



Annual Report 2013-2014

 **gain**[®]
Global Alliance for
Improved Nutrition

Our Areas of Work

We are improving nutrition for vulnerable people in more than 30 countries.



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Letter from our Executive Director and Chairman

Globally, there has been real progress in tackling malnutrition. Child mortality due to undernutrition has fallen from 3.5 million in 2008 to 3.1 million in 2011. According to UNICEF, the number of children who are stunted has also decreased globally, at an average rate of 2.1 percent per year – from 253 million in 1990 to 161 million today. More than 50 countries have joined SUN, the Scaling Up Nutrition movement to include nutrition in all development efforts.

However, set against the scale of the problem, we can do more. More than 805 million people still go to bed hungry, perpetuating a cycle of poverty and ill health. Two billion people around the world lack the essential vitamins and minerals for a healthy life. At the same time, more than 1.4 billion people are overweight or obese, causing a dramatic rise in non-communicable diseases in rich and poor countries alike.

Malnutrition is a complex phenomenon. Climate change is already making people hungry, pushing up food prices, making staple crops less nutritious and worsening food security for an increasing percentage of the world's population. Urban food systems are failing to keep up with the rapid growth of cities. Humanitarian crises such as Ebola and the conflicts in South Sudan, Syria and Iraq, show how emergencies have a direct effect on food security and hinder the production and movement of food.

In response to this challenge, we have developed a new strategy that will take us to 2017/2018. As part of this strategy, we have set ourselves a series of ambitious new targets focused on scaling up proven interventions, finding innovative new ways to deliver solutions, and achieving a real and lasting impact.

We know that fortifying staple foods is one of the most effective and affordable public health tools. We will increase the intake of essential micronutrients such as vitamins A, D, iron, folic acid and iodine for 1.3 billion people, including 400 million women and adolescent girls, and 200 million children under five.

We will reach 50 million children under five and 5 million pregnant and lactating women through integrated approaches, including targeted supplementary and complementary feeding interventions in order to reduce stunting by 3 percent per year in the target population. Through messages and interventions related to feeding, nutrition, care and hygiene practices, we aim to reach more than 70 million women, adolescent girls and children. The world needs new models that can bring stunting down to zero. GAIN will develop these in a number of high burden countries.

We will build local markets that contribute to an affordable, more diverse diet for the poorest consumers, improving the productivity and nutritional value of food along the whole value chain.

In 2014, GAIN programs reached an estimated 892 million people with more nutritious foods, including 350 million women and children.

We aim to increase dietary diversity for 3 million people through interventions specifically demonstrating the value of linking agriculture and nutrition in a sustainable way.

We closed 2014 with the Second International Conference on Nutrition (ICN2) in Rome and the launch of the Global Nutrition Report 2014. Both highlighted the enormous untapped potential of proven nutrition interventions and the role that they can play in achieving the Sustainable Development Goals that will be agreed in 2015. Our knowledge of what works to reduce malnutrition has never been greater but we need to implement faster. We must catalyse partnerships between governments, business, civil society and communities with clear structures, transparent working arrangements, and strong mechanisms for accountability to the poorest and most vulnerable people.

In 2014, GAIN's programs reached an estimated 892 million people with more nutritious foods, including 350 million women and children. Having established this reach, we are working hard to increase the quality of the foods that people are consuming, and demonstrating how this contributes to reducing malnutrition. None of this work would be possible without our partners and the continuing and generous financial support from our major donors: the governments of Canada, France, Netherlands, Ireland, UK, and USA; the Bill & Melinda Gates Foundation; the Children's Investment Fund Foundation; and the Khalifa Bin Zayed Al Nahyan Foundation. We thank them and all GAIN's partners for their support.

For the first time in history, the world has the means to eradicate hunger and malnutrition within a generation, and also create a food system that feeds the planet and cares for the earth.

Please join us in this effort.



Marc Van Ameringen
Executive Director



Jay Naidoo
Chair, GAIN's Board
of Directors

About GAIN

The Global Alliance for Improved Nutrition (GAIN) is an international organization that was launched at the United Nations General Assembly in 2002 to tackle the human suffering caused by malnutrition.

GAIN is driven by the vision of a world without malnutrition. We believe that everyone in the world should have access to an affordable, sustainable, healthy and nutritious diet. Each year, malnutrition kills 3.1 million children under the age of five and leaves 161 million stunted, trapping generations in lives of poverty and unfulfilled potential.

We focus our efforts on children, girls and women because we know that helping them have affordable nutritious diets is crucial to ending the cycle of malnutrition and poverty. By building alliances that deliver impact at scale, we believe that we can eliminate malnutrition within our lifetimes.

No one sector alone can solve the complex problem of malnutrition. We act as a catalyst — building alliances with partners including governments, civil society, businesses, UN agencies, and academic institutions to develop programs that deliver large scale and locally relevant solutions to malnutrition in more than 30 countries.

As one of the few global organizations with an exclusive focus on malnutrition, we play an active role in raising awareness of nutrition worldwide. We have helped 892 million people to access affordable, nutritious food.

Worldwide, our programs are changing lives, contributing to reducing micronutrient deficiencies, and preventing stunting.

We use: proven interventions such as large scale food fortification and micronutrient supplements; innovative program models such as social behaviour change communication; our agriculture and nutrition marketplace; and multi-sector partnerships that include the private sector, such as the Business Partnership for Nutrition Research. Together with the World Food Programme, we facilitate the SUN Business Network.

Our programs are on track to reach over one billion people with improved nutrition by 2015.



Our Donors

GAIN is grateful to its growing number of government and foundation donors who not only provide financial support for our work, but also collaborate as partners to shape our work and the global nutrition agenda.



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FROM THE AMERICAN PEOPLE

Performance Against Targets 2013-2014

Reach and Coverage	Affordability and Sustainability	Public Health Impact	Leverage Additional Investments in Nutrition
<p>Target</p>	<p>Target</p>	<p>Target</p>	<p>Target</p>
<p>Reach 1 billion people by 2015 with more nutritious foods, including 500 million women and children.</p>	<p>Establish nutrition projects that cost less than US\$ 0.50 per person covered.</p>	<p>Reduce the prevalence of stunting in children by 5-10 percent. Reduce the prevalence of micronutrient deficiencies in children as well as in women of child-bearing age, by 20-30 percent.</p>	<p>A 5:1 ratio of private sector to GAIN investment; and a 2:1 ratio of public sector to GAIN investment.</p>
<p>Performance</p>	<p>Performance</p>	<p>Performance</p>	<p>Performance</p>
<p>By end June 2014 we had reached an estimated 892 million people, including over 350 million women and children.</p> <p>52 percent of these were in Africa, 46 percent in Asia and 2 percent in the rest of the world.</p>	<p>In 2013-2014 the cumulative investment by GAIN in programs was US\$ 0.25 per person reached.</p>	<p>GAIN's projects have shown potential impact of up to 40 percent. Our programs provide a contribution of around 30 percent to daily consumption of key vitamins and minerals.</p>	<p>In 2013-2014 our ratio of investment with the private sector was 3:3 and public sector to GAIN funds was ratio of 1:4.</p>

Our Priorities

The global food system is broken. Around **half the population** globally are **malnourished**. Each day, 805 million people go hungry and close to 2 billion survive on diets that lack the vital nutrients they need. At the same time, about 1.4 billion people are overweight or obese, while rapid population growth and climate change pose new challenges to an already stressed food system. We believe the food system can be fixed by a collective global effort.

