

# THE ROLE OF THE PRIVATE SECTOR IN FOOD AND NUTRITION SECURITY

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*Global lessons learned and an overview of approaches  
of Alliance2015 partners*

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June 2018

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# FOREWORD

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Alliance2015 is proud to offer this contribution to the growing conversation on the role of the private sector in contributing to the reduction of hunger and all forms of malnutrition. We appreciate the time and efforts of all those inside and outside our Alliance who have contributed to create this thought-provoking paper.

In this paper, we ask if and how can we harness the power of the private sector to improve nutrition security, especially for the poor, and what the role of NGOs might be in promoting and establishing private sector involvement and market linkages whilst safeguarding fair and just food systems and preventing exploitation of producers and consumers. Through a practical overview of what our seven European-based, globally focussed INGO members and our partners are doing in their food and nutrition security engagements with the private sector, we examine ourselves and the issue with a critical eye to the factors and partnerships which might most constructively combine to drive down hunger and increase food and nutrition security, especially for those currently most vulnerable and excluded.

From this first snapshot emerges a strong call for further practical research and the increasing importance of investing in strong multi-stakeholder, multi-sectoral partnerships

and advances in nutrition-sensitive, inclusive and transparent policy making and practice. As the EU, amongst other major aid actors, moves to crowd in more private sector funding to boost SDG delivery, it is vital that all actors work harder to coordinate and process what we know about the opportunities and risks for food and nutrition security of different approaches, fill knowledge gaps and develop smart, adaptive, inclusive and principled partnerships for policymaking and programming.

We look forward to hearing your reactions and views.



A handwritten signature in black ink, which appears to read 'Antonia Potter Prentice'. The signature is written in a cursive style and is positioned below the circular portrait.

**Antonia Potter Prentice**

*Director, Alliance2015*

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# ABBREVIATIONS

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<b>ALLIANCE2015</b>		Alliance2015
<b>CWW</b>		Concern Worldwide
<b>EIP</b>		External Investment Plan
<b>FAO</b>		Food and Agriculture Organisation
<b>FIES</b>		Food Insecurity Experience Scale
<b>FSN</b>		Food and nutrition security
<b>HGSF</b>		Home Grown School Feeding
<b>HH</b>		Household
<b>M4P</b>		Market for Development
<b>MSD</b>		Market System Development
<b>MSME</b>		Micro, Small and Medium scale entrepreneurs
<b>PHM</b>		Postharvest management
<b>PIN</b>		People in Need
<b>PICS</b>		Perdue Improved Crop Storage
<b>SDG</b>		Sustainable Development Goals
<b>SFS</b>		Sustainable Food System
<b>VCD</b>		Value Chain Development
<b>WASH</b>		Water, Hygiene and Sanitation
<b>WFP</b>		World Food Programme
<b>WHH</b>		Welthungerhilfe

# 1

## INTRODUCTION

### 1.1. Background

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Malnutrition remains an immense and universal problem, with at least one in three people globally experiencing malnutrition in some form (Development Initiatives, 2017). According to the FAO (2017), the number of people without access to adequate calories (hunger) in the world has increased from 777 million in 2015 to 815 million in 2016 (FAO, 2017). While the prevalence of stunting has fallen from 29.5 per cent in 2005 to 22.9 per cent in 2016 (FAO, 2017), globally, 155 million children under five are estimated to be stunted, and 52 million children wasted (Development Initiatives, 2017). Global progress to reduce chronic and acute malnutrition is not rapid enough to meet internationally agreed nutrition targets. Sustained commitment and efforts to promote the adequate availability of and access to nutritious foods, are required (FAO, 2017). On the other hand, obesity and diet related non-communicable diseases remain significant challenges as the number of overweight or obese children and adults is rapidly increasing (Development Initiatives, 2017). Food and nutrition security is defined by the Committee on World Food Security as “when all people, at all time, have physical, social, and economic access to food, which is safe and consumed in sufficient quantity and quality to meet their dietary needs and food preferences, and is supported by an environment of adequate sanitation, health services and care, allowing for a healthy

and active life” (CFS, 2012). Nutrition is, therefore, inherent in the definition, but it is often a component that is minimized in favour of producing enough calories. Food security is based on four dimensions that must be fulfilled simultaneously: **food availability, economic and physical access, food utilization and the stability** of the other three dimensions over time. A multi-sectoral approach is reflected in this definition. Malnutrition in its many forms does not result only from a lack of food. There are many different contributing factors at immediate, underlying and basic levels including health, care practices, education and women’s empowerment (UNICEF, 1998). Therefore, it is important to encourage a comprehensive perspective on food security that systematically considers the importance of quality of diet and the importance of utilization. Nutrition interventions should not only be addressed through a health based delivery system, where the primary focus is on women’s and children’s health, but also by considering nutrition as a multi-sectoral issue for which the consumption of diverse foods is a key component and agriculture and food systems are important drivers (Aberman, et al., 2015). There is growing interest in the capacity of the private sector and its ability to contribute to improved food and nutrition security. Value chain approaches can provide useful frameworks to examine the food system and have the potential to achieve improved nutritional outcomes

by leveraging market-based systems or product-based solutions. However, understanding the link between value chains, the overall business environment in which they operate and nutrition security among targeted populations is complex. It requires actors and activities working across agriculture, health and nutrition and very little evidence exists on the potential or trade-offs involved (IFPRI, 2015).

## 1.2. Alliance2015

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Alliance2015 is a strategic partnership of seven European non-governmental organisations engaged in humanitarian and development activities. Alliance2015 partners are ACTED (France), Cesvi (Italy), Concern Worldwide (Ireland), HELVETAS Swiss Intercooperation (Switzerland), Hivos (The Netherlands), People in Need (Czech Republic) and Welthungerhilfe (Germany). Alliance2015 aims to fight poverty more effectively by cooperating on various levels, working together in the least developed countries and influencing and campaigning together at EU level.

## 1.3. Aims and objectives of paper

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The engagement of the private sector is often used as a development strategy to enhance the livelihoods of food producers, but they have, to date, rarely been used explicitly as a tool to achieve nutritional goals. Generally, private sector engagement has not been sensitive to nutritional concerns (Hawkes & Ruel, 2011). Important questions to answer are:

1. If and how can we harness the power of the private sector to improve nutrition security, especially for the poor, and;
2. What could be the role of NGOs in promoting and establishing private sector involvement and market linkages whilst safeguarding fair and just food systems and prevent exploitation of producers and consumers?

This paper aims to provide an overview on different approaches aiming at a common understanding and vision among Alliance2015 partners on private sector engagement for improved food and nutrition security.

The specific objectives are:

- To produce an overview of main approaches to engage the private sector in improving food and nutrition security for the poor,
- To map the private sector work related to food and nutrition security of the Alliance2015 partners,
- To provide lessons learned and recommendations for engaging the private sector for improving food and nutrition security based on global and Alliance2015 partners' experience.

While recognizing the essential multi-sectorality of sustainable food and nutrition security, the paper will mainly focus on agriculture and food systems and their relationship with nutrition. This paper draws on global literature, programme documents and information collected through interviews with representatives of the Alliance2015 partner organisations.

# 2

## PRIVATE SECTOR ENGAGEMENT FOR NUTRITION

Private sector engagement is commonly defined as systematic efforts of development organizations to work with businesses to achieve development results. The private sector encompasses all for-profit businesses and ranges from financial intermediaries, multinational companies, Micro, Small and Medium enterprises (MSMEs), cooperatives, individual entrepreneurs and farmers who operate in the formal and informal sector (CONCORD, 2017). There is a huge potential for the private sector as a driver of sustainable and inclusive economic growth, job creation and poverty reduction. Given the private sector's potential for generating sustainable growth in developing countries, private stakeholders are emerging as ever more active in the development field. The Sustainable Development Goals (SDGs) also assume a substantial role of sustained economic growth and the ability of the private sector to make contributions to the SDGs. The **External Investment Plan** of the EU considers private sector investments as key for sustainable development and job creation, thus tackling root causes of migration. On the other hand, corporate human rights abuses, including child labour, environmental pollutions, land grabbing are reported globally (CONCORD, 2017). Many are still sceptical of the role the private

sector can have in nