donors will have to triple until 2025. Until 2021, donors will have to double their nutrition funding.

FIGURE 1 INVESTMENTS FROM DONORS UNTIL 2025 (USD, BILLIONS)



Furthermore, while this pioneering study by the World Bank is very useful, it does not assess the global nutrition financial gap by excluding nutrition sensitive investments, which are proven to be far below the needs. A new report estimates that approximately \$23.25 billion each year until 2030 are needed to achieve SDG 2, in addition to current expenditure.

The current nutrition-funding gap is massive, and in general, strategy and policy documents do not detail funding commitment for nutrition. Excluding the EU, strategies largely do not include explicit funding commitments to nutrition-specific or nutrition-sensitive interventions/activities.

WHY DO WE NEED TO INVEST NOW?

According to the World Bank Investment Framework, to scale up nutrition specific interventions donors will have to increase drastically and rapidly from 1% of total ODA in 2015 to 2.8% in 2021, and taper to 1.8% in 2025. This means that donors would need to contribute an average additional \$3 billion annually towards the total resource need. From 2021, higher contributions are expected from Southern governments.

2 - Source: LANCET series on Maternal and child nutrition, 2013.

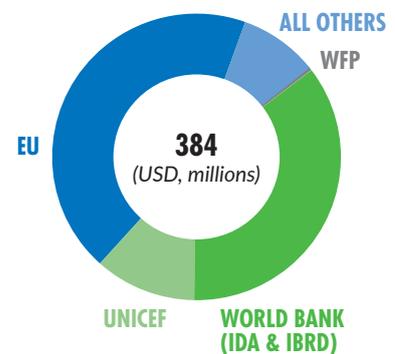
WHAT IS THE ROLE OF MULTILATERAL DONORS VIA THEIR CORE BUDGETS

Both bilateral and multilateral donors will have to contribute more, but multilateral donors could play an even more important role. The share of aid dedicated to nutrition specific interventions in support of WHA targets and delivered by multilateral organizations has reached 58% in 2015, but only 35% originated from multilateral core budgets. This means that the majority of funding has been allocated by bilateral donors (either through bilateral ODA or through their non-core contributions to multilaterals). Current funding provided by major multilateral donors are not enough to make the difference, and help fill the nutrition-funding gap. All major donors have the potential to make important contributions towards improving the robustness and coherence of nutrition financing in countries, but solutions are donor specific. In 2015, four multilaterals spent a combined USD \$351 millions on the WHA nutrition targets from core funding (91% of total multilateral contributions totalling USD \$384 millions).³

Global disbursements primarily come from the EU (48%) and the World Bank (15% IBRD; 24% IDA), who decided to allocate the funds to nutrition via their core funding channels. The EU and World Bank are important sources of funding.

This means that UNICEF and WFP could leverage more funds for nutrition through their core funding (own budgets). The World Bank only allocates 0.4% of its total disbursements to nutrition⁴, and could mobilize additional funding for nutrition given its financial capacity.

FIGURE 2 MULTILATERAL CORE FUNDING BY DONORS



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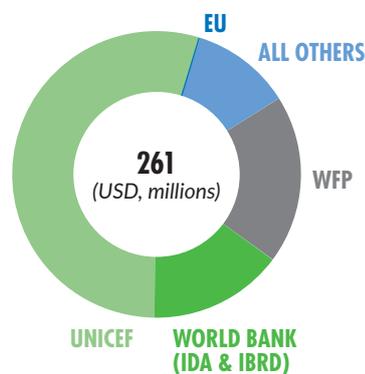
3 - Mainly includes nutrition-specific interventions.

4 - <https://www.r4d.org/resources/tracking-aid-wha-nutrition-targets-global-spending-2015-roadmap-better-data/>

WHAT IS THE ROLE OF BILATERAL DONORS, WITH REGARD TO MULTILATERAL FUNDING (VIA NON-CORE FUNDING CHANNELS OR BI/MULTI AID)?