A quarter of children under five worldwide are stunted, according to UNICEF. GAIN focuses on improving **maternal and child nutrition**, particularly in the first 1,000 days from conception to a child's second birthday, to break intergenerational cycles of malnutrition and **stunting**.

We are prioritising the reduction of stunting by targeting 50 million **children under the age of five, women of reproductive age and adolescent girls**. We are exploring new ways of reaching mothers to promote **exclusive breastfeeding up to six months of age** alongside complementary feeding after six months. We develop behaviour change programs to help mothers make independent and informed choices about feeding practices.

By fortifying staple foods, we can prevent **micronutrient deficiencies** across entire populations. **Food fortification** is a cheap and effective public health intervention.

A growing concern for GAIN are the 1.4 billion people worldwide who are **overweight** or **obese**. Almost 75 percent of overweight

or obese children under the age of five live in developing countries – often the same countries struggling with hunger.

GAIN is focused on making markets work for the poor. Our approach includes guiding agricultural investments, developing new interventions to improve nutrition through the agriculture value chain, and building a research agenda that can demonstrate the huge potential of integrating agriculture and nutrition. We help bring new products to market by developing a **better understanding of what motivates people's purchasing decisions**, supporting local entrepreneurship, and the development of products for low income consumers.

Our programs focus on the most **vulnerable groups** and people known to have high rates of malnutrition, including the urban malnourished and excluded populations. For example, in India we work with the Dalit community – one of India's largest and most excluded social groups – to **increase awareness of good nutrition for mothers, pregnant women and children**. Programs are also underway with pastoralists in rural Kenya and with people living in informal settlements in Kenya and Ethiopia.



Our Strategy

Over the next three years (to 2017) our strategy will emphasise the need to improve, enhance and support the diets of the poorest and most vulnerable people in countries where there is a high burden of malnutrition.

We have set ourselves a number of ambitious new targets which will guide our organization over the coming years. Each will be delivered using our unique approach to multi-stakeholder partnership.

We will continue to work closely with partners, including governments, civil society, businesses, UN agencies, and academic institutions to develop programs that deliver large scale and locally relevant solutions to malnutrition.

We will work to increase investment in research to fill gaps in evidence about nutrition and consumer behaviour. We will build evidence of the effectiveness of GAIN's interventions, demonstrating our impact through rigorous evaluations of our programs.

Our approach is to use **innovation** to deliver **impact** at a large **scale** in everything we do.



Target 1

To increase micronutrient intake of 1.3 billion people, including 400 million women and adolescent girls, and 200 million children under five.

Target 2

To reduce stunting by 3 percent per year through targeted supplementary and complementary feeding interventions for 50 million children under five and five million women of reproductive age.

Target 3

To reach 70 million women, adolescent girls and children by 2017 with behaviour change messages and interventions related to feeding, nutrition and care practices. This will include a particular focus on the importance of exclusive breastfeeding for the first six months, combined with complementary feeding to age two, which is essential for a healthy start in life.

Target 4

To improve the availability and affordability of a diverse, nutritious diet for 3 million people through interventions specifically demonstrating the value of linking agriculture and nutrition.

Breaking the cycle of malnutrition



We focus on improving the **health** and **nutritional status** of both mother and child during the first 1,000 days, from conception to age two, to **increase birth weight** and **prevent stunting**.



Our programs focus on improving the health, productivity and nutritional status of **adolescent girls** and **women of reproductive age** to prevent **stunting** in their future children.



To improve their **nutritional status** and ensure **optimal growth** and **development**, we focus on infants and young children.



Large Scale Food Fortification

Adding essential vitamins and minerals to staple foods and condiments is an affordable and effective tool in the global effort to improve nutrition.

It is a proven intervention that works to prevent micronutrient deficiencies in entire populations, including adolescent girls and young women of reproductive age who are hard to reach.

Large Scale Food Fortification

Large scale food fortification is a particularly powerful and cost-effective tool in the fight against malnutrition. In 2008, a meeting of some of the world's most notable economists – known as the Copenhagen Consensus – declared that adding micronutrients to staple foods is the most cost effective way to help address the global malnutrition crisis.

Our ongoing support of national programs to fortify foods such as grains, oils and salt is now in 31 countries. We have set new targets to extend the reach of large scale food fortification to 1.3 billion people by 2017, including 400 million women and adolescent girls. We will continue universal salt iodization (USI), targeting countries where we can make the most progress by increasing the number of households we reach with adequately iodized salt to 90 percent.

In 2015, we will continue to provide technical assistance to improve standards, quality assurance and food safety; strengthen our partnerships with governments and industry; extend our model to new countries; and encourage support for food fortification by facilitating a global Food Fortification Summit with key partners.



Achievements in 2013-2014

Together with the World Food Programme (WFP) and other partners, we designed new quality assurance and control programs and provided technical support for compliance with regulations in Ethiopia and West Africa. We are now the primary quality assurance and control provider to WFP for procurement of micronutrient premix and multivitamin powders.

Now in its fifth year, our premix facility has reached more than 150 million people with quality premix for fortification of staple foods. Twenty blenders, 40 micronutrient suppliers and five micronutrient powder producers supplied more than US\$ 47 million in premix to 41 countries. In an assessment by the Government of the Netherlands of 39 funded programs, our micronutrient premix facility came top.

We provided technical inputs for fortification and iodine programmatic guidelines led by the World Health Organization (WHO) and International Council for the Control of Iodine Deficiency Disorders (ICCIDD).

With The Hospital for Sick Children in Toronto, Canada, we initiated a global review of the effectiveness of mass food fortification of staples and condiments with iron, folate, iodine, vitamin A and other micronutrients in lower and middle income countries.

We enabled the introduction of legislation requiring mandatory fortification of cooking oil in Bangladesh.

