

# PRIVATE SECTOR PRINCIPLES OF ENGAGEMENT

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## PURPOSE OF THIS POSITION PAPER

*This paper sets out GAIN's principles, criteria, and modalities for engaging with private sector actors. It aims to ensure that such engagement is clear, consistent, and transparent; advances healthier diets; protects GAIN's independence and integrity; and contributes to equitable and sustainable agri-food systems.*

**Definition:** The private sector is a segment of national and international economy that is owned and directed by private individuals and entities. The private sector encompasses a spectrum of for-profit organisations, ranging from micro to small, medium, large and global enterprises, all engaging in a variety of activities within and beyond profit generation.

For food systems, these activities could include food and non food supply chain actors (from production to retail) and supportive organisations including financing, insurance innovation, advertising, technology providers and many others.

## CONTEXT

Achieving healthier, more inclusive and sustainable food systems requires a fundamental shift in how public and private finance, coordinated action and policy incentives are mobilised and aligned. Following the 2021 UNFSS Secretary-General's Call to Action, GAIN enhanced its engagement with the private sector to translate global food systems and nutrition commitments into concrete investments, partnerships and market-based solutions. These efforts aim to improve access to safe, affordable and nutritious foods in priority countries, while helping to curb incentives to consume unhealthy foods. While working with the

private sector has been part of GAIN's DNA from the outset, this engagement has evolved over time – from supporting private sector development and partnerships with micro, small, medium enterprises (MSMEs), to collaborating with large and international private sector actors in low- and middle-income countries as well as business associations.

Today, the case for private sector engagement is stronger than ever. As the global nutrition agenda and GAIN's strategy have evolved towards a food systems approach, it is increasingly clear that private sector actors are central to the way food is produced, processed, distributed, marketed and consumed. At the same time, a changing funding landscape is encouraging donors and development partners to look beyond traditional grant-based models and towards co-financed, scalable partnerships. In this context, **engaging with the private sector is not merely a delivery choice, it is a strategic necessity for advancing nutrition outcomes at scale.**

## STRATEGIC RATIONALE

Private sector actors shape how food is produced, processed, distributed, marketed, and consumed. Engaging with these actors is therefore essential to transform food systems and improve nutrition outcomes at scale. GAIN seeks, where appropriate, to harness the capacity, innovation, and resources of the private sector, while contributing to sustainability and climate objectives.

GAIN recognises, however, that producing and promoting healthy and sustainable diets is rarely the primary objective of private sector entities in the agri-food sector. While many private sector actors demonstrate credible social and environmental commitments, commercial incentives, market dynamics and product portfolios can create real or perceived risks to achieving healthy, sustainable diets for consumers, particularly where they are not aligned with public health and nutrition goals. For this reason, GAIN views private sector engagement as both a strategic opportunity and an institutional responsibility. At the same time, GAIN recognizes that there are inherent risks in engaging with private sector actors that must be managed. Our engagement is guided by three main principles:

1. **Deliver nutrition impact:** private sector engagement must contribute to improving access to, availability, affordability or desirability of nutritious foods, especially for the most vulnerable populations.
2. **Align with country food systems priorities:** private sector action should support national food systems pathways, nutrition plans and development priorities.
3. **Adhere to responsible engagement:** partnerships and dialogues must be collaborative, ethical, transparent, and mutually beneficial relationships. It means ensuring combined or individual actions align with long-term health and well-being for individuals, society, and the planet, actively minimising harm while building trust, transparency, and safeguarding reputations.

## APPROACH

GAIN upholds the principle that we may work, discuss, and debate with organisations which we do not normally collaborate with, or with which we may disagree. Open dialogue and robust debate can be necessary for influence and systems change. However, such engagement must be clearly distinguished from endorsement, partnership or legitimisation. All engagements are assessed to ensure GAIN's independence, credibility, and reputation are protected, and that the nature and purpose of the engagement are transparent and proportionate to the potential risks and benefits. GAIN's approach to private sector engagement is endorsed by GAIN's Board and remains subject to Board-level oversight where relevant.