Bilateral donors are important decision makers in the nutrition financing landscape. Certain bilateral donors (US, EU, UK, Canada) channeled funding through mainly UNICEF and WFP to implement nutrition-specific interventions via non-core funding channels⁵ (which means that bilateral donors were the ones who decided to allocate the funds to nutrition). Indeed, UNICEF and WFP are important implementing partners in the overall nutrition landscape.

FIGURE 3 MULTILATERAL NON CORE FUNDING



However, only \$261 million was channeled through multilaterals by bilateral donors in support of the WHA nutrition targets. The share of non-core contributions dedicated to nutrition by bilateral donors should increase. Bilateral donors may reallocate their contributions to multilaterals (*i.e. non-core funding*) to respond to the needs of the most vulnerable in high burden countries. This does not necessarily mean that bilateral donors should increase their contributions to UN agencies, but rather that they should better prioritize their funding to respond to the population needs in high burden countries. More specifically, to increase their financial contributions to nutrition, France and Germany may earmark more non-core funding for nutrition. This is even more relevant for France who allocates a large share of its health disbursements through multilateral channels. Bilateral donors also have a key role to play in strategic discussions to encourage multilateral donors to respond to emerging malnutrition crises.

WHAT IS THE ROLE OF CSOS?

UNICEF, IDA and WFP channel 0% of their multilateral core funding through NGOs. While 19% of multilateral core funding disbursements are channeled through NGOs, all funding through NGOs have been provided by the EU, meaning that others do not benefit from the CSOs' expertise and experience. **CSOs can play a strong role as implementing partners**, especially with communities that are relatively poorly served by government programs to ensure that resources are provided to the population most in need, and have the greatest impact.

⁵ - In some cases, a donor can contract with a multilateral agency to deliver a programme or project on its behalf in a recipient country. Such cases are typically counted as bilateral flows and are often referred to as Bi/Multi.

02/ INCREASE THE IMPACT OF CURRENT INVESTMENTS

HOW TO INCREASE THE EFFECTIVENESS OF AID DEDICATED TO NUTRITION?

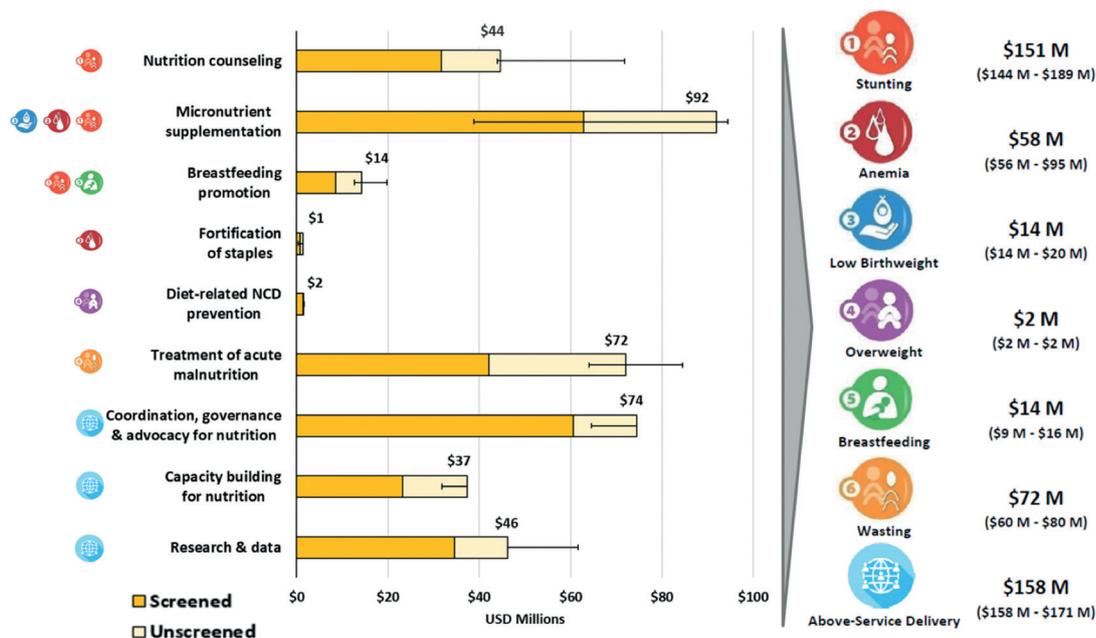
MULTILATERAL DONORS SHOULD FOCUS ON HIGH BURDEN COUNTRIES WHO ARE ENDURING THE MOST OF POVERTY AND MALNUTRITION.

59% of all multilateral disbursements to the WHA nutrition targets in 2015 were being made to 10 countries.⁶ Many of the poorest countries with the highest malnutrition burdens – such as South Sudan, Sudan, Democratic Republic of Congo, Central African Republic, Somali, Indonesia, Ethiopia, Nigeria, Djibouti and India – are not receiving enough funds according to nutrition needs and prevalence rates of both stunting and wasting. This limits the number of countries receiving nutrition funding from multilateral donors. The resulting imbalances can impair our ability to end hunger, reach SDGs and WHA targets. Nutrition investments should be disbursed based on prevalence rates and on nutrition needs of the most vulnerable population. The donor community should coordinate and align in a coherent way to make sure that all high burden countries receive funding according to their needs.

MULTILATERAL DONORS SHOULD INCREASE FUNDING TO HIGH IMPACT INTERVENTIONS.

Canada & US should scale up the comprehensive package of evidence-based nutrition interventions. The share of non-core funding which is not dedicated to WHA targets is relatively high for Canada and US (approximately 50% of non-core funding as compared to 10% for UK). This means that Canada and US allocate a large share of their nutrition specific funding to other activities (e.g. school feeding).

FIGURE 4 MULTILATERAL CORE FUNDING TO NUTRITION-SPECIFIC INTERVENTIONS AND THE WHA NUTRITION TARGETS IN 2015 (USD, MILLIONS)



Data source: R4D (2018) based on OECD.Stat

⁶ - Peru, Mali, Chad, Mozambique, Nepal, Malawi, Madagascar, Guatemala, Pakistan. The list of TOP 10 priority countries per donor shows that recipient countries are not prioritized according to nutrition standards (except for UNICEF).

Support to scale-up nutrition programs (i.e. costs of coordination, governance, advocacy, research, etc.) received the highest level of funding from multilateral donors followed by the stunting target. Donors may find the right balance between key interventions and support programs.

The wasting target received half the share of funding dedicated to the stunting target.

HOW TO IMPROVE THE COHERENCE OF DONORS TO RESPOND TO THE NEEDS OF THE MOST VULNERABLE?

WASTING AND PARTICULARLY SEVERE ACUTE MALNUTRITION NEED TO BE PRIORITIZED BY ALL DONORS' STRATEGIES (WITH DEDICATED FUNDING), INCLUDING BY MAJOR MULTILATERAL DEVELOPMENT AGENCIES. Most multilateral donors' nutrition strategies focus on stunting, leaving aside wasting (especially in the reference to the World Bank and the EU's DEVCO). Top recipient countries who received the highest levels of WHA targeted nutrition funding are countries suffering from high levels of stunting. Countries where the prevalence rate of wasting is very high (where 1 in 5 children who are at risk of dying) are not receiving enough funding (e.g. Chad, Niger, Sudan, Djibouti, Mauritania). It shows that there is still a lack of understanding on wasting, which is still viewed as an emergency issue, when it occurs also in many development contexts, especially in South East Asia.⁷ Evidence clearly shows that wasting and stunting coexist in the same contexts, countries and children. It also shows that there is a funding gap for wasting especially in developmental contexts, and in transition countries (between emergency, recovery and development), for which no actor feels responsible. In addition, a large majority of funds channeled through NGOs are dedicated to the treatment of acute malnutrition, which means that acute malnutrition is not considered a public health priority issue in many countries, and is not systematically integrated in the primary health care services package.