Tackling Iodine Deficiency in Ethiopia

Iodine deficiency is the most common cause of brain damage in the world. Since 2008, we have worked with our partner UNICEF in 16 countries to help add iodine to salt so that people get enough of the mineral in their diets. This is one of the safest and most cost effective ways to tackle iodine deficiency.

In Ethiopia, at the start of the GAIN-UNICEF Universal Salt Iodization (USI) Partnership Project, only a small percentage of households had access to adequately iodized salt. Iodine deficiency was a huge public health problem in the country. Our aim was to support the government and private sector to increase the number of households that have access to adequately iodized salt.

Since 2011, we have worked with partners to improve regulatory monitoring and quality, including designing a government-hosted fund to supply potassium iodate to iodize salt in the country and to improve salt iodization procedures and testing.

Recent findings show that the availability of adequately iodized salt in Ethiopia is rapidly increasing. The 2014 National Micronutrient Survey found that the presence of iodine in salt had increased to 95.2 percent from 15.4 percent in 2011. Adequate iodine levels (>15 ppm) were up to 42.7 percent in 2011 compared to 5.1 percent in 2009.

The Food, Medicine and Health Care Administration and Control Authority of Ethiopia (FMHACA) reports that household coverage of iodized salt is continuously increasing, with significant associated health benefits.

"Thanks to commitment from the Government of Ethiopia, salt producers and GAIN and partners, iodine nutrition programming in Ethiopia has improved rapidly."
Director, FMHACA Ethiopia



Reaching 150 million people a year through quality premix

"We have a real problem with malnutrition here in Côte d'Ivoire – food fortification is a necessity," says Marie Konaté. Marie runs Protein Kisèe-La (PKL), a company that produces cereals for children that contain 11 vitamins and seven minerals. "People don't have enough fruit in their diet and if they do eat vegetables, they are overcooked and the vitamins and minerals are lost. People don't need to

change their diet to get the nutrients they need if they eat our cereals."

Since 2010, she has brought the powder containing these vitamins and minerals – called premix – from the GAIN Premix Facility (GPF).

"Before the GPF, we couldn't be sure of what was in the premix we were buying or how much it would cost," says Marie. "Now, we can get quality, affordable premix within around four weeks of ordering it through GAIN."

Monitoring malnutrition in Senegal

How do we know if our food fortification work reaches the people who need it most?

That's a question we had in mind when we developed our Fortification Assessment Coverage Toolkit (FACT). It's essentially a survey which measures how effective large scale food fortification is in getting people the micronutrients they need.

In June 2014, we used FACT to assess our work in Senegal. We discovered that our iron and vitamin A fortification program is likely to be reducing nutrition deficiencies in women of childbearing age.

From October to December 2013, we worked with the Senegal Fight Against Malnutrition Unit to survey nearly 2,000 women who had children under two and assessed the impact of our work in the country. Using

FACT, we found that fortification is moving millions of people to safer levels of vitamins and micronutrients:

- 85 percent are now consuming wheat flour fortified with iron and folic acid at least once a week and 73 percent had vegetable oil fortified with vitamin A in the same timeframe.
- Over the course of a week, 66 percent of women of reproductive age got at least 10 percent of their reference nutrient intake (RNI) of iron from fortified flour and 72 percent got at least 10 percent of their required vitamin A from fortified oil.
- 96 percent of flour samples contained added iron and 97 percent of oil samples had vitamin A in them, indicating that the vast majority of producers in Senegal are fortifying foods.





Nutrition for Women and Children

The 1,000 days from the start of a woman's pregnancy until her child's second birthday offers a unique opportunity to shape a child's future. The right nutrition during this crucial time period can have an enormous impact on a child's ability to grow and learn. We focus on improving maternal and child nutrition to break intergenerational cycles of malnutrition and stunting.

Nutrition for women and children

We support the promotion of optimal feeding practices for infants and young children, including exclusive breastfeeding for the first six months of a child’s life, and continued breastfeeding, alongside safe, diverse and nutritious complementary foods, until age two and beyond following WHO recommendations.

We know that what children eat depends on the foods that are available locally and the culture they are born into. So our work with local partners - including local food manufacturers, governments and civil society organizations - combines improving the nutritional quality of food and providing complementary foods to increase nutrients in the diet. This sits alongside efforts to change people’s behaviour, especially around breastfeeding, what mothers eat, and their understanding of what constitutes a healthy diet for themselves and their family.

Achievements in 2013-2014

- Reached more than 7 million caregivers and engaged 100,000 subscribers looking for information on optimal feeding practices through our ‘Feeding Smart from the Start’ digital campaign in KwaZulu-Natal, South Africa.
- Started our first comprehensive Mobile Nutrition initiative, already running in 11 out of 14 countries.
- Collaborated with UNICEF to build a sustainable business model for community production of complementary food in Ethiopia.
- Sold 700,000 locally manufactured sachets of micronutrient powders for the first time ever through the public health system

in four provinces in Vietnam, generating revenue to fund its promotion at nutrition centres.

- Launched a new micronutrient powder program in Bangladesh, in collaboration with international development organization, BRAC. Since launch, 80,000 community workers have been trained to promote home fortification, and five million sachets were sold in 2014. Monthly sales have more than tripled during the year and the overall market for micronutrient powders grew by 15 percent with 45 million sachets produced in 2014 alone.
- Launched a three year program to improve the health of female garment workers in Bangladesh in partnership with non-profit organization, Business for Social Responsibility, and its HERproject, with funding from the Government of the Netherlands.



In 2015 and beyond, we will continue to promote breastfeeding, ethical marketing and hybrid delivery models of complementary foods, and provide technical support for the development of guidelines and regulatory standards for complementary foods and micronutrient supplements.

By 2017, we will reach 50 million children with improved access to affordable, high-quality complementary and supplementary foods.

We will also strengthen behaviour change interventions that address optimal breastfeeding and complementary feeding, as well as maternal nutrition practices, integrated with water, sanitation and hygiene, and other health interventions as appropriate.

Following the success of our Designing the Future of Nutrition Social and Behavior Change Communication conference in November 2014, in partnership with USAID and SPRING, we hope to develop a future research and implementation agenda for nutrition and social behaviour change communication.



Increasing access to supplements for women and children in rural Vietnam

Most Vietnamese infants and young children do not have enough calories, protein or fat in their diet to help them grow healthily. Nearly a third of children under five in the country are stunted, almost 30 percent suffer from iron deficiency anemia and 14 percent are deficient in vitamin A. Additionally, more than a third of pregnant women are anemic, which impacts the development of their unborn child during the crucial 1,000 day window from conception to the age of two.

