KEY PROGRESS HIGHLIGHTS

GAIN target: 1 Billion people to access better nutrition

- **380 Million** people consuming better nutrition daily
- **90 Million** women of reproductive age benefitting
- **115 Million** children reached
- **60 Million** individuals reached through the GAIN Premix Facility
- **68%** of beneficiaries in Africa
- **30%** of beneficiaries in Asia
- **30%** of beneficiaries in Asia
- **25+ Countries** benefiting from GAIN support

Us$ 0.23 cost per target individual reached

Us$ 74 Million leveraged in private sector funding

- **90 Million** women of reproductive age benefitting
- **68%** of beneficiaries in Africa
- **115 Million** children reached
- **60 Million** individuals reached through the GAIN Premix Facility
- **68%** of beneficiaries in Africa
- **30%** of beneficiaries in Asia
- **30%** of beneficiaries in Asia
- **25+ Countries** benefiting from GAIN support

People reached through GAIN’s programs:

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>68%</td>
</tr>
<tr>
<td>Asia</td>
<td>30%</td>
</tr>
<tr>
<td>Latin America</td>
<td>2%</td>
</tr>
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Written by Karie Atkinson, GAIN
Design by åtta design
Printed by Imprimerie Gonnet on semi coated FSC paper
"We need to create a powerful movement to break through the endless cycle of malnutrition that traps people in poor health and poverty."

- Jay Naidoo, Chair, GAIN Board
At the Rivonia Trial in 1964, Nobel Laureate and international icon for social justice, Nelson Mandela remarked: “Poverty goes hand-in-hand with malnutrition and disease. The incidence of malnutrition and deficiency diseases is very high amongst Africans. These diseases not only destroy the vital organs of the body, but result in retarded mental conditions and lack of initiative, and reduce powers of concentration. The secondary results of such conditions affect the whole community and the standard of work performed by African [workers].”

Today, one in four Africans is undernourished and close to one billion people suffer from hunger. Almost 200 million of the world’s children under the age of five are shorter than they should be for their age. The most vulnerable are those whose nutritional needs are highest and social status lowest: young children, pregnant and breastfeeding mothers, the sick and the elderly.

Yet the battle against malnutrition is winnable: effective and low-cost solutions exist, and the global community has engaged in the fight.

This year, we have seen unprecedented convergence between the nutrition community, international organizations, business and political leaders in putting the fight against malnutrition on top of their development agenda. GAIN endorsed the Framework for Scaling-Up Nutrition (SUN) that was developed consultatively with a wide range of partners, from companies to non-governmental organizations (NGOs), international organizations and civil society, to improve nutrition in high burden countries. New critical initiatives, such as the “1,000 Days” campaign led by US Secretary of State Hillary Rodham Clinton highlighting the importance of quality nutrition in a child’s first 1,000 days, were launched during the United Nations Millennium Development Goals (MDGs) Summit in September 2010 in New York. Nutrition, a bridge between agriculture and health, is also being given high priority both nationally and globally.

We know, for example, that progress to advance MDGs related to hunger, poverty, education, maternal and child health and infectious diseases, will be impeded without immediate action to improve nutrition.

There is a critical window of opportunity between pregnancy and two years of age - the first 1,000 days of life – when nutrition interventions can overcome otherwise irreversible cognitive and physical setbacks.

All must ensure that nutrition is prioritized. Targets must be clearly set and monitored at all levels. Investment in nutrition requires commitment and support from governments, business, development agencies and civil society. New technology, marketing and innovation, combined with the distribution strengths of markets, need to be harnessed to reach the most vulnerable at the base of the economic pyramid.

2015, the deadline for achieving the MDGs, is fast approaching. At the current pace, they will not be achieved in most countries. A change of approach and major acceleration is required. Nutrition is a clear entry point through which current efforts can be catalyzed. Joint action for nutrition from various sectors can reduce levels of undernutrition, and ultimately hunger and poverty, laying the foundation for progress in all other facets of development.

GAIN will be working hard over the next year to convert political momentum into concrete policies and strategies to end malnutrition.

Jay Naidoo - Chair, GAIN Board
In 2009-2010, GAIN-supported nutrition interventions in more than 25 countries provided close to 400 million individuals, primarily in Asia and Africa, with access to better quality nutrition. This is double the number of individuals reached last year and is the result of earlier investments. We are encouraged that more than 200 million women of childbearing age and children, groups most at risk of malnutrition, are now accessing more nutritious products. We are also energized by the momentum the nutrition agenda has gained in the course of this year.

In the new international climate that recognizes the central role that nutrition plays in poverty alleviation and sustainable development, the critical challenge is to scale up the delivery of nutrition interventions, through harnessing public-private distribution channels, appropriate policy and local capacity building. Reaching the most vulnerable populations in high burden countries requires a mix of broad and targeted investment approaches. For GAIN, innovation, partnerships, progress and growth are key mechanisms to capitalize on today’s enhanced awareness of our cause.

One of the ways in which GAIN is demonstrating innovation is through the GAIN Premix Facility (GPF), which provides producers and buyers of fortified food access to high-quality blends of vitamins and minerals (premix) to add to their food products at competitive prices. Sourcing premix is complicated and challenging. Prices can vary and many customers do not have the resources and expertise to audit suppliers and organize tenders. Since the launch of GPF in July 2009, the initiative has provided an estimated 60 million people with quality, affordable vitamins and minerals.

Similarly, our work with the UN Children’s Fund (UNICEF) supports innovative models for small-scale iodized salt production in countries with a high burden of iodine deficiency. With national governments, we ramped up the development of salt bank cooperatives in Ghana and the Philippines, empowering small-scale salt producers to process, iodize and package their salt at one centralized point.

In Bangladesh, through our partnership with the pharmaceutical company Renata and the NGO BRAC, we are helping 200,000 infants reach their full potential through better access to quality complementary foods during the first two critical years of their life. Within two months of its start, the partnership had begun producing five million sachets of the multiple micronutrient powder Pushtikona® per month.

In Kenya, our support has helped show the benefits of investing in simple solutions like vitamin and mineral powders added to young children’s daily meals. Recent evidence has revealed a 14 percent reduction in iron deficiency and a 10 percent reduction in vitamin A deficiency in children in poor areas of Western Kenya. These reductions mean healthier children and healthier nations.

Finally, we have taken steps to strengthen the foundation of our alliance. The GAIN Board of Directors established a new governance structure, which will help engage new voices, whilst strengthening our focus, delivery and reach. Our Business Alliance, the leading global platform for ramping up private sector engagement in the fight against malnutrition, has also grown. Over 600 companies worldwide are part of the initiative.

As we look ahead to 2011 and beyond, public-private partnerships and innovation remain at the core of GAIN’s identity, and I would like to thank all our partners for their support over the past year. We have the best chance ever to put the global community on a path to end malnutrition. Our opportunity is now.