GAIN's work and interaction with the private sector encompasses both Private Sector Engagement (PSE) and Private Sector Development (PSD). Both concepts are closely related but fundamentally different in development programming and food systems work. Private sector engagement refers to structured collaboration with companies, investors, business associations and platforms to help mobilise actions, innovations, investments and accountability for improved nutrition outcomes. Private sector development focuses on strengthening the capacity, viability

and enabling conditions of private sector actors and value chains, particularly, but not only, MSMEs, so that markets can deliver safe, affordable and nutritious foods to the most vulnerable.

	<b>Private Sector Engagement</b>	<b>Private Sector Development</b>
<b>Foundation</b>	Mutual collaboration with the private sector actors	Strengthening the capacity of private sector actors
<b>Focus</b>	Partnerships and alignment for healthier diets	Enterprise growth and competitiveness for healthier diets
<b>Functionality</b>	The private sector is not necessarily the primary beneficiary; rather, a partner in delivering impact through healthier diets.	The private sector is the primary beneficiary because the objective is to help the private sector become stronger, more sustainable, resilient and more productive when it comes to delivering healthier affordable diets.
<b>Modalities</b>	Partnerships, pilots, alliances and coalitions, dialogues, co-implementation, advocacy, etc.	Enterprise growth, access to finance, innovations, entrepreneurship, technical assistance, value chain strengthening, investment promotion, etc.

Both models are frequently complementary in our programmes. For example, GAIN may support producers and processors through access to finance, business development services, technical assistance, or investment readiness support so they can make nutritious foods more available and affordable (PSD). GAIN may then engage these actors, where appropriate, in food policies and regulations, dietary guidelines, labelling and advertising policies, food standards, school feeding, public procurement, or other enabling-environment measures that support healthier diets (PSE). Such engagement should be managed transparently and with appropriate safeguards to ensure that public-interest objectives, GAIN's independence, and government leadership are protected.

GAIN also engages with corporate foundations which are independent of their founding company (independent Board and management, own identity and website – such as Mastercard Foundation) and are considered on their own merit according to our standard principles of engagement. Foundations managed by or closely associated with the company, including CSR initiatives, are assessed on the basis of the company from which they come.

## 1. Private Sector Engagement

Among many modalities of engaging the private sector, GAIN has convened and supported private sector engagement through alliances and coalitions that align action with evidence-based nutrition outcomes. Such platforms help the private sector to identify credible interventions, make commitments, access technical guidance and collaborate with governments, donors and civil society. At global level, GAIN facilitates structured engagement of private sector leaders in major global processes such as the UN Food Systems Summits and the Nutrition for Growth (N4G) Summits. This work aims to raise ambition, improve the quality of commitments and support alignment with public health and nutrition goals. Through collaboration with associations such as the World Business Council for Sustainable Development (WBCSD), the Consumer Goods

Forum, Access to Nutrition Initiative (ATNi) and the World Benchmarking Alliance, GAIN contributes to collective initiatives that mobilise private sector actors of different sizes and roles to advance commitments, foster innovation and collaborate with governments and civil society. Engaging through business associations and multi-stakeholder platforms can provide a structured and lower-risk way to interact with private sector actors collectively, including companies with which GAIN may not engage individually.

GAIN also works with private sector entities as partners in value chains where market-based action can directly improve nutrition outcomes. These partnerships may involve MSMEs, larger national companies, multinational companies, processors, distributors, retailers, employers or investors and can take a form of public-private partnerships.

### **Examples**

- i. GAIN works with the [Scaling Up Nutrition \(SUN\) Business Network \(SBN\)](#) to engage MSMEs in food systems dialogues and advocacy for an enabling business environment that delivers nutritious foods in many countries.
- ii. As a technical partner of the [Zero Hunger Private Sector Pledge](#), GAIN mobilised the private sector actors to make nutrition pledges to help address zero hunger and worked with them to achieve their commitments.
- iii. Through the [GAIN Nordic Partnership](#), GAIN works with European Union private sector (large and multinational companies) to leverage the strengths of private companies, government agencies, civil society organisations, and universities to create scalable, inclusive business models.
- iv. [Nutrition Connect](#) aims to empower public and private sector actors to collaborate so together we can identify innovative solutions, form novel partnerships and share good practices that drive investment and action to improve nutrition.
- v. Through [Nutrition Impact at Scale \(NIS\)](#), GAIN co-creates and co-implements projects with private and local enterprise support organisations (ESOs) in five African countries by providing technical assistance, networking, knowledge sharing, and various tools and resources to MSMEs involved in food systems.
- vi. The [Workforce Nutrition Alliance](#) works with the private sector in creating and enhancing workforce nutrition programmes aimed at improving the health and nutrition of employees and their communities.
- vii. In many countries and programmes, GAIN works (sub-awards) with the private sector as project implementers and service providers. The private sector contributes financially and technically to the shared cause.
- viii. The [Paris Declaration on Business & Nutrition 2030](#) released by GAIN, ATNi and Paris Peace Forum calls for reshaping the nutrition economy through a multi-sectoral approach and coordinated action.

## **2. Private Sector Development**

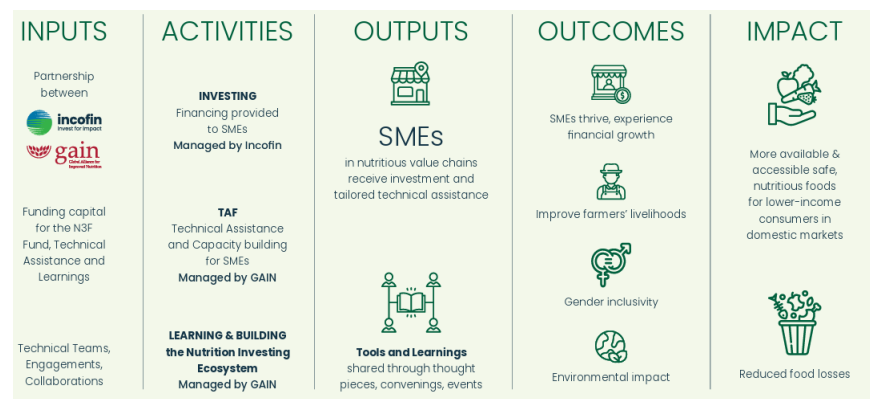
Private sector development is integrated into a market systems development (MSD) approach to strengthen local private sector actors that are critical to improving access to healthy and nutritious diets. GAIN supports small and medium-sized enterprises operating in nutritious food value chains to improve accessibility, affordability, availability and desirability of nutritious foods. This work typically focuses on private companies

producing, processing, distributing, or trading foods with high potential to improve diet quality, including fruits and vegetables, dairy, eggs, fish, legumes, fortified foods and other locally relevant nutritious foods. Support to private sector development may include technical assistance, business development services, investment readiness, food safety support, product reformulation, access to finance, market linkages and distribution models that reach low-income consumers.

## Examples

- i. The [Nutritious Foods Financing Facility \(N3F\)](#) supports food enterprises in Sub-Saharan Africa to scale the production and distribution of locally produced nutritious foods by offering a combination of nutrition-focused investments (debt) and Technical Assistance.
- ii. The [Vegetable for All](#) projects in Uganda, Benin and Kenya support market vendors and facilitators to increase access to vegetables in local markets, while the Animal-source food project in Mozambique supports distributors and last mile vendors in the fish value chain with technical know-how and infrastructure.
- iii. [GAIN premix facility](#) supports large scale food fortification projects and food producers by making premix procurement easier.
- iv. [Nutrition Connect, SBN, and our partnership with AGRA organized pitch competitions](#) that aim to connect innovative businesses to potential investors.
- v. [Post-Harvest Alliance for Nutrition \(PLAN\)](#) project supported MSMEs in Ethiopia, Nigeria, and Indonesia to reduce their post-harvest losses in tomato and fish value chains.
- vi. [Marketplace for Nutritious Foods \(MNF\)](#) provided grants and trained thousands of MSMEs in nutritious food value chains to develop profitable business models and sustainably bring nutritious, affordable and safe foods to LMIC markets.
- vii. [Keeping Food Markets Working \(KFMW\)](#) was set up as an emergency response programme to protect and sustain food systems in the face of COVID-19. It provided rapid support to food system workers and SMEs supplying nutritious foods to increase their resilience.