GAIN supported a national nutrition survey and formative research in Vietnam and we worked with the National Institute of Nutrition to develop a pilot program to deliver

micronutrient supplements to 24,000 Vietnamese children in four provinces through the local health system.

The project supports the development of two products - a locally branded micronutrient powder for infants and young children called "Bibomix", and a ready-to-use supplement for pregnant women. These are sold in more than 300 health centres and are affordable and accessible to rural women.

We also trained 1,000 health professionals to provide nutrition counselling around the importance of exclusive breastfeeding for the first six months, and optimal complementary feeding practices from six months onwards, using home fortification.



Tackling high levels of anemia in Nigeria

Micronutrient deficiencies remain a major public health issue in Nigeria. More than half of women of childbearing age are anemic (62 percent) and almost a third (29.5 percent) of children have vitamin A deficiency, a leading cause of childhood blindness. Despite a slight reduction in stunting levels of children under the age of five, 10 million (two in five) still fail to achieve their full potential height. Stunting has a lifelong impact on their health, ability to learn and potential to earn a living.

To combat high levels of malnutrition, GAIN provides technical and financial assistance to the Nigerian Government to ensure that food fortification regulations are monitored and enforced. In Lagos and Kano State, consumers are becoming more aware of the benefits of

consuming staple foods fortified with iron, vitamin A and B, through a social marketing campaign supported by GAIN.

In 2013, Benue State - supported by GAIN - became the first state in Nigeria to launch a home fortification program as an intervention strategy for the reduction of iron deficiency. Home fortification involves adding vitamins and minerals to foods at home to fill gaps in the diets of infants and young children aged from six to 24 months, following six months of exclusive breastfeeding.

Micronutrient powders - a mixture of vitamins and minerals - are mixed into a small amount of semi-solid food that can be consumed in one meal. Benue State bought 10 million sachets which they distributed as part of a pilot program for Maternal Newborn and Child Health Week in 2013.

Identifying ways to improve children's nutrition in East Java, Indonesia

In May 2013, we partnered with researchers at the London School of Hygiene and Tropical Medicine and Savica, a public health consultancy, to research feeding practices in East Java, Indonesia.

We conducted video ethnography, interviews using specially designed assessment tools, focus group discussions and site visits with a total of 58 mothers, fathers and health professionals. The aim was to better understand how children under two were fed in the region, which has particularly poor child nutrition. This study is part of our comprehensive program to reduce stunting and micronutrient deficiencies in the districts of Malang and Sidoarjo, East Java.

Our findings were published in a November 2014 publication, *Improving Childhood Nutrition by Changing Infant Feeding Practice in Sidoarjo, East Java: A GAIN Social Behaviour Change Case Study*. We discovered that many mothers aren't confident about breastfeeding. Many believe formula milk is the perfect accompaniment to feeding their baby themselves and fear being judged by other community members if they don't use formula. Others give their children deep-fried or sugary snacks to stop them crying.

Working with academics and health authorities in the region, we used this research to develop a campaign that changes people's behaviours. We want to encourage more women to breastfeed; inspire families to feed their young children diverse and appropriate complementary foods; and reduce unhealthy snacking between meals.

The campaign consisted of TV commercials, community level activation and interpersonal communication.

"Most mothers have heard endless messages about nutrition, but this doesn't mean that what they actually do has improved," says Valerie Curtis of the London School of Hygiene and Tropical Medicine. "We are targeting behaviour itself rather than knowledge, by using emotion, not lecturing. So, for example, a visual demonstration of how much disgusting stuff there is in an unsuitable snack has a far more powerful impact on mothers than a lecture about nutritional values."

The three infant feeding TV commercials and the community activation component were piloted in 12 communities from May to August 2014, and were then evaluated.

Next steps include taking the behaviour change campaign to scale by targeting 660,000 people with TV commercials, social media, SMS, community level activities and interpersonal communication.

We are working with an Indonesian manufacturer of fortified food products to improve their nutritional quality, and with a small water filter company to improve access to clean, safe drinking water. The design of the Impact Evaluation study of this comprehensive stunting program has been completed and baseline data collection starts in early 2015.



The background of the entire image is a dense field of peanuts, rendered in a monochromatic orange-gold color. A white rectangular frame with a pointed bottom edge is centered on the image, containing the text.

Agriculture and Nutrition

We are using the agriculture value chain to identify opportunities for nutrition intervention at each stage – from food production to storage, processing to distribution, retail, marketing and food preparation.

Our goal is to build an enabling environment for investment in agriculture and nutrition.

Agriculture and Nutrition

We are working with partners to modify the agriculture value chain to increase the availability, access and consumption of more nutritious diets for vulnerable people.

In November 2014, we published a snapshot report *Cultivating Nutritious Food Systems* about how we can further improve dietary diversity. The report highlights some of the exciting things we are seeing on the ground where nutrition is being woven into the agricultural value chain itself – from seeds and soil, through to harvest and post-harvest, and culminating in the moment that food reaches the consumer’s mouth.

At the beginning of the value chain, we report on ways to breed new nutrients directly into staple foods.

In Nigeria, we are looking into bio-fortifying cassava and, in Bangladesh we are fortifying rice by soaking it with zinc. In the middle of the value chain (food processing, post-harvest) we are looking at methods to retain nutrients - such as vegetable drying in Tanzania – in order to supply people with nutritious foods during the lean season.

In Ghana, we are helping farmers to harvest and store peanuts in a way that they are kept free of fungi and other toxins.

Achievements in 2013-2014

- Our program to improve the nutrition of foods along the agriculture value chain expanded to six countries – Bangladesh, India, Ghana, Kenya, Mozambique and Tanzania.
- Our Marketplace for Nutritious Foods, established in Mozambique, Kenya, and Tanzania, has attracted over 500 innovative proposals from entrepreneurs, investors and institutions to increase access, affordability and diversity of nutritious foods for vulnerable people.
- In each country, 80 to 100 companies receive training, share best practices, and collaborate on improving nutrition along with other stakeholders through our Community of Practice.
- The Marketplace is supporting 22 businesses with grants and focussed technical assistance. With our support, three companies have now received private investment facilitated by GAIN, achieving our core objective – to prepare companies to attract private investment, in order to achieve their long-term sustainability.
- In Ghana, our research is helping farmers safely develop new nutritious peanut-based products, and buyers to provide the right incentives to farmers by paying them more for higher quality.



In 2015 shaping markets for nutritious foods will be a priority. Using market mechanisms, we will provide at least 3 million people with better access to an affordable diversified diet by 2017.

We will expand the Marketplace for Nutritious Foods in five countries for five years, supporting those businesses making the greatest contribution to improved nutrition, in order to deliver the most significant impact.