Key Progress Highlights

- Close to **400 million** having sustained and affordable access to nutritious food – double the number of individuals reached last year and close to half of GAIN’s one billion target
- More than **200 million** women and children reached
- **68 percent** of beneficiaries in Africa and **30 percent** in Asia
- Up to **14 percent** reduction in micronutrient deficiencies in young children in Kenya

Marc Van Ameringen - Executive Director, GAIN
HIGHLIGHTS 2009-2010

2009-2010 was a dynamic year of innovation, partnerships, progress and growth

“The mandate, vision and success of GAIN are remarkable and your focus on public-private partnerships and innovation is a model from which we can all learn. Your goal can be reached if the international community is galvanized and willing to break old models and develop sustainable initiatives.”

– Her Excellency Reem Al-Hashimy, State Minister in the Cabinet of the United Arab Emirates and Chairperson of Dubai Cares

July 2009

The GAIN Premix Facility (GPF) was launched to tackle the challenges that many companies and organizations involved in food fortification face in accessing reliable sources of quality, affordable micronutrient premix, a commercially prepared blend of vitamins and minerals used to fortify staple foods. An estimated 60 million consumers are being provided with higher quality nutrition through GPF.

GAIN received funding from the Khalifa Bin Zayed al Nahyan Foundation in the United Arab Emirates to deliver complementary nutrition interventions that will benefit more than 15 million people in Afghanistan.

November 2009

GAIN disseminated its Working Paper Series No. 2 "Food by Prescription", one of the first comprehensive efforts to describe what is becoming an integral part of the care and support for people living with and being treated for HIV and other chronic infectious diseases.

GAIN convened the Second Business Alliance Forum in Dhaka, Bangladesh, with more than 150 representatives of companies, government and civil society uniting to prioritize nutrition security for children in Bangladesh. At the forum, the Government of Bangladesh committed to partnering across sectors to expand the reach of its school feeding program. The event also reached consensus on gaps to be filled to move the nutrition agenda forward through a mix of nutrition programming: expansion of public-private partnership models and strategies including large-scale national food fortification, school feeding and solutions focusing on the first 1,000 days of life. GAIN’s goal is to reach 10 million children in Bangladesh with better quality nutrition.

January 2010

GAIN is an essential partner of aid agencies providing emergency food assistance. GAIN responded to the devastating earthquake in Haiti by providing US$ 400,000 worth of vitamin and mineral premix through the GAIN Premix Facility. The World Food Programme (WFP) delivered the fortified food to thousands of victims, especially women and children, to provide the vitamins and minerals necessary for preventing undernutrition.

In partnership with the Government of Morocco’s Ministry of Health and UNICEF, GAIN provided additional support to Morocco to fortify wheat flour and vegetable oil. As of June 2010, the partnership was reaching an estimated 23 million people.
GAIN contributed to the June 2010 supplement of the Food and Nutrition Bulletin on programs and policies to improve maternal, infant, and young child nutrition in developing countries.

In partnership with the Senegalese Commission for the Fight against Malnutrition (Cellule de lutte contre la malnutrition) and the National Food Fortification Alliance (COSFAM), GAIN began support to a project in Senegal that aims to deliver quality nutrition to more than 11 million people.

Results of a project supported by GAIN to provide children with Sprinkles®, vitamin and mineral powders added daily to meals, in malaria-endemic areas of Western Kenya showed a 14 percent reduction in iron deficiency and a 10 percent reduction in vitamin A deficiency. Following these results, GAIN began identifying partners in Kenya to scale up production and distribution of Sprinkles®.

GAIN convened its first Africa Regional Forum in Johannesburg, South Africa to advocate for more concerted attention to food and nutrition security in Africa and to enable the sharing of experiences and lessons learned in combating malnutrition at scale on the continent. More than 160 participants, including a range of political and nutrition leaders, from 18 African countries attended. The forum secured commitment from Lady Ida Odinga, wife of Kenya’s Prime Minister Raila Odinga and Graça Machel of Mozambique and South Africa, to be dedicated activists and champions for nutrition.


GAIN and Ashoka Changemakers held an online competition “Improved Nutrition: Solutions through Innovation” to fight global malnutrition. Winners include: 1) a cost-effective food fortification device dispensing nutritious grain in Haiti 2) a school lunch program providing healthy meals to one million schoolchildren in India and 3) a community garden initiative empowering Rwandans living with HIV/AIDS through nutritious and prosperous sustainable agriculture. The effort strengthens new entrepreneurial innovations for global food and nutrition security.

In partnership with the Chinese Center for Disease Control and Prevention (CDC), the China Condiment Industrial Association and local soy sauce producers, GAIN provided additional support to China to add iron to soy sauce and expand the project to reach the rural and urban poor. At the end of the first phase of the project, the partnership was sustainably providing an estimated 63 million people with access to fortified soy sauce.

In partnership with the Ministry of Health, the Pakistan Flour Mills Association and privately-owned flour mills, GAIN provided additional support to Pakistan to add iron and folic acid to “atta” wheat flour. As of June 2010, an estimated 13 million people had access to fortified wheat flour and 125 out of 170 flour mills were producing it.
“The Government of Uganda is committed to increasing the budget for nutrition interventions as a percentage of health spending. We will call upon the government patrons, including donors, to support Uganda’s effort to scale up nutrition. I encourage other countries to do the same in Africa.”

– Sam Kuteesa, Minister of Foreign Affairs, Uganda
POPULATION-BASED PROGRAMS: FOCUSING ON HIGH BURDEN COUNTRIES

EXPANDING THE AVAILABILITY OF FORTIFIED FOODS

Large-scale food fortification projects (see Figure 1 page 10) improve access by the general population to quality nutrition, through public distribution systems and markets by leveraging financial and technical resources from both public and private sectors. Large-scale food fortification projects are guided by a broad coalition of governments, businesses, international organizations and civil society partners working together in National Fortification Alliances. GAIN grants support: development of policy and regulation (see Putting Nutrition on the Global Policy Agenda page 18); purchase of vitamin and mineral premix and fortification equipment; implementation of consumer awareness campaigns; and training on fortification techniques and quality assurance for government officials and staff in mills, refineries and plants. Projects are more likely to be sustainable once fortification is mandated by government and adopted by industry.

KEY ACHIEVEMENTS

- Development of new projects to fortify key staple foods in Bangladesh, India, Indonesia, Kenya and Senegal in partnership with governments, industry, NGOs and international organizations
- With the Government of Egypt and WFP, enabling 45 million Egyptians to access nutritious Baladi bread, the country’s main staple made with fortified wheat flour
- Reaching more than 2.2 million people in Kazakhstan with fortified wheat flour, up from 750,000 people in 2009, in collaboration with the Government of Kazakhstan and UNICEF
- In Ghana, fortification of all locally-produced and imported brands of wheat flour and vegetable oil with essential vitamins and minerals, as well as support to the introduction of a test to make it easy to assess whether levels of vitamin A in vegetable oil are appropriate
- Driving efforts of the Rice Fortification Resource Group to engage all appropriate channels of rice production, trade and consumption in countries as they move towards rice fortification

GAIN AND RICE FORTIFICATION

GAIN is one of the driving forces of the Rice Fortification Resource Group (RiFoRG). This public-private partnership aims to reach and engage all appropriate channels of rice production, trade and consumption in countries as they move towards rice fortification. RiFoRG is expected to become an essential component in the fight against micronutrient malnutrition. By being a resource for technical, advocacy and regulatory matters, it expects to catalyze the work of countries as they make the transition to fortified rice.

