ABOUT GAIN

THE GLOBAL ALLIANCE FOR IMPROVED NUTRITION (GAIN) is an alliance driven by the vision of a world without malnutrition. GAIN supports public private partnerships to increase access to the missing nutrients in diets necessary for people, communities and economies to be stronger and healthier. GAIN-supported nutrition programs are reaching more than half a billion people in more than 30 countries with affordable nutritious foods in a sustainable way.

GAIN’S BUSINESS ALLIANCE

THE BUSINESS ALLIANCE (BA) is a uniquely positioned global network of companies dedicated to promoting sustainable market-driven interventions at the Base of the Pyramid (BOP). Utilizing our networks and innovative tools, GAIN links and leverages the core strengths of its BA members with nutritional experts, in-country implementers, academia, NGOs, financial partners, institutional partners and international donors to facilitate sustainable interventions that increase the availability of more nutritious and affordable products to the BOP market. These interventions increase collective return, reach and impact for the private sector while filling nutritional gaps.

Acknowledgements

GAIN would like to thank its partners for their support.

INTRODUCTION

THE ISSUE OF MALNUTRITION features much higher on the global agenda than ever before. Over the past eighteen months, the global development community has made significant strides to recognise the scale of global undernutrition and its direct impact on poverty and health.

The launch of the Scaling Up Nutrition (SUN) Framework at the United Nations General Assembly in 2010 contributed considerably to the rise in profile for nutrition. For the first time, the private sector was invited to join a UN-organized initiative to discuss openly the global issue of malnutrition, and the evidence-based solutions available.

“Nutrition is a smart investment,” said Rhonda R. Smith, Associate Vice-President for International Programs, Population Investment Bureau, USA. She explained that well-nourished children experience a ‘lifetime of benefits’; and that investments in nutrition accelerate benefits to ‘key global health targets’ and ‘key economic development targets’.

“[It’s] truly hard to think of another investment that can accomplish all of that,” she said, “Nutrition investments add value to all our other investments, taking them to the next level.”

Yet, despite the progress so far, these efforts alone are simply not enough to improve the availability of nutritious products to the two billion people who are malnourished in this world.

Markets are also important, and play a critical role in catalyzing development and improving impact and scale. Demand for products is essential, and consumer education on the importance of good nutrition is needed in developing nations.

“We have a new paradigm emerging where business is playing a role in combating malnutrition,” said Marc Van Ameringen, the Executive Director of the Global Alliance for Improved Nutrition (GAIN).

An overall challenge for the development community is to apply learning from the private sector to projects on the field. At each point of the value chain, from production to distribution, technologies and best practices are available to help stimulate consumer demand and deliver business and social impact.

Throughout the event, messages from the discussions and debates were captured through powerful graphics. Participants were able to visualise the key outcomes from each session as well as challenges and lessons learned.

After a day of compelling debates and heated discussions, four key themes emerged from ‘Driving Business and Impact’: IMPACT through business models, IMPACT through Driving Innovation, IMPACT through markets and IMPACT through measuring performance.
IMPACT through Business Models

Whether a product is developed through a public-private partnership, a hybrid model or social business. Only the right approach delivers nutritional impact. Whatever model is adopted, key lessons such as involving the local community, partnerships with other organizations and managing profitability to ensure return on capital and sustainability are important to deliver affordable and nutritious products to the BOP.

For example, fortified yoghurt and multinutrient powders are dramatically improving nutrition at an affordable price in Bangladesh. Much of their success is due to the implementation of strong business models, but both project approaches were very different. Danone’s fortified yoghurt (Case Study 1), adopted a social business approach, while a hybrid model was used to develop Renata’s multinutrient powders.

GAIN supported Renata to expand capacity in the manufacture of its ‘Pushikona’ brand of micronutrient powders. As Kaiser Kabir, Chief Executive Officer of Renata Ltd, Bangladesh explained: “Together with GAIN and BRAC, we have developed a business model to significantly improve the nutritional status of infants and children and to promote infant and young child feeding practices in Bangladesh”. Targeted at infants aged 6 to 24 months, the project aims to supplement the diets of close to 7 million infants. Its model involved recruiting 900 medical reps to support the product, and 70,000 BRAC community health workers in local marketing and distribution.