### *N3F Theory of Change, Nutrition Investing | GAIN*



## PRINCIPLES AND CRITERIA

All forms of engagement with private sector entities should be guided by the following principles:

- Be transparent about intentions, roles, and impact
- Be inclusive and rights-based
- Be willing to negotiate in good faith
- Be predictable and mutually accountable
- Be cost-effective
- Be evidence-based
- Be continuously communicative
- Act with integrity and ethical conduct
- Be mutually respectful
- Do no harm

### **1. *Non-negotiable exclusion***

**GAIN will not knowingly work with (collaborate, partner with or accept funding from) organisations, their subsidiaries and affiliated entities that:**

- Breach our policies for [safeguarding of vulnerable persons](#) or use child labour;
- Produce or gain significant revenue from armaments, tobacco, gambling or pornography;
- Appear on international sanctions, be subject to legal restrictions, or appear on UN lists of ineligible suppliers for ethical reasons;
- Extract, produce or source natural resources in ways that cause or contribute to serious or unmitigated environmental harm, including deforestation, biodiversity loss, illegal resource extraction, depletion of natural resources, or harm to people and communities;
- Engage in practices that cause or contribute to serious, systemic, or unremedied violations of women's rights, gender equality, non-discrimination, or protection from violence and harassment;
- Violate the International Code of Marketing of Breast Milk Substitutes and subsequent World Health Assembly resolutions, including those related to promotional practices on digital media. GAIN might however be open to have discussions with BMS companies that have clear, time-bound targets to align with the Code and can demonstrated evidence-based progress.
- Fail to declare or manage conflicts of interest that could undermine public interest objectives or the 2030 Agenda.
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## **2. Conditional engagement**

**GAIN may engage with, but will generally not accept funding from, or provide funding to, organisations, their subsidiaries and affiliated entities that:**

- Produce, market or lobby foods that do not meet GAIN's standards for addressing malnutrition such as companies whose core business includes High in Fat, Salt, and Sugar or ultra-processed foods, unless:
  - i. The company has clearly defined SMART nutrition-positive targets;
  - ii. Baseline data on product portfolio healthiness is announced;
  - iii. Time-bound, measurable progress has been demonstrated;
  - iv. Progress is publicly reported using a recognized government-endorsed nutrient profile model
  - v. The company demonstrates actions aimed at supporting healthier diets for workers; strengthening supply chains or increasing production of foods which pass [GAIN's Nutritious, Safe and Sustainable Foods \(NSSF\) screening](#);
- Limit or damage GAIN's independence, reputation and integrity.

**GAIN reserves the right to decline engagement where association with an organisation presents material reputational risks or could reasonably be expected to undermine trust in GAIN's mission.**

## **3. Expectations**

In addition to these criteria and alignment of goals and values, when working with the private sector in any capacity, GAIN's expectations will vary based on the size, nature, sector, capacity, and risk profile of the organisation. In general, we expect:

- Respect for human rights, labour standards, environment and anti-corruption: compliance with Ten Principles of the UN Global Compact, to which GAIN is a non-business participant signatory;
- Commitment to contributing to achievement of the Sustainable Development Goals and the 2030 Agenda, including, where appropriate willingness to make formal commitments through international processes such as Nutrition for Growth (N4G) Summit;
- Compliance with, or demonstrated progress towards, relevant industry standards appropriate to the sector, size, and capacity of the organisation, where applicable;
- Public profile that does not raise concerns or negative reputational risk;
- Full independence for GAIN to determine the scope of interventions or statements to achieve our purpose, to freely publish findings or other outputs of the work, and to approve public presentation of the relationship.

## LOOKING AHEAD

GAIN will continue to work with governments, donors, UN agencies, peer organisations, business associations and individual companies to strengthen responsible private sector engagement for nutrition and food systems transformation. The focus is on moving from commitments to delivery: identifying credible private sector partners, strengthening nutritious and sustainable food value chains, mobilising investment and scaling market-based solutions that improve access to safe, affordable and nutritious foods. This provides a practical entry point to connect global priorities on food security, sustainable agriculture, private sector development, resilience and nutrition with concrete country-level partnerships and investment opportunities.