GAIN agreed to provide initial funding to support staffing costs, future meetings and development of rice fortification guidelines and communications tools for the group. In July 2010, GAIN supported the launch of the RiFoRG website (www.gainhealth.org/riforg). The website was created as a communications channel for the group’s activities, and will serve as a platform for sourcing and sharing information on rice fortification techniques, technology and achievements. The website will also enable members to exchange ideas and experiences.

GAIN has participated in an evaluation mission with several partners of RiFoRG in Vietnam to engage with the Government and private sector partners to explore interest in fortifying rice both for local consumption and for export.
On 27 May 2009, a coalition of Dutch public and private sector organizations with GAIN launched the Amsterdam Initiative against Malnutrition (AIM) to end malnutrition for 100 million people in Africa by 2015. The coalition includes AkzoNobel, DSM, GAIN, the Government of the Netherlands, Interchurch Organisation for Development Cooperation, Unilever, and Wageningen University. AIM represents an opportunity to combine the know-how of major players in the food and nutrition industry focusing on six countries: Kenya, Tanzania, South Africa, Ethiopia, Ghana and Mozambique. The effort aims to improve supply and access to affordable nutritious products, and, as a result, reduce vitamin and mineral deficiencies by 20 percent. It is especially targeting vulnerable populations including children and mothers.

During the fiscal year, GAIN, which is hosting the AIM Secretariat, helped establish a management structure to facilitate cooperation among public and private sector partners in the target countries. In December 2009, the Government of the Netherlands provided a grant of US$ 1.6 million to help operationalize the initiative. GAIN expects AIM activities to accelerate in the coming year.
ELIMINATING IODINE DEFICIENCIES FOR MILLIONS OF VULNERABLE PEOPLE

The GAIN-UNICEF Universal Salt Iodization Partnership Project contributes to global efforts to eliminate iodine deficiency through salt iodization in 13 countries with the lowest coverage of iodized salt and the greatest burden of iodine deficiency. The project is being implemented in Bangladesh, China, Egypt, Ethiopia, Ghana, India, Indonesia, Niger, Pakistan, Philippines, Russia, Senegal and Ukraine. By the end of the project, the partnership will have provided 920 million people with adequately iodized salt. In addition to program monitoring and evaluation, GAIN assists small-scale salt producers to produce high-quality iodized salt. To complement these efforts, UNICEF supports efforts to stimulate long-term demand for iodized salt among consumers and the food industry, as well as to reinforce government and public sector commitment through advocacy.

KEY ACHIEVEMENTS

- Finalization of country strategies for universal salt iodization in China, Ghana, India, Russia and Ukraine
- Launch of salt bank cooperatives in Ghana, Indonesia, and the Philippines incorporating finance, salt production, iodization, packaging, branding and distribution
- Reviewing, training and establishing proper quality assurance and control systems at laboratories
- Procurement of potassium iodate for Ethiopia and Ghana, countries experiencing critical supply shortages
- Support of studies to identify products that contain non-iodized salt and target low-income populations

Establishing a constant supply of adequately iodized salt has long been identified as a significant challenge. The partnership began addressing this in a number of areas, including:

1. Innovative models for small-scale salt production. A number of business models have emerged that provide opportunities for small-scale salt producers to engage in iodization through pooling their individual operations together. For instance, the salt bank cooperatives concept is a model that can be replicated in other countries. The partnership has a role to play in the development, implementation and dissemination of such models.

2. Monitoring and quality control. Lack of robust regulatory monitoring was identified as a major impediment during all country reviews. The partnership will help address this problem through the dissemination of standardized guidelines for monitoring and quality control, including the use of appropriate technology for analyzing iodized salt at production. In India, GAIN supported the development and implementation of a national management information system that will provide data on iodized salt production and distribution on a real-time basis. This will significantly improve availability of iodized salt in all parts of the country. In the Philippines, the partnership is working with the major iodized salt producers and in conjunction with the Government’s Department of Technology and Science to review, train and establish proper quality assurance and control systems at factories.

3. Procurement and availability of potassium iodate used to iodize salt. The lack of clear approaches for ensuring the long-term supply of potassium iodate has hampered efforts to deliver sustainable salt iodization programs. During the year the partnership worked with the GAIN Premix Facility to procure potassium iodate for Ethiopia and Ghana, countries experiencing critical supply shortages. The partnership also launched a global study, which will look at the status of potassium iodate supply across all target countries. In Ghana, a revolving credit system for the supply of quality and affordable iodate to the salt industry has been established. This system is to be replicated in the other 12 countries where the partnership is active.

4. Processed food and iodized salt. To help ensure that salt used in low-cost processed foods is iodized, the partnership began to support studies to identify products targeting low-income populations that contain non-iodized salt.
Finally, the partnership continued to coordinate activities with other groups supporting salt iodization projects in developing countries through participation in the Micronutrient Forum (July 2009), the International Salt Symposium (September 2009) and meetings of the Board of the Iodine Network (April 2010). In addition, strategic planning between UNICEF and the Micronutrient Initiative at the global level continued to enhance both regional and national coordination.

**TARGETED PROGRAMS: FOCUSING ON THE FIRST 1,000 DAYS OF LIFE**

**REACHING VULNERABLE INFANTS AND YOUNG CHILDREN THROUGH LOCAL SOLUTIONS**

Infants and young children under the age of two years are most vulnerable to the long-term consequences of malnutrition. The first 1,000 days of life from conception represent the period of highest vulnerability but also the greatest window of opportunity for investments in healthy development. The goal of GAIN’s Infant and Young Child Nutrition Program is to improve the nutritional status of at least ten million children aged 0 to 24 months through optimal feeding practices that combine exclusive breastfeeding until six months of age and introduction and appropriate use of complementary foods thereafter. GAIN-supported projects (see Figure 2 page 13) in infant and young child nutrition improve access by the poor to good quality nutrition through markets and public distribution systems, harnessing the know-how of the public and private sectors. GAIN activities provide financial and technical support to complementary food product development and marketing, as well as optimal infant and young child nutrition policies.

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**GHANA**

For Chief Kwesi Tandoh IV from Ghana, ending malnutrition means supporting innovation to improve health and create jobs in communities.