Case study 1: Danone – a successful social business model in Bangladesh

Partnering with other organizations to identify sustainable models is crucial. In November 2006, Grameen and Danone formed the joint venture ‘Grameen Danone Foods Ltd’ to produce and market affordable fortified yoghurt for poor school children in Bangladesh. The product is manufactured in a local microplant built by Danone, and sources milk from local villages. This effort has generated jobs for the local community, and yoghurt is sold through the ‘Grameen Ladies’ network of women entrepreneurs through proximity marketing. There are currently 11 projects, and a business analysis found it takes up to an estimated four years to incubate a project. Profit is expected after 12-15 years. GAIN helped support the “Shokti Doi” project at three critical junctures. It provided technical expertise in yoghurt fortification, specialist social marketing guidance and supported an efficacy study on the public health impact. (Published results expected in 2012).
Innovation – through technology but foremost in business models – can create a ‘virtuous cycle’ along the food value chain. Targeting the BOP with services in agriculture and nutrition, as well as finance and education, can make a dramatic social impact in developing countries. Through adapting new technologies and making other improvements, food processors can expand, hire and source more products from small-holder farmers. With more income, education and medical standards improve, store owners and others in the supply chain benefit from dynamic markets and demand. This eventually leads to consumers enjoying a more stable, affordable and varied supply of nutritious foods.

Hans Eysink Smeets, Managing Partner of the Eysink Smeets Business Consultants in the Netherlands, argued the sector needs to become innovative in retail to drive most impact. "We need hard discounters, and not just supermarkets and hypermarkets in developing countries," he said. "For example, the hard discounters like Aldi and Lidl, which are 50% lower in price than others sharing the market."

In another discussion, the critical factors to innovation at the BOP take advantage of existing systems; tap into local knowledge; and leverage B2B partnerships. As businesses enter these complex and new markets, understanding and knowing the customer continues to remain as important. Innovations in business should only be based on real customer demands, not pre-defined assumptions.

**Case study 2: Orange/France Telecom (O/FT) experience**

Despite being one of the world’s most powerful telecommunication companies, O/FT does not rely on short and medium term advances in technology to deliver services in developing countries. Ludovic Centonze, Vice-President, for Corporate Social Responsibility and Territory Development, explained that innovative business models also effectively reach the BOP. "One way is through implementing exclusive offers as we need to distribute our services to the poorest," he said. "The service needs to be affordable; having the coverage is great, but if you don’t have the service, you have a problem." O/FT is currently present in 220 countries and serving 220 million customers (60 million in Africa). Its worldwide growth is expected to reach 300 million by 2015.
Shaping the market for nutritious products at the BOP, particularly for mothers and children, creates demand and ultimately drives impact. Raising awareness, engaging with local communities, knowledge sharing and business partnerships all contribute to developing successful strategies in emerging markets.

Focus groups, for example, play a vital role for producers and consumers in market analysis, idea generation and screening, concept development and testing, as well as marketing and distribution.

Engagement and dialogue between companies on successes and lessons learned can help products effectively reach the malnourished. These interactions and knowledge sharing between both developed companies and emerging market companies can lead to partnerships in product development.

Partnerships, particularly locally driven initiatives, bring a clear competitive advantage to the market. Teaming up with other organizations, including NGOs and governments, allows companies to understand local consumption patterns and needs to determine and measure the impact of business.

Highlighting the importance of nutrition – particularly the critical 1000 day window of opportunity – to national and international policy makers influences national and international guidelines. As well as helping companies develop nutritious products for the BOP, GAIN also builds the appropriate enabling environment to help drive business and health impact.

Anuradha Narasimhan, Category Director Health and Wellness, Britannia Industries, India: "We were able to market our fortified products as 'better for consumers'. And it is not only helping us doing good, it is helping us sell more (...) Over the past five years, sales grew 20% compounded annually. Fortification does have a profit motor".