In the future we will identify those agricultural value chains with the most potential to deliver improved nutrition – such as green vegetables – and look to advance game changing innovations that overcome constraints to produce, store, process, transport and market nutritious foods.

There are an estimated 450 million small farms worldwide and, in Africa, more than 80 percent of smallholder farmers are women.

Future GAIN programs will integrate nutrition with efforts to improve smallholder farmer productivity in Africa and Asia, capitalising on their infrastructure to introduce nutrition specific interventions.

Creating a Marketplace for Nutritious Foods



In a busy area on the outskirts of Nairobi's notorious Kibera slum, 27-year-old Sarah Mekesa drops the equivalent of US\$ 0.79 into a Maziwa King machine and watches as milk reaches the rim of her bottle. Sarah buys a litre of milk from the machine every day for her daughter, a toddler, which she incorporates into porridge or cooks with spinach. Her family consume twice as much milk as they did before she discovered the machine and Sarah has noticed an improvement in her daughter's health.

Farmer Clement Mwangi's coin operated Maziwa King milk dispensers will help improve the health of more Kenyan families like Sarah's thanks to the support of our Marketplace for Nutritious Foods. Through the program, three entrepreneurs in Kenya and five businesses in Mozambique have access to a network of business planning and technical support to help grow their business. The program offers grants and connects entrepreneurs with investors, growers, and institutions to address challenges involved in the production and delivery of nutritious foods.

Challenges for Clement are around cost and distribution. His 'milk-on-demand' meets the need of Kenya's cash and refrigeration constrained population, and also provides access to a healthy food. This allows people like Sarah to get nutrient-rich cow's milk that's less than a day old.

Clement, a finance graduate, will use a grant from the Marketplace to create 12 more Maziwa King kiosks next to or in low income areas around Nairobi by 2015.

The company distributes pasteurized full-cream milk using coin-operated dispensing technology. He will also increase his staff from three to eight and buy a refrigerated truck. This will guarantee a market to more farmers, who he believes get a raw deal when they sell to distributors.

Clement hopes to expand his business throughout Kenya and beyond its borders. "We see ourselves going very big," he says.

Our Marketplace is helping more people in Africa access affordable, diverse diets. We're supporting other Kenyan, Mozambican, and Tanzanian businesses that sell protein-rich chicken offal and fresh fish from aquaculture enterprises in small, affordable quantities. The program is a key part of our work to improve dietary diversity.

It's all about the mothers

Among the pastoralists of northern Kenya, increasingly erratic weather patterns are forcing these normally nomadic people to settle down and affecting what they eat. GAIN is supporting a USAID-funded project aimed at understanding the challenges these families are facing and at reducing the rates of hunger and poverty among them. As the partner with nutrition expertise, GAIN conducted Focused Ethnographic Studies (FES) with Optifood in Isiolo, Marsabit and Turkana counties and is developing a behaviour change communications strategy and a mapping exercise of nutrition factors and behaviour influencers in these counties.

The study found that a lack of natural resources determined what children ate. The mothers spend so much time sourcing water and firewood that they are able to cook only once a day, usually in the morning. That means the food sits around for several hours, and

very possibly longer than is safe. While the mothers were concerned about food hygiene, their need to conserve firewood meant they could not cook multiple times. The researchers also found that, with the exception of milk, food products were purchased outside the home. This means that mothers often go to work to earn money, leaving young ones in the care of siblings or other caregivers. Cultural perceptions also come into play. If there is a stigma associated with standing in line to receive a fortified product, a mother might opt to use a non-fortified one instead.

Because human behaviour plays into all of these situations, development experts stress the importance of integrating behaviour change communication into every aspect of nutrition intervention planning and implementation.

Improving nutrition for tea farmers in Indonesia

Our Lestari Sustainable Tea Program provides training to tea farmers in Indonesia to encourage them to have healthier and more diverse meals and to pass on their learning, which ranges from farming techniques to cooking, to 160,000 tea farmer households in West and Central Java. Our research showed that the diets of 98 percent of tea farmers were not diverse enough to provide them with the nutrients they need.



Business Partnerships and Alliances: Making markets work for the poor

When it comes to nutrition and development, the idea that the private sector can help countries to achieve their goals, is in many ways a new approach. Yet the majority of people don't get their food from the government; they buy it from their local food market. That's why we believe it is crucial to harness the power of business – their technology, their marketing skills and insight into consumer behaviour and their reach – for the public good.

Over the past 12 years we have built alliances with many companies, both large and small, including partners in developing premix for large scale food fortification, micronutrient powders for distribution and sale as complementary and supplementary foods, and throughout agriculture value chains, from smallholder farmers to entrepreneurs.

Experience has shown us that it is very difficult to reach the most vulnerable with nutritious foods without genuine multi-stakeholder alliances that include governments, civil society and the private sector. Experience has also shown that delivery models and platforms need to be anchored in government and that public procurement and distribution are central to making business models work.

We focus our efforts at the country level, where markets are dominated by small and medium food producers and the majority of food is unpackaged. We help the small and medium sized enterprises emerging all over Africa and Asia, and

provide technical and financial support to entrepreneurs and smallholders that are so crucial to the food system in developing countries, enabling them to build demand-led, sustainable markets for nutritious products.

We will hold businesses accountable for their actions – including speaking out against business practices that harm good nutrition. We will continue our efforts to establish nutrition in the workplace, ensuring that benefits are experienced across the value chain. We will help companies develop tools and establish partnerships, and lead efforts to promote responsible business practices.



Speaking at a UN General Assembly side event, USAID Administrator Rajiv Shah strongly endorsed the importance of the private sector in addressing malnutrition. "In every society through all of history, food production, food product development, consumer preferences and consumer choice have always been shaped by the private sector."

SUN Business Network

Convened by GAIN and the UN World Food Programme, the SUN Business Network is one of the four global networks that support the Scaling Up Nutrition Movement, the body established by the UN Secretary General in 2010 to support national leadership and collective action to scale up nutrition.

The role of the SUN Business Network (SBN) is to mobilise and intensify business efforts in support of the SUN Movement, with two goals: to develop a global platform for business commitments to scaling up nutrition, and to support SUN countries in their development of business engagement strategies. The SBN Advisory Group is comprised of senior business leaders and is co-chaired by Axton Salim, Director of Indofood, and Feike Sijbesma, CEO of DSM.

With support from the SBN, country governments are able to create better understanding and acceptance of the potential opportunities for public-private partnerships to scale up nutrition efforts; identify potential partners and develop private sector business plans; and create platforms for engagement between public and private sector players to support the implementation of national nutrition policies.

Since the Nutrition for Growth Summit in June 2013, 52 companies in both food and non-food sectors have joined the SUN Business Network and made commitments to scaling up nutrition.

The SBN Advisory Group has set a target of recruiting 99 companies to join by 2015.

Through existing commitments, SBN will reach 125 million consumers each year by 2020 with improved nutrition.

In the past year, 29 countries requested support from SBN to develop engagement strategies, 22 SUN countries have business leaders participating in their multi-stakeholder platforms, and 80 companies or business associations in SUN countries are engaging in national plans to scale up nutrition.



Building a link between business and improved nutrition in Tanzania

SBN worked with the Government of Tanzania on a landscape analysis of business and nutrition in the country to map entry points for business in Tanzania's National Nutrition Strategy. The Network supported the government in convening more than 100 partners from business, NGOs, UN agencies and donors to discuss findings and recommend ways to engage business in their plans.

Following a meeting in Dar es Salaam in January 2014, the Prime Minister outlined plans to engage business in their nutrition strategy by: integrating agriculture and nutrition in national plans; prioritising interventions and forming new partnerships in food fortification and fortified food supplements; and working with business to build consumer demand for nutrition.

SBN and the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) have developed a roadmap for launch in 2015.

Amsterdam Initiative against Malnutrition

The Amsterdam Initiative against Malnutrition (AIM) was established in 2009 as an alliance with the Dutch Ministry of Foreign Affairs, the Dutch non-governmental organization ICCO, multinational corporations Unilever, DSM and AkzoNobel, the Wageningen University and GAIN. It brings 30 partners together to explore innovative and sustainable solutions to address malnutrition.

AIM uses a market-based approach. All projects must be sustainable, encourage product innovation and value chain optimisation, as well as the use of locally produced ingredients. The goal is to create systemic change and address barriers to nutritious products entering markets.

AIM is focused on Kenya, Tanzania, South Africa and Ethiopia. Eight projects focus on different aspects of malnutrition: providing healthy water and encouraging good hygiene practices; improving the nutritional value of dried vegetables through innovative processing techniques; assisting the local production and retail distribution of multivitamin powders; incentivising the fortification of milk products; developing retail hubs for nutritious products; producing and distributing fortified food additives; supporting quality and assurance labs; and providing access to finance.

Achievements in 2013-2014

- Opened the first in a network of laboratories in Ethiopia that will test the quality of fortified food for the East African region.
- Launched a Rabobank Foundation-backed fund to support projects of small and medium size enterprises which aim to scale up nutrition-based businesses.
- Trained health workers and sales agents in Kenya to teach people how to use micronutrient powders to fortify foods at home and distributed these to targeted communities.

Taking high quality local produce to people in rural South Africa

In rural South Africa, a large percentage of local vegetables do not arrive on supermarket shelves due to infrequent deliveries, poor quality and a lack of variety of local produce. The Fresh Assembly Points project aims to transform local retail stores into community hubs involving supermarkets, fresh produce distribution centres, small health centres and pharmacies. In this way, consumers will have access to high quality products and services.

SPAR (a major international retailer), along with Wageningen University and Research Centre, Rijk Zwaan (a vegetable breeding company) and GAIN, work to support greater access to nutritious products amongst local communities, and in the process, create a guaranteed market for local farmers growing nutritious foods.

The project combines demand creation through awareness campaigns targeting the poorest consumers. Farmers are encouraged to form cooperatives to make decisions on what to produce and in what quantities, supported with access to high quality seeds and a distribution network that takes the fresh produce to supermarkets across the region. The farmers work in partnership with the retail selling channel of SPAR whose network of independent retailers ensure the market for farmers and provide consumers with safe food.

Business Platform for Nutrition Research

Fostering pre-competitive research relevant for developing countries.

The Business Platform for Nutrition Research (BPNR) is a multi-stakeholder platform connecting business, academia, donors and civil society to drive innovation in nutrition. Its aim is to define, fund and disseminate new research to improve nutrition in low and middle income countries via products, delivery channels and approaches to behaviour change communication.

The BPNR acts as an umbrella organization connecting and mobilizing public and private interests in common causes and combining the expertise and capacity of business, the public sector and academic institutions. Alongside research activities, the BPNR will engage in capacity building, for example in research institutions in low and middle income countries and open data efforts to share existing knowledge.

The founding 10 companies are Ajinomoto, Arla Foods, BASF, Britannia, DSM, GlaxoSmithKline, Mars Inc., Nutriset, PepsiCo and Unilever. With involvement of donors, academia and civil society, the platform's objective is to develop research that will reduce barriers to entry for new products and technologies that can improve nutrition.

GAIN Nordic Partnership

We are facilitating cross-country partnerships so that companies in developed countries can share their expertise with those in developing countries.

Our GAIN Nordic Partnership, established in 2014, brings together founding partners Arla, Tetra Pak, DanChurchAid, Confederation of Danish Industry and Danida (the development body of the Danish Ministry of Foreign Affairs). The partnership's goal is to reach people living on US\$ 2 to US\$ 5 a day

with nutritious food based on locally sourced raw materials. Over the last year, the partnership has concentrated on opportunities to improve the dairy value chain in Ethiopia.



Financial Statement 2013-2014

Summary of Audited Accounts

Balance Sheet

<i>Consolidated Balance sheet as at 30 June 2014</i>	<i>2014 US\$</i>	<i>2013 US\$</i>
Current Assets	53,507,920	65,316,167
Non-Current Assets	6,286,948	2,410,668
TOTAL ASSETS	59,794,868	67,726,835
Current Liabilities	45,291,273	54,638,607
Restricted Funds	12,832,405	12,681,618
Capital of the Foundation	1,671,190	406,610
TOTAL LIABILITIES, FUNDS & CAPITAL	59,794,868	67,726,835

Statement of Operations

<i>Consolidated Statement of Operations for the year ending 30 June 2014</i>	<i>2014 US\$</i>	<i>2013 US\$</i>
Income	49,927,346	42,758,025
Direct and Administrative Expenses	49,136,642	45,722,665
Intermediate Net Surplus/(Deficit)	790,704	(2,964,640)
Net Financial Income	215,908	270,628
Other Income	108,754	255,933
Net Operating Surplus/(Deficit)	1,115,367	(2,438,079)
Net Surplus for the year prior to allocations	1,115,367	61,921
Allocations to restricted and unrestricted funds	(1,115,367)	(61,921)
Net Surplus for the year after allocation	[-]	[-]

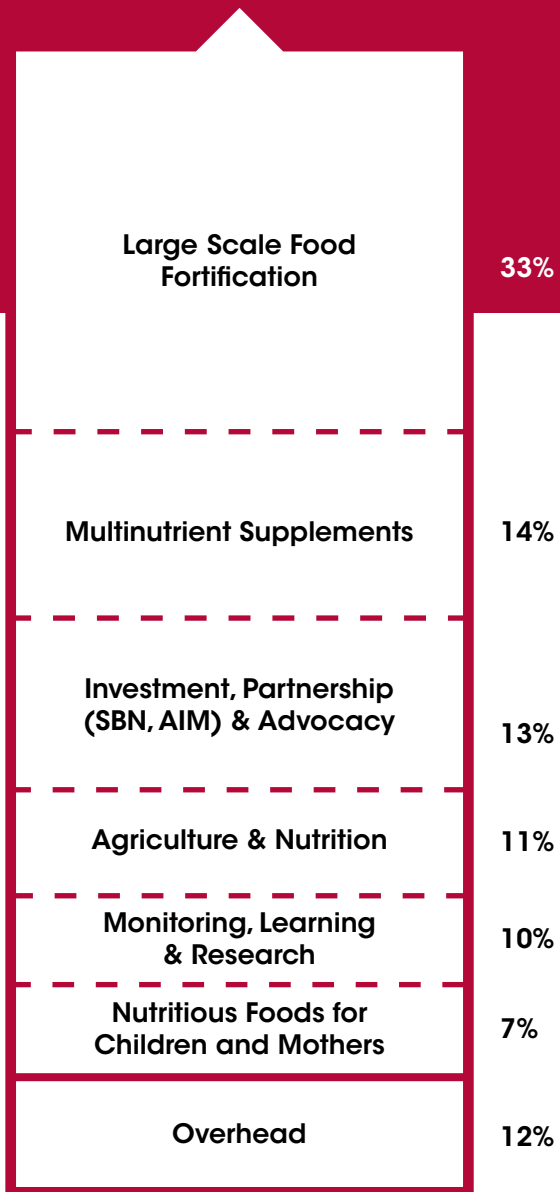
These financial statements were approved by our Board on 2 December 2014. Capital of the Foundation includes a cumulative unrestricted surplus of US\$ 1,635,003 for 2014 and US\$ 370,423 for 2013.

FOOTNOTE :

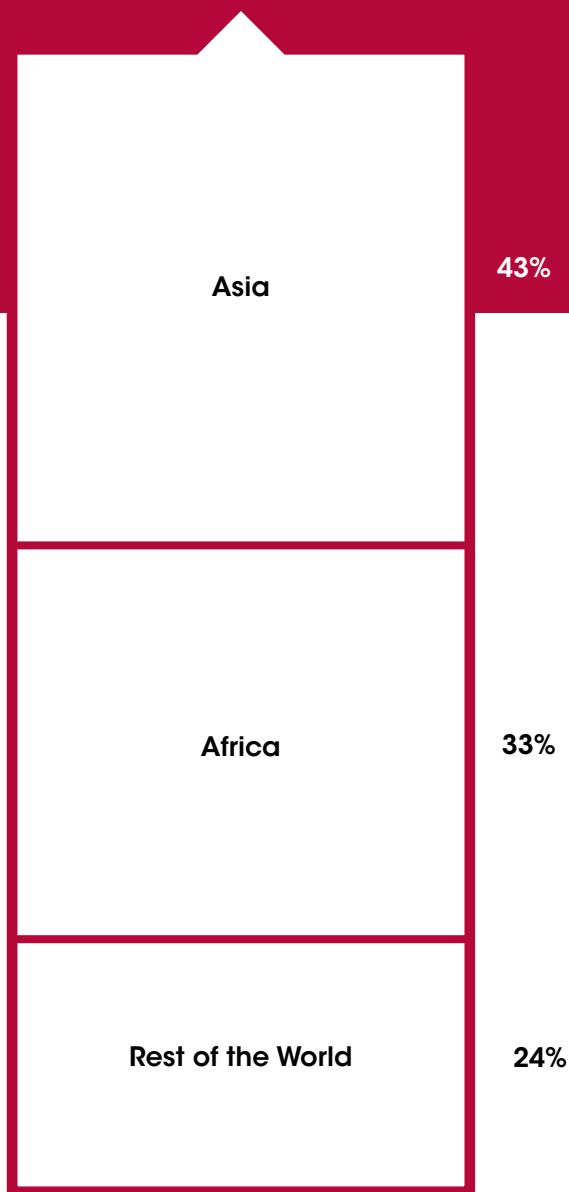
GAIN produces Financial Statements under SWISS GAAP FER21 (Accounting for charitable, social non-profit organizations) as the most appropriate for a growing non profit to correspond to the charitable status of the organization. The use of Swiss GAAP FER improves the transparency of the allocation of the resources that GAIN spends on behalf of donors. For full Swiss (GAAP) disclosures, please see our full audited financial statements at www.gainhealth.org/organization/financial-statements

In 2013, net surplus for the year prior to allocations is a result of positive changes in restricted funds worth US\$ 2,500,000.

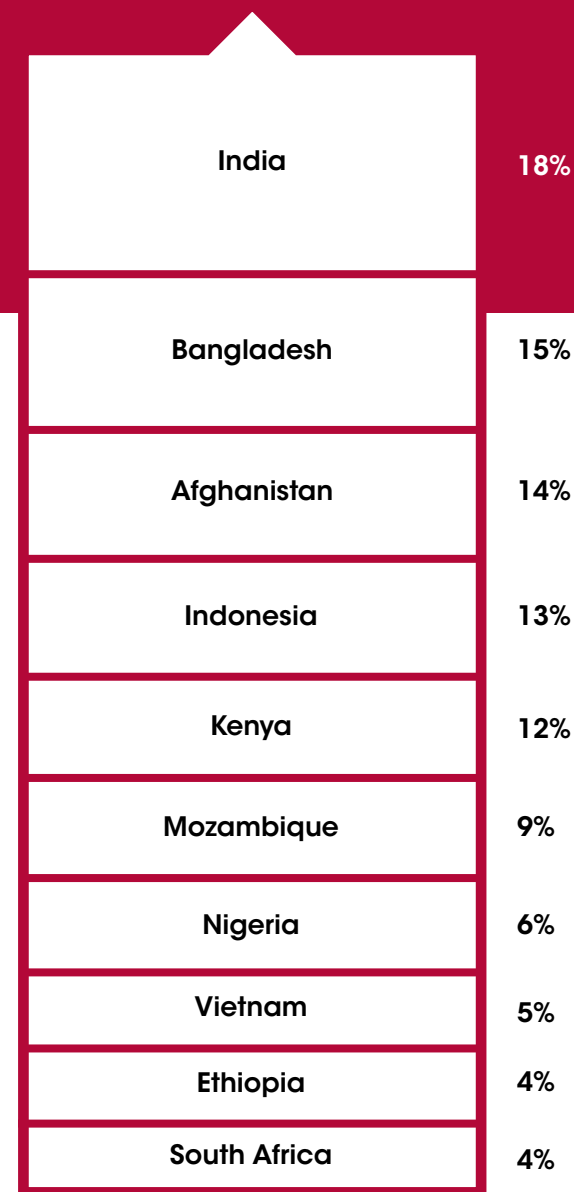
Program Expenditure (%)



Program Expenditure by Region (%)



Program Expenditure by Country (top 10 countries) (%)



Governance

Our Board of Directors is the governing body of GAIN and is supported by its advisory arm, GAIN's Partnership Council.