Kwesi Tandoh IV is a chief in Elmina, a town on the coast of Ghana where GAIN, in partnership with UNICEF, is supporting the development of a salt bank. In Ghana, only about a third of the population consume adequately iodized salt. One reason for the low rate is because salt producers process and sell their raw salt individually, with no system in place to ensure the salt is iodized. At the salt bank, salt iodization will be managed by small-scale salt producers at one central point through a cooperative system. After the first salt banks are up and running, GAIN and UNICEF will support local capacity to replicate them in other parts of the country, as well as globally.
### KEY ACHIEVEMENTS

- Launch of partnerships that involve local businesses, governments, NGOs, financial organizations, non-profit global venture funds and UN organizations. Activities include the development, marketing and distribution of multiple micronutrient powders in Bangladesh, and of fortified blended foods (i.e. fortified porridge) in Côte d’Ivoire, Ghana, India and the Philippines.

- Second publication on programs and policies to improve maternal, infant and young child nutrition in developing countries in the June 2010 Special Supplement of the *Food and Nutrition Bulletin*.


While most of the large-scale projects in infant and young child nutrition are still in the early stages of implementation, positive results have already materialized. For example, in Bangladesh, GAIN’s support of a local partnership between pharmaceutical company, Renata, and the Bangladesh-based NGO BRAC, is enabling the production of five million sachets of the multiple micronutrient powder Pushlikona® per month, with an estimated reach of approximately 200,000 infants aged 6 to 24 months. While Renata is manufacturing the products, BRAC is helping to market and distribute them.

<table>
<thead>
<tr>
<th>Country (Project Type)</th>
<th>Executing Agencies / Implementing Partners</th>
<th>Product</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh (Grant)</td>
<td>Renata / BRAC</td>
<td>Pushtikona®</td>
<td>March 2010</td>
<td>February 2014</td>
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<tr>
<td>Côte d’Ivoire (Grant)</td>
<td>Protein Kisée-La / Helen Keller International</td>
<td>Farinor®</td>
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<td>June 2014</td>
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<td>Ghana (Grant)</td>
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<td>May 2015</td>
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<td>Nutrimix®</td>
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<td>April 2010</td>
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<tr>
<td>Philippines (Grant)</td>
<td>Nutrition Center for the Philippines</td>
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<td>March 2010</td>
<td>February 2015</td>
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<tr>
<td>Kenya (Co-investment)</td>
<td>GAIN / Acumen Fund / Insta Products</td>
<td>Fortified Uji (porridge)</td>
<td>November 2008</td>
<td>November 2014</td>
</tr>
</tbody>
</table>

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**CÔTE D’IVOIRE**

For Marie Konaté, ending malnutrition is about creating sustainable business models that can be reproduced elsewhere.

Marie Konaté is the CEO of Protein Kisée-La (PKL), a leading producer and exporter of fortified infant cereal products based in Côte d’Ivoire committed to reducing child malnutrition. In conjunction with promoting breastfeeding, Konaté’s company is developing, marketing and distributing an infant cereal product, Farinor®, which is fortified with vitamins and minerals. PKL has partnered with Helen Keller International (HKI) to carry out public awareness campaigns on optimal infant and young child nutrition targeted at healthcare workers. GAIN is supporting PKL and HKI to repackage, market and distribute Farinor® to ensure that the poorest of the poor can afford and access it in small shops and pharmacies across the country.
them throughout the country via its large community-based network of health workers. Moreover, BRAC and Renata successfully collaborated to develop general messaging for advertising about the importance of breastfeeding together with complementary feeding – a unique example of a private sector company that is supporting both elements of comprehensive feeding.

In Ghana, GAIN is working with a local partner, Yedent Agro Processing Ventures Limited, to develop and test a new type of market research tool. The tool revealed the types of nutritious complementary foods low-income population groups are willing to purchase as well as infant feeding practices and conditions that influence demand for the foods. The program aims to apply it across its project portfolio.
In addition, GAIN continued to grow its pipeline of investments in nutritious products for infants and young children in Africa and Latin America through funds with private investment partners Acumen Fund (GAIN-Acumen Fund Nutrition Portfolio) and the International Finance Corporation (IFC-GAIN Nutrition Trust Fund).

**DEVELOPING LOCAL CAPACITY FOR LEADERSHIP**

The program provided small grants (under US$ 200,000) to support research on the effects of micronutrient powders (Cambodia) and ready-to-use therapeutic food (Burkina Faso), as well as research on naturally-occurring compounds in foods that inhibit the absorption of micronutrients in typical complementary foods. Another important component of GAIN’s program in infant and young child nutrition is developing national capacity. As part of this work, GAIN supported experts to provide technical advice to companies to share lessons learned and develop their capacity for product development, production and quality control. For example, GAIN supported experts from South Africa and India to provide technical assistance to a company in El Salvador to set up production of complementary feeding products.
In China, GAIN’s support has helped build acceptance of home fortification and scale up the use of complementary food supplements. An investment with the Chinese Ministry of Health supported the development, marketing and distribution of soy-enriched vitamin and mineral complementary food supplements called Ying Yang Bao to poor families in Shanxi Province. GAIN worked closely with partners to educate mothers, parents and caregivers on the importance of sound infant and young child feeding practices such as complementary feeding in conjunction with breastfeeding.

The project catalyzed policymakers in the Chinese Government to scale up the use of Ying Yang Bao in the earthquake-affected areas of Sichuan Province and of multiple micronutrient powders nationwide. GAIN’s continued support has led four new companies to begin producing Ying Yang Bao. Efforts are underway to solicit more business plans from manufacturers for the expansion of production and market-based distribution of the product in China, as well as for the transfer of the technology in other markets in Asia and Africa.

GAIN PREMIX FACILITY (GPF)

IMPROVING ACCESS TO AFFORDABLE AND HIGH-QUALITY MICRONUTRIENT PREMIX

The GPF was established to tackle the challenges that producers and buyers of fortified foods face in accessing high-quality premix blends of vitamins and minerals to add to their food products at competitive costs. The initiative is structured around four distinct functions: certification, procurement, credit and grants.

The Certification Facility, which is managed by GAIN’s Certification Agent Intertek, prequalifies suppliers based on stringent criteria and monitors ongoing quality of production. The Procurement Facility, managed by GAIN’s procurement agent Crown Agents, facilitates a competitive tendering process for each premix order to achieve the best possible prices from pre-qualified suppliers (premix blenders and vitamin and mineral manufacturers). Suppliers engage in a bidding process that stimulates competition and reduces prices. The purpose of the Credit Facility is to offer credit to GPF customers who need help meeting the upfront costs of making premix purchases. The Grant Facility provides targeted financial support to food fortification efforts in emergency relief situations, for example, provision of premix for fortified food aid.

KEY ACHIEVEMENTS

- US$ 6 million: value of premix orders procured through GPF across 12 countries in the first year of operation
- 60 million: the estimated number of consumers GPF is reaching, with more than half of these individuals outside of GAIN’s Nutrition Programs
- In partnership with WFP, providing fortified food for significant numbers of earthquake victims in Haiti

GAIN launched the GPF on 1 July 2009 after certifying a global pool of 13 premix blenders and 13 vitamin and mineral manufacturers located in Europe, North America, Africa and India. In its first year, the GPF sourced approximately US$ 6 million in premix orders for customers located in 12 countries in Africa, Central and Southern Asia and Eastern Europe. These customers include partners in GAIN’s Nutrition Programs, major aid agencies and private sector food producers. More than US$ 3 million of the orders utilized the GPF Credit Facility, which enables the GPF to offer extended credit, and in some cases tailored credit arrangements, to customers.

During the period, the GPF actively worked to establish collaborative agreements with major aid agencies which are also major buyers of fortified foods and micronutrient premix through their own programs. In late 2009, the GPF was included on the list of recommended suppliers of premix for WFP. As a result, the GPF can bid on any premix tender issued by WFP to procure premix directly for WFP programs. It is also able to supply premix to private sector food producers who are supplying fortified foods to WFP. The GPF responded to tenders by WFP to procure premix in Pakistan and Bangladesh and supplied premix to private sector food producers in Italy, South Africa and Turkey.

In response to the devastating earthquake in Haiti in January 2010, GAIN provided a US$ 400,000 in-kind donation of premix to WFP through the GPF Grant Facility. The support
helped WFP deliver fortified food to significant numbers of people affected by the disaster, especially women and children in need of vital vitamins and minerals to reduce undernutrition.

**RETAIL TESTING**

The GPF launched a pilot program for the retail testing of fortified foods, which was another key milestone during the year. Its objective is to enhance food safety and nutritional quality by supporting local enforcement authorities to monitor compliance among fortified food producers and to strengthen local laboratory capacity.

In Ghana, salt producers have struggled in the past to access a reliable source of potassium iodate and this has been a significant barrier to salt iodization. The Ministry of Trade & Industry is collaborating with the GPF on a new supply model which can deliver small pack sizes of affordable, good quality potassium iodate to any producer’s doorstep. It is a relevant and effective solution to some longstanding problems."

— Andrews Quashie, Project Coordinator, National Potassium Iodate Distribution System, National Salt Iodization Committee, Ghana
“We know enough about the science of nutrition to know that interventions have the biggest impact when they occur during the first 1,000 days of a child’s existence. That begins with pregnancy and continues through a child’s second birthday. Interventions after that second birthday make a difference, but often cannot undo the damage that was done because of undernutrition during the first 1,000 days. So we can be very targeted with our investments to save and improve the greatest number of lives.”

— Hillary Rodham Clinton, Secretary of State, United States
GAIN continued to support national efforts to improve policies for nutrition including standards and guidelines. GAIN also made significant progress in building national nutrition champions at the political level to advocate for improved nutrition and in increasing outreach and advocacy efforts at the national, regional and international levels.

ADVOCATING FOR FOOD FORTIFICATION

- A Ministerial Directive in Ghana made the fortification of wheat flour and commercially produced vegetable oil compulsory.
- In India, GAIN supported the states of Rajasthan, Bihar and Madhya Pradesh to adopt a policy introducing fortified wheat flour in public funded programs and also helped advocate to include fortified foods in the 2010 National Food Security Act.
- In Kazakhstan, the President approved mandatory flour fortification within the country’s health policy.
- In Vietnam, the President approved a new law that provides for the rights and obligations of organizations and individuals in assuring food safety. The new food safety law calls for compliance with regulations on micronutrient fortification in response to public health needs.

Simultaneously, GAIN worked with stakeholders to advocate for the adoption of revised World Health Organization (WHO) international guidelines for vitamin and mineral fortification of wheat and maize flour, in particular in countries where GAIN operates.

- In Morocco, GAIN began support to a study to collect information on flour mixing procedures that will inform the choice of the form of iron to be included in fortification for maximum health impact.
- In Nigeria, GAIN supported a review of existing fortification standards for wheat and maize flour to include zinc and folic acid.

TOWARDS OPTIMAL INFANT AND YOUNG CHILD NUTRITION POLICIES

In the area of infant and young child nutrition, GAIN undertook a number of activities to support an enabling environment for scaling up access to affordable and nutritious complementary feeding products, and to mobilize global stakeholders to establish sector-wide consensus on technical issues. Activities included:

- Convening and supporting meetings in October and December 2009 as part of the Ten Year Strategy to Reduce Vitamin and Mineral Deficiencies, an effort among governments, international organizations, NGOs and business to coordinate work to improve micronutrient health. Discussions shaped the second publication on programs and policies to improve maternal, infant, and young child nutrition in developing countries in the June 2010 Special Supplement of the Food and Nutrition Bulletin, as well as a special supplement of the African Journal of Food, Agriculture, Nutrition and Development.
- Providing guidance to companies on compliance with the International Code of Marketing of Breast-Milk Substitutes continued to be a priority. As part of this work, in March 2010, GAIN published the GAIN Working Paper Series No 3: “Using the Code of Marketing of Breast-Milk Substitutes to Guide the Marketing of Complementary Foods to Protect Optimal Infant Feeding Practices”. The document represents a watershed consensus on the implications of the Code on the marketing of complementary foods and will help build consensus on regulating the marketing of complementary feeding products.
- Investing in various tools to advance maternal, infant and young child nutrition including: 1) a nutrition product formulation calculator to help companies determine the optimum mix of raw ingredients and vitamin and mineral premix for complementary foods; 2) a tool to assess whether companies are Code compliant and to assist them with the design of marketing plans; 3) nutritional guidelines for complementary foods and supplements; and 4) quality monitoring procedures to ensure safety and consistent high-quality in products.
• Providing technical assistance to the national delegation of Ghana on the Codex Alimentarius, an international food regulatory body administered by the Food and Agriculture Organization and WHO. This will help Ghana update the 1991 Codex Guidelines on formulated supplementary foods for older infants and young children.
• Mobilizing the development of an implementation plan for the Home Fortification Technical Advisory Group was another key policy win for infant and young child nutrition. The group unites key stakeholders from the scientific community, UN agencies, private sector and NGOs to facilitate implementation of well-designed and effective home fortification projects and serves as a resource center. GAIN is the secretariat of this group.

PUTTING NUTRITION AT THE HEART OF REGIONAL POLICY AGENDAS

GAIN’s advocacy objectives include: strengthening and improving policy support for nutrition; increasing the total resources available from nutrition donors, the private sector and national governments; and fast tracking implementation of national plans in GAIN priority countries. During the year, an office in Washington, D.C. was established to scale up GAIN’s global outreach and advocacy interventions.

GAIN’s main advocacy activities this year were the Africa Regional Forum in Johannesburg (see Box below) and the annual Business Alliance Forum in Dubai; both events provided opportunities for high level engagement. GAIN also continued to convene meetings of the South Africa Alliance against Malnutrition (SAAM), an initiative that brings together the South African Government, civil society, academic organizations and business to accelerate innovation in the fight against malnutrition in South Africa. The SAAM identified priority areas requiring leadership to mobilize new resources and develop solutions including: advocacy/health awareness; infant and young child nutrition; fortification; food security among the most vulnerable groups; new product development; and capacity building. Besides paving the way for new project developments, the SAAM also drew attention to the need to review national food fortification monitoring and quality control.