INSPIRED BY THE PARIS DECLARATION, MULTILATERAL DONORS SHOULD ENSURE COUNTRY OWNERSHIP. Nutrition strategies endorsed by multilateral donors need to be aligned with nutrition plans approved at country level.

WHAT FORM AID FOR NUTRITION SHOULD TAKE?

Trends in multilateral core spending on basic nutrition shows an increase in the share of loans vs grants. More evidence is needed to determine in which cases loans are suitable for improved nutrition outcomes and for which interventions and activities (and in which countries) they are not suitable. Donors should favor grants over loans in the social sectors while strengthening institutions when grants are proving to be more efficient to respond to the basic needs of the population. In some cases, while return on investment in nutrition is high, it may not bring immediate returns.⁸



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7 - Countries like India, with high rates of stunting and wasting existing simultaneously - for instance in the case of India (wasting: 21%, stunting: 38%) or DRC (wasting: 8%; stunting: 21%).

8 - <https://www.imf.org/external/pubs/ft/fandd/2004/09/pdf/clements.pdf>

http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1303327122200/287Harford_Klein.pdf

03/ RAMP-UP MULTI-SECTORAL ACTIONS WITH DEDICATED FUNDING

Overall, the growth rate of spending for nutrition specific interventions has increased notably. However, absolute spending levels are still low compared to other sectors, which means that both nutrition specific and sensitive spending should increase, and that many contributing sectors have a key role to play for improved nutrition outcomes.

Based on total outflow of nutrition aid, multilateral organizations are critical players in the nutrition landscape. As such, there is opportunity for them to ramp-up multi-sectoral actions and help fill the nutrition funding gap. However, for donors to allocate more funding to nutrition-sensitive interventions, they first need to understand the linkages between nutrition and relevant sectors and to adopt a multi-sectoral approach in all strategic documents.

According to a review of nutrition and sector strategies of four multilateral donors (World Bank, European Union, World Food Program, UNICEF), conducted by R4D for Action Against Hunger, although the multisectoral approach needed to tackle undernutrition is more and more understood, it could be better reflected in strategic documents.

ALL DONORS' NUTRITION STRATEGY SHOULD EMBRACE A MULTI-SECTORAL APPROACH, WITH:

- a reference to all major nutrition contributing sectors (health, WASH, Agriculture and Food Security, Education, Social Protection);
- details on how the multi-sectoral approach is going to be operationalized, with the inclusion of nutrition-sensitive interventions, with dedicated targets and indicators in the monitoring of the strategy.

Although the nutrition strategies of the four multilaterals indicate an understanding of the underlying causes of undernutrition that will need a multi-sectoral approach, main nutrition-sensitive sectors are not always explicitly considered. For instance, the nutrition strategies don't always refer to social protection or to education. Furthermore, there is a lack of discussion on how nutrition-sensitive interventions will be operationalized. The linkages between nutrition and a specific sector are not always well detailed in the nutrition strategies, with often a very limited understanding of relevant interventions. It is also not clear how it is going to be followed, lack of indicators & clear & transparent accountability mechanisms. They are completed by country documents / strategies.

Donors' sector strategies (health, WASH, Agriculture and Food Security, Education, Social Protection) should systematically and more explicitly endorse nutrition-sensitive programming; nutrition departments / services should actively engage with other sectors to encourage planning for nutrition programming across their strategies, policies and projects, and push for an improved internal coordination around nutrition.

Surprisingly, in spite of the available evidence, multilateral donors' sector strategies in nutrition-contributing sectors don't systematically mention nutrition, which can show a lack of understanding, from the sector itself, of its impact on nutrition and vice-versa. Some sectors don't include nutrition at all (education), others don't include nutrition systematically (health); when nutrition is included, it is without clear indicators and accountability mechanisms. Although recommendations can be tailored to each donor, the analysis shows that it is within the education sector, and, more surprisingly, the health sector, where more efforts are needed.

FIGURE 5
THE NUMBER OF SECTOR STRATEGIES THAT EXPLICITLY MENTION NUTRITION

A full circle has four parts, each part representing a multilateral.