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Ex officio

Marc Van Ameringen
Executive Director, GAIN, Switzerland

Nicholas Alipui*
Director and Senior Advisor on the Post-2015 Development Agenda, UNICEF

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Interim Chairman

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Director, BRAC Health Programme, James P Grant School of Public Health, Bangladesh

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Independent Consultant and former Director of the Institute of Development Studies, Canada

Martin Bloem
Senior Nutrition Advisor/UNAIDS Global Coordinator, United Nations World Food Programme, Italy

Zulfiqar A. Bhutta
Robert Harding Inaugural Chair in Global Child Health at The Hospital for Sick Children, Canada and the Founding Director of the Center of Excellence in Women and Child Health, at the Aga Khan University, Pakistan

Lawrence Haddad**
Senior Research Fellow, International Food Policy Research Institute, United Kingdom

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Advisor to the South African Department of Trade and Industry on Trade and Economic Development, South Africa

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David Nabarro
Special Representative of the UN Secretary General for Food Security and Nutrition and Coordinator of the High Level Task Force for the Global Food Security Crisis, Switzerland

Axton Salim*
Director, Indofoods, Indonesia

Werner Schultink
Chief of Nutrition, UNICEF, USA

Kathy Spahn
President and CEO, Helen Keller International, USA

Stephan Tanda
Managing Board, DSM, The Netherlands

Emorn Udomkesmalee
Senior Advisor, Institute of Nutrition Mahidol University, Nakhon Pathom, Thailand

Pierre Van Hedel
CEO, Rabobank Foundation, The Netherlands

Paulus Verschuren*
Special Envoy Food and Nutrition Security for Development Ministry of Foreign Affairs, The Netherlands

* Term ended June 2014
** Term ended July 2014

Ex officio

Joachim von Braun
Vice Chair, GAIN Board of Directors, Chair of the GAIN Nominations Committee, and Director, Centre for Development Research, University of Bonn, Germany

Marc Van Ameringen
Executive Director, GAIN, Switzerland

Management

Operations Committee

Marc Van Ameringen
Executive Director

John Fairhurst
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Chief Investment Officer

Jana Jauffret
Director, Organizational Development and Governance

Executive Management Committee

Kim Bowden
Head of Finance

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Director, Large Scale Food Fortification

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Director, Portfolio Management

Lynnette M. Neufeld
Director of Monitoring, Learning and Research

Birgit Poniatowski
Director, Resource Mobilization and Donor Management

Alex Rees
Director of Program Development and Director, UK Office

Dominic Schofield
Director, GAIN Canada and Senior Technical Advisor Policy and Programs

Herbert Smorenburg
Senior Manager, Netherlands Office

Marti van Liere
Director, Maternal, Infant and Young Child Nutrition

Karen Ziffer
Director, US Office

Country Managers

Alem Abay
Country Manager, Ethiopia

Sajjad Imran
Country Manager, Pakistan

Adan Kabelo
Country Manager, Kenya

Basanta Kar
Country Manager, Bangladesh

Shah Liton
Country Manager, Afghanistan

Ravi Menon
Country Manager, Indonesia

Emmanuel T. Quaye
Country Manager, Ghana

Rajan Sankar
Country Manager, India, and Senior Advisor, South Asia

Larry Umunna
Country Manager, Nigeria

Tracy Wyman
Country Manager, Mozambique

Contact us

www.gainhealth.org/contact
info@gainhealth.org

Abuja, Nigeria

2nd Floor, Abia House
Plot 979, First Avenue
Off Ahmadu Bello Way
Central Business District
Abuja, Nigeria
T +234 9 8766535

Addis Ababa, Ethiopia

Bole Sub City
Kebele 03-05
House n°162
TK International Building
1st floor
Addis Ababa, Ethiopia
T +251 910 099 821

Amsterdam, Netherlands

Spaklerweg 14
1096 BA
Amsterdam, Netherlands
+31 20 760 7668

Copenhagen, Denmark

Svanemøllevej 41,
2900 Hellerup, Copenhagen
Denmark
T +45 29 13 33 29

Geneva, Switzerland

Rue de Vermont 37-39
CH-1202 Geneva, Switzerland
T +41 22 749 1850
F +41 22 749 1851
E info@gainhealth.org

Dhaka, Bangladesh

Flat No. A – 3 (3rd Floor)
Suvastu Asmi Nazeela Monor
House # NE(B) 2/1, Road # 71
North Gulshan 2
Dhaka-1212, Bangladesh
T +880 171 94 00 229

Islamabad, Pakistan

House No. 14
Street 37, Sector F-7/1
Islamabad, Pakistan
+92 51 8313981-82

Jakarta, Indonesia

Menara Palma 12th Floor
Jl.HR. RaSUNa Said
Kav.6 Blok X-2
12950 Jakarta, Indonesia
T +62 21 2939 1111

Kabul, Afghanistan

302, Street 6, (Navoi Street),
Lane 3
Police District 10
Qala-e-Fatehullah Khan
Kabul, Afghanistan
T +93 20 22 00 773

London, United Kingdom

1st Floor, Churchill House
142-146 Old Street
London EC1V 9BW
United Kingdom
T +44 20 70 42 13 90

Maputo, Mozambique

Rua dos Desportistas, #649
12th Floor
Maputo, Mozambique
T +27 76 142 3439

Nairobi, Kenya

Muguga Green Road, Hse
#331B
Box 13733 – 00800, Nairobi
M: + 254 731028261

New Delhi, India

Suite 15 AB, AMAN New Delhi
Lodhi Road
New Delhi – 110003, India
T +91 11 43147575

Singapore, Republic of Singapore

354 Tanglin Road #03-13/14
Singapore 247672
Republic of Singapore
T +65 647 229 10

Tema, Ghana

P.O. Box CS 8071
Tema, Ghana
+233 268921408

Washington, D.C., USA

1776 Massachusetts
Avenue, NW
Suite 700
Washington, D.C. 20036 USA
T +1 202 559 8520
F +1 202 559 8515