GAIN also contributed and participated in the Framework for Scaling-Up Nutrition (SUN), a global response to the continuing high levels of global undernutrition and delayed progress on the MDGs, which were set in 2000 to halve poverty and hunger by 2015. SUN was unveiled in Washington, D.C. in April 2010 at a meeting co-hosted by Canada, Japan, USAID and the World Bank. It is a consensus strategy agreed to by over 100 organizations, a first for the community, which offers concrete recommendations on how best to scale up nutritional interventions as a key strategy to help realize the MDGs.

GAIN also actively participated in several high-level meetings with the aim of moving nutrition up the global agenda, including the World Economic Forum, the Clinton Global Initiative meeting, the Pacific Health Summit and the Women Deliver conference.

GAIN AFRICA REGIONAL FORUM HELPS STRENGTHEN STANDARDS SUPPORTING BETTER NUTRITION

The GAIN Africa Regional Forum has led to new initiatives such as an effort to harmonize and make mandatory food fortification standards across the West African Economic and Monetary Union. Following the forum, in June 2010 in Abidjan, GAIN supported a meeting spearheaded by the Commissioner of the West African Economic and Monetary Union to encourage partners involved in fortification of staple foods in the region to come up with recommendations to move the initiative forward. Key recommendations that came out of the meeting included:

• Mobilization of resources for fortification efforts;
• Establishment of a regional fortification alliance to better coordinate actions of national alliances with local representation;
• Development of a large communication campaign to increase consumer awareness on fortification;
• Intensification of the fight against fraud;
• Identification of reference laboratories at the regional level that test the quality of fortified foods: and
• Establishment of a monitoring and evaluation system to measure the impact of fortified foods on populations.
Particular efforts were also made to reach out to national, regional and international media. These efforts, together with GAIN’s advocacy activities, resulted in more than 200 articles and stories (a mix of radio, television broadcast and print) published in over 30 countries. Stories contained interviews of GAIN management, national/international opinion-leaders and decision-makers, as well as reports on GAIN programs and wider messages around malnutrition. Many of the items were included in high-profile media outlets such as BBC, The British Medical Journal, CNBC, The Daily Nation, The Financial Times, France 24 TV, Le Matin, Le Temps and the Mail & Guardian.

“Children have to have all the ingredients and conditions to have a full and complete possibility of developing their potential. That’s why I have decided to join you as a champion of nutrition – you can count on another voice to support what you are doing.”

– Graça Machel of Mozambique and South Africa
“Our dream of building a prosperous poverty-free Bangladesh rests fairly and squarely in our ability to combat hunger and poverty. It is a monumental battle, which our government and development partners cannot fight alone.”

– Mr. A. Rouf Chowdhury, Chairman, Bangladesh Vegetable Oil Refiners Association
MOBILIZING INNOVATIVE PARTNERSHIPS TO END MALNUTRITION

Public-private partnerships are a key instrument in the fight against global malnutrition. For GAIN, partnerships are formal relationships that take many forms, build trust and common understanding and lead to joint action. GAIN partners with business, governments, NGOs, international organizations, academia and other key players in the nutrition sector to deliver programs to vulnerable populations as efficiently and effectively as possible. Strategic partnerships leverage the best capabilities of each partner and are essential to achieve harmonization and deliver performance.

KEY ACHIEVEMENTS

- Convening of the GAIN Business Alliance Global Forum in Dubai, United Arab Emirates in May 2010 to discuss practical ways in which the private sector can be more involved in the fight against malnutrition globally, and in particular in the Middle East and North Africa

- Growth in GAIN Business Alliance*, a platform to engage the private sector in innovative approaches to fighting malnutrition, with over 600 participating companies worldwide

2010 marked the fifth anniversary of the GAIN Business Alliance (BA), the leading global partnership to explore new business models, best practices and sustainable approaches in the fight against malnutrition. Since its launch, the BA has become an important platform for its members, enabling them to share best practices and lessons learned, meet like-minded companies and further the role of the private sector in the fight against malnutrition.

GAIN also continued to develop its Case Study Series from BA members to share lessons learned among businesses that are engaged in or interested in engaging in new Base of the Pyramid approaches and market-driven solutions to fighting malnutrition. The new case studies published by GAIN focus on successes and challenges faced by the Naandi Foundation,

ONLINE COMPETITION UNEARTHS SOCIAL BUSINESS INNOVATIONS ADDRESSING GLOBAL MALNUTRITION

In September 2009, GAIN implemented the GAIN-Ashoka online competition “Improved Nutrition: Solutions through Innovation” to identify the most innovative entrepreneurial idea for improving global nutrition. The competition received 253 entries from 43 countries. Of these projects, three were selected as winners by public vote and received US$ 5,000 each. Parallel to the public selection of finalists, GAIN reviewed all entries and identified four projects that were showcased at the GAIN Business Alliance Global Forum in Dubai in May 2010. These projects address malnutrition through improved school meals, improved equipment for the small-scale fortification of salt, soy milk and other food products and the development and distribution of ready-to-use therapeutic foods. In Dubai, project leaders engaged in active dialogue with other participants and were able to initiate a number of concrete partnerships to take their projects forward.

* Current multinational BA members include: Ajinomoto Group, AkzoNobel, BASF, Britannia Industries Ltd., Coca-Cola Company, Cargill Incorporated, DSM, Firmenich, Fortitech, Groupe Danone, Hexagon Nutrition, Mars Inc, Nutriset, PepsiCo Inc, Tetra Pak and Unilever.
Tetra Pak and Cargill Incorporated in applying their core capacities to tackle malnutrition in India and Bangladesh through interventions such as scalable school feeding programs and fortification of edible oils.

“GAIN Insight” was the theme of this year’s GAIN Business Alliance Global Forum held in Dubai on 25-26 May 2010. More than 150 participants representing business, government, donors and international organizations came together to discuss practical ways in which the private sector can be more involved in the fight against malnutrition globally, and in particular in the Middle East and North Africa. Highlights included a special address by Her Excellency Reem Al-Hashimy, State Minister in the Cabinet of the United Arab Emirates and Chairperson of Dubai Cares, recognizing the problems of under and overnutrition in the Middle East. Moderated by John Defterios, host of CNN Marketplace Middle East, this year’s GAIN Business Alliance Global Forum was less of a “sit back and listen” and more of a “get up and do” conference, designed to engage participants in exploring the suite of approaches needed to address malnutrition at the Base of the Pyramid. To encourage collaboration amongst participants, the conference was organized around four Action Stream workshops: Business Models for the Base of Pyramid, Design and Innovation, Partnerships and Collaboration and Measuring Impact. The workshops were well-received by participants who appreciated the process and the opportunity to share their experiences while at the same time learning from their like-minded peers.