Case study 3: Unilever’s Public Commitments to Targets

To attract the right investors and remain accountable for its ambitions, Unilever is publicly committed to precise targets across its project portfolio. Investors are attracted to these public commitments as companies remain accountable for their targets. More and more, there is an expectation that growth and return will include a ‘value component’ that needs to be reflected by key performance indicators communicated to investors and shareholders. Understanding their consumers has beared the basis of a broad project portfolio range for Unilever where it is responding to customer needs, competitor activity and opportunities to gain market share.
"Driving Business and Impact" continues to be placed at the heart of GAIN’s work with its private sector partners. The 23 members of the Business Alliance form a leading global network to build partnerships and explore new business models, best practices and sustainable approaches in the fight against malnutrition.

“There are benefits to sharing knowledge and experiences across industries,” said Marc Van Ameringen, Executive Director of the Global Alliance for Improved Nutrition (GAIN). “There’s no reason for companies to make the same mistakes over and over again.” This is of particular interest during a global economic crisis and where increases in commodity costs drive food prices up even further.

“GAIN and its Business Alliance play an important role,” said Paulus Verschuren, of the Sustainable Economic Development Department of the Ministry of Foreign Affairs of the Netherlands. As the former chair of the GAIN Business Alliance, he explained the private sector’s importance in developing sustainable market-based solutions; solutions that not only address the nutritional needs of low income consumers but also empower local communities and motivate company employees.

Professor Mohammad Yunus, Founder of the Grameen Bank and Nobel Peace Prize Winner concluded during the Closing Reception: “Enabling people to explore their full potential is an agenda we must take up seriously, to make sure our efforts to reach the 2015 MDGs goal become a thumping success. GAIN’s mission to fight malnutrition via public private partnerships plays an important role in achieving these goals... We live in exciting times – an era when the world is ripe for the kind of amazing, positive change that social business can create.”

As well as tracking consumer activities, measuring and evaluating the current nutritional status and impact of the product is essential in the fight against malnutrition. Well evaluated statistics add value to business decisions, and help measure the health, social and economic impact of products. But more evidence is needed from developing countries. Unless further effort is made to quantify and evaluate results, it is really difficult to learn lessons from others and make a bigger impact at improving nutrition globally.

“There is a huge area of need both in terms of development of metrics and evaluation,” said Dr Adam Drewnowski, Director of the Center for Public health Nutrition, UW Center for Obesity Research, Washington University.

“Metrics are too often based on the needs of the US...and these [metrics] need to be adapted to various parts of the world. We should not be imposing one system to other nations, and that’s what we’re currently doing.”

Looking at the solutions, he added: “Do we change human behaviour or the industry of food supply, or a combination of both? Any solution to address diet quality and affordability depends on partnerships and those need to involve research, consumers and the food industry.”

In the Grameen Danone project (Case Study 1), GAIN applied its technical expertise to measure and identify the specific micronutrient deficiencies found in Bogra, Bangladesh. It supported an efficacy study to determine the impact of the fortified yoghurt on the micronutrient status of children receiving the product through a school feeding program.

Emmanuel Marchant, Deputy General Manager, danone.communities, France pointed: “Social business needs impact measurement; GAIN has been partnering with us... Why? Through sharing results and lessons learned we can be copied, which is the only way forward if we want to scale and have an impact”.

IMPACT through Measuring Performance

"GAIN’S MISSION TO FIGHTING MALNUTRITION VIA PUBLIC PRIVATE PARTNERSHIPS PLAYS AN IMPORTANT ROLE IN ACHIEVING THE [MDG] GOALS."

Prof Mohammad Yunus
Founder, Grameen Bank and Nobel Prize Winner

Valueweb discussions on the nutrition space

Conclusion

“Driving Business and Impact” continues to be placed at the heart of GAIN’s work with its private sector partners. The 23 members of the Business Alliance form a leading global network to build partnerships and explore new business models, best practices and sustainable approaches in the fight against malnutrition.

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