All nutrition-contributing sectors should be well supported by nutrition departments and services of donors, to better understand the linkages with nutrition and the nutrition-sensitive interventions, with related targets and indicators, that they could include in their strategies. In general, multilateral donors, under the leadership of nutrition departments, should push for greater coordination around nutrition within their nutrition departments. Sectors should be encouraged to include systematically nutrition departments in the process of the development of a new strategy or policy.

Donors should tap into sectoral budgets, especially those who have increased significantly over the last few years, to fund nutrition sensitive interventions.

In general, strategy and policy documents (excluding the EU) do not detail funding commitment to nutrition-specific or nutrition-sensitive interventions/activities. There is only data on resources for nutrition-specific activities across sectors, but not for nutrition sensitive ones. The growth rate of spending for nutrition specific interventions has increased notably. However, absolute spending levels are still low compared to other sectors. For nutrition-sensitive interventions, although the level of funding by each sector is not known, analysis of trends in sector spending conducted by R4D shows for some multilateral donors the high potential sectors for increased levels of nutrition sensitive programming.



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04/ IMPROVE ACCOUNTABILITY

We value what we measure. In addition to increasing aid effectiveness, all multilateral donors should improve transparency and accountability on nutrition. They should report on their nutrition investments every year to the Global nutrition report. None of the four multilateral development agencies (except EU which is also considered as a bilateral DAC member) have reported their nutrition disbursements to the 2017 GNR. They are sending out the wrong signal to partner countries. They should set a good example since they have the capacity to track their nutrition spending. They should feel accountable towards the OECD, and report detailed data on their nutrition ODA flows, more specifically taking advantage of the policy marker for nutrition.

In order to monitor progress toward the WHA targets it is essential to have a strong resource tracking framework. There is an opportunity for multilaterals to improve multi-sectoral coordination by improving financial reporting across sectors. Multilaterals can do this by providing more detailed information to the OECD CRS on nutrition project descriptions so that we're better able to 1) identify nutrition disbursements outside the basic nutrition purpose code, and 2) identify which interventions are included in the disbursements (relevant for nutrition-specific and nutrition-sensitive). We encourage multilaterals to use the policy marker for nutrition, which will be introduced officially in the CRS to better track their nutrition funding. This is of major importance since major bilateral donors are reluctant to allocate a significant portion of their ODA through multilaterals. If multilateral donors do not play the game of reporting funding to the OECD (that bilateral donors are obliged to use): bilateral contribution to their own institutions will not increase. Being transparent is more than necessary.





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ROLE OF CSOS IN THIS DISCUSSION

The fight against malnutrition is benefiting from the growing commitment of many civil society organizations to governments and donor agencies both at local and international levels. An analysis of the contribution of multilateral donors to nutrition offers additional messages and action points to play an even more active role.

CIVIL SOCIETY ORGANIZATION CAN

- 1 Track/ call for increased accountability on nutrition financing.
 - Track efforts made by donor using the policy marker for nutrition, and any other relevant monitoring and accountability mechanisms⁹ to ensure nutrition is being prioritized.
 - Track more specifically priority recipient countries as well as top donors who contribute funding to the multilaterals to map partnerships.
- 2 Advance the nutrition sensitive agenda towards communities and sectors on health, wash, agriculture education and social protection by leveraging synergies between key contributing sectors and nutrition advocates both at international and national level.
- 3 Ensure that nutrition sensitive planning is operationalized, by analyzing country frameworks and documents and influencing their drafting within multi stakeholder platforms/dialogue.
- 4 Call for more investments for nutrition to bridge the funding gap.
- 5 Sensitize donors on the need to scale up a comprehensive package of evidence-based interventions affecting child undernutrition at large.
- 6 Encourage donors to use N4G 2020 event to better coordinate their efforts, and identify who feels accountable for what.

9 - The N4G accountability tool developed by Action is a useful resource-tracking framework, and can also be used to systematically track multilateral donors' efforts.

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