Cargill, a member of the GAIN Business Alliance, is currently reaching 25 million people in India each month with edible oil fortified with essential vitamins. This is Cargill’s most significant program to date toward achieving the goals of the company’s Nourishing India initiative, designed to improve nutrition and food security in India. This is an example of how a company can integrate social impact into its core business. Through Nourishing India, Cargill is building brand reputation, setting a standard for competitors and creating sustainable impact. Cargill’s story is one of three featured in a newly released “Lessons from Business” case study series on GAIN’s website highlighting the role of business in accelerating the fight against malnutrition.
PIONEERING INNOVATIVE FINANCIAL MECHANISMS
ATTRACTING CAPITAL TO END MALNUTRITION THROUGH FINANCIAL INNOVATIONS

The Innovative Finance Program is committed to pioneering innovations in financing structures to attract capital to the fight against malnutrition. This includes finding new ways to leverage capital markets to encourage food and beverage companies to implement best practices. Small and medium-sized companies producing nutritious foods, particularly in developing countries, can face a range of constraints including lack of access to capital and technical expertise. GAIN is partnering with financial institutions, not-for-profit global venture funds and venture capitalists to establish funds that encourage local businesses to develop new products, distribution channels and marketing approaches. These products are aimed at improving the nutrition of low-income families, particularly infants and young children. The program has established two funds, the GAIN-Acumen Fund Nutrition Portfolio and the International Finance Corporation-GAIN Nutrition Trust Fund, which have made their first investments in businesses seeking to develop nutritious products for infants and young children in Africa and Latin America.

KEY ACHIEVEMENTS

- Completion of the first phase and launch of the second phase of the Access to Nutrition Initiative, an index that will assess food and beverage manufacturers on their nutrition practices.
- Signing of a cooperation agreement with LGT Venture Philanthropy, a European leader in providing social venture capital to organizations operating in low-income markets, to co-invest in businesses that are meeting a broad range of nutrition needs.
- Support to an Ecuadorian company developing a fortified porridge product for infants and young children in low-income households.

The GAIN-Acumen Fund Nutrition Portfolio continued to evaluate a robust pipeline of investment opportunities in East Africa and South Asia. Meanwhile, the IFC-GAIN Nutrition Trust Fund provided a grant to Moderna Alimentos S.A., a food company based in Ecuador, to support market research for a fortified porridge product for infants and young children targeted at low-income households.

The Access to Nutrition Initiative (ATNI) will develop criteria and institutional structures for a model index that will assess food and beverage manufacturers on their nutrition practices. The first phase of the ATNI began in May 2009 with the support of the Bill and Melinda Gates Foundation and the Wellcome Trust. McKinsey & Company was retained to provide data on the landscape of the food and beverage industry, the state of industry nutrition practices, a literature review and an overview of the nutrition policy environment. The program synthesized information from the research papers, together with findings from five stakeholder sessions held worldwide, into a synopsis report that was presented to the ATNI project’s funders in December 2009. The synopsis report included a recommendation to move to the second phase of the ATNI. In May 2010, project funders approved the second phase, which has now begun. At the same time, the Wellcome Trust provided additional funding for the project.
ASSESSING PROJECT IMPACT, PERFORMANCE AND POTENTIAL

GAIN’s Performance Measurement and Research Program assesses the impact of GAIN programs and works with implementing partners to collect evidence of project progress and impact. In particular, the program supports monitoring and evaluation activities including coordination and implementation of baseline surveys that measure the vitamin and mineral status in populations where fortified foods are lacking. Following completion of a GAIN-supported project, endline surveys measure the micronutrient status among populations in areas where foods have been fortified and results are compared to the data collected at baseline. Besides support to surveys, the program also develops research and tools to measure micronutrient levels.

KEY ACHIEVEMENTS

- In Côte d’Ivoire, where GAIN has been supporting the Government since 2005 to add essential vitamins and minerals to vegetable oil and wheat flour, an estimated 45 percent of households can access fortified wheat flour. As a result of a local large-scale miller starting to fortify and improve quality control, it is estimated that this figure will increase to 95 percent by the end of the project.

- In Uganda, support to a food consumption survey to determine the dietary patterns of Ugandan women and children in partnership with WFP and USAID that reaffirms the potential of food fortification programs to address inadequate intake of many key vitamins and minerals for certain segments of the Ugandan population.

- Support to national baseline surveys to measure the percentage of people consuming adequately iodized salt and their iodine status, as well as the percentage of adequately iodized salt produced. In addition, development of a draft performance framework and toolkit that considers all components of universal salt iodization programs that should be included in national monitoring and evaluation (M&E) systems.

To strengthen monitoring and evaluation efforts, GAIN also developed new partnerships with expert research and technical institutions including DBS-Tech, Tufts University, the Swiss Vitamin and Mineral Institute and the IRD (Institut de recherche pour le développement). Additionally, GAIN began collaborating with partners to develop tools to speed up the delivery of project results data. For example, GAIN supported BioAnalyt, a manufacturer of diagnostics in Germany, to develop hand-held devices called iCheck™ Chroma and iCheck™ Fluoro to measure vitamin A in flour, sugar and vegetable oil.

RESEARCH

GAIN continued to fund research projects to address knowledge gaps related to the achievement of GAIN’s mission.

In order to better understand the influence of iron and zinc fortification/supplementation on the metabolism of iron in young children, GAIN has funded a research study conducted by the University of California, Davis. The study seeks to a) evaluate whether iron given as a fortificant versus a supplement has different effects on iron absorption and utilization and on zinc absorption in young children; and b) to better understand the difference in iron and zinc absorption and iron utilization between children who have adequate iron and children who are iron deficient. The final report is expected in early 2012 and will inform the expected results of the program targeting infants and young children in reducing anemia and zinc deficiencies as well as provide important information to consider in GAIN’s product formulation guidelines.

A study supported by GAIN and the U.S. Centers for Disease Control and Prevention (CDC) examining the impact of quality nutrition on children in Kenya showed positive results (see Progress Against Targets, page 31).
PROGRESS AGAINST TARGETS
REACH AND COVERAGE

Target: Reach one billion people with fortified foods
Target: Reach 500 million target individuals (i.e. women and children) with fortified foods

Overall reach has close to doubled, from 200 million in June 2009 to 380 million in June 2010. The number of women and children with access to better quality nutrition has also nearly doubled from 108 million to 205 million (see Figure 3 below). An estimated 68 percent of these individuals are in Africa, 30 percent in Asia and 2 percent in Latin America.

When all of GAIN’s projects are operating at full-scale, it is projected that the organization will have reached one billion people, including 496 million women and children.

ENSURING COST EFFECTIVENESS

Target: Establish fortification projects which cost GAIN US$ 0.25 or less per person covered

With the current coverage of GAIN’s projects, fortification costs US$ 0.23 per person, down from US$ 0.30 per person last year. GAIN has achieved its target of reducing the cost of its large-scale fortification efforts to US$ 0.25 per person covered. Once the portfolio moves to full-scale, the anticipated cost per target individual reached is expected to fall to US$ 0.11.

ENSURING PUBLIC HEALTH IMPACT

Target: Reduce prevalence of micronutrient deficiencies by a minimum of 30 percent

A study was supported by the U.S. Centers for Disease Control and Prevention (CDC) and GAIN on the effectiveness and safety of Sprinkles®, powders in single-serving sachets containing iron and other micronutrients that can be added to any “home prepared” complementary food for young children. The study was carried out in villages in malaria-endemic areas of Western Kenya between 2007 and 2009, and Sprinkles® were distributed through a community-based marketing approach. It revealed a 14 percent greater reduction in iron deficiency, a 10 percent greater reduction in vitamin A deficiency and an 11 percent greater cure rate for anemia in children receiving Sprinkles® compared to those not receiving them. Following these results, GAIN has begun identifying partners in Kenya to scale up production and distribution of Sprinkles®.

New data are expected during the second half of 2010 from a trial carried out by Johns Hopkins University measuring the nutrition impact of Danone’s fortified yoghurt in Bangladesh and from surveys measuring the nutrition impact of wheat flour fortification in Uzbekistan.

FIGURE 3: TRENDS IN REACH* AND COVERAGE** OF GAIN’S NUTRITION PROGRAMS

*Reach = total number of individuals (all age and gender groups) consuming fortified foods

**Coverage = total number of children and women of reproductive age consuming fortified foods
√ REDUCING YEARS LOST BECAUSE OF DEATH OR ILLNESS CAUSED BY MALNUTRITION

Target: Establish fortification projects effectively reducing morbidity and mortality at a cost of US$ 15 or less

GAIN uses the metric known as ‘Disability Adjusted Life Year’ or DALY to estimate life years lost due to micronutrient deficiencies. GAIN aims to reduce the number of years lost in a population because of death and illness caused by malnutrition. The current cost per DALY saved is US$ 16, just above GAIN’s organizational target.

√ LEVERAGING ADDITIONAL INVESTMENTS IN NUTRITION

Target: Raise additional private sector investment in malnutrition

GAIN partners with businesses to increase private sector investment in fighting malnutrition through formal partnerships that provide benefits to companies as well as through less formal strategic partnerships. GAIN has attracted US$ 73.5 million from the private sector. Investment by the private sector is expected to grow as GAIN builds its portfolio of large-scale fortification and infant and young child nutrition projects and expands its partnerships with business.

√ MANAGING OVERHEAD

Target: Keep overhead as a percentage of expenditures at 15 percent or less

This year’s overhead rate was 11.4 percent, an improvement over last year’s 17.4 percent and below the organizational benchmark.
FINANCIAL STATEMENTS
GAIN is an independent non-profit foundation governed by Swiss law. The financial statements are prepared in accordance with GAIN’s statutes and the applicable provisions of the Swiss Code of Obligations. GAIN conducts projects all over the world. They are managed from Geneva with support from regional offices and alliances of national stakeholders.

The following pages contain the Income Statement and Balance Sheet extracted from GAIN’s audited financial statements. The full statements including the auditor’s report can be found on www.gainhealth.org.

All grant donations received and paid are recorded in accordance with the principle of matching related revenues and expenditure thus enabling more accurate recording and reporting of utilization of funds over time.

Total expenditure during the year (prior to grant accounting adjustments) was US$ 38.6 million (2008-2009, US$ 27.3 million). In line with previous years, the largest proportion was spent on financial and technical support to population-based programs at 47 percent (2008-2009, 35 percent).

Financial Year 2009-2010 Expenditures by Program

- Population-Based: 47%
- Targeted: 15%
- Partnerships: 12%
- Performance Measurement & Research: 11%
- Policy and Advocacy: 8%
- Corporate Administrative Services: 7%
## BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2010

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<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<td>US$</td>
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<td><strong>CURRENT ASSETS</strong></td>
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<tr>
<td>Cash and cash equivalents</td>
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<td>Deposits</td>
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<td>Fixed assets, net</td>
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<td><strong>TOTAL ASSETS</strong></td>
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<td><strong>75,832,628</strong></td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<td></td>
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<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
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<td>Accounts payable</td>
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<td><strong>LONG TERM LIABILITIES</strong></td>
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<td>Grants payable after one year</td>
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<td>36,187</td>
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<td>Surplus**</td>
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<td>19,027,459</td>
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<tr>
<td><strong>Total capital and reserves</strong></td>
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<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>94,411,188</strong></td>
<td><strong>75,832,628</strong></td>
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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

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<tr>
<th></th>
<th>2010 US$</th>
<th>2009 US$</th>
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<td>Bank interest</td>
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<th><strong>OPERATING EXPENDITURES</strong></th>
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<td>Project grant expenses*</td>
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<td>Bank charges</td>
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<td><strong>TOTAL EXPENDITURE</strong></td>
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<td>18,910,474</td>
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Surplus of expenditure     | (293,667)  | (4,812,863) |
Surplus, beginning of the year | 19,027,459 | 23,840,322 |
| **SURPLUS, END OF YEAR ** | 18,733,792 | 19,027,459 |


** These funds are already committed to multi-year grant agreements.
CHAIR

Jay Naidoo, Chair, GAIN Board

VICE CHAIR

Jaime Sepulveda, Director, Integrated Health Solutions Development Program, Bill & Melinda Gates Foundation, USA

BOARD MEMBERS

Dora Nkem Akunyili, Minister of Information and Communications, Nigeria

Chunming Chen, Senior Advisor, Chinese Centre for Disease Control and Prevention; Director, International Life Science Institute, China

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Christopher Elias, President, PATH, USA

Pierre Henchoz, Private Banker, Switzerland

Saad Houry, Deputy Executive Director, UNICEF, USA

Richard Hurrell, Professor, Institute of Food Science and Nutrition, Swiss Federal Institute of Technology, Switzerland

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Ernest Loevinsohn, Director General, Program against Malnutrition and Disease, Multilateral Programs Branch, Canadian International Development Agency, Canada

Alexandre Mérieux, Directeur Général Délégué, BioMérieux, France

Anji Reddy, Executive Chairman, Dr. Reddy’s Laboratories Ltd, India

Paulus Verschuren, Senior Director, Partnership Development, Unilever R&D, Netherlands

Marc Van Ameringen, Executive Director, Global Alliance for Improved Nutrition, Switzerland
Marc Van Ameringen
Executive Director

Michael Madnick
Deputy Executive Director

John Fairhurst
Chief Operating Officer

Jas Bagri
Chief Financial Officer

Philippe Guinot
Director, Business Development and Leverage

Katharine Kreis
Director, Policy and Advocacy

Barbara Macdonald
Director, Performance Measurement and Research

Regina Moench-Pfanner
Senior Director, Nutrition Programs

Vanessa Ng
General Counsel
**Our Mission**
Reduce malnutrition through sustainable strategies aimed at improving the health and nutrition of populations at risk, particularly women and children

**Our Vision**
End malnutrition

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<table>
<thead>
<tr>
<th>Country</th>
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<th>Fortification</th>
<th>Vitamin A</th>
<th>REACH*</th>
<th>Contribution</th>
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1 Estimated number of individuals reached by project as of June 2010

* Fortified food not yet on the market

The map includes projects valued over US$ 500,000 and where a grant agreement has been signed. GAIN supports smaller enabling projects which may be referred to in the text of the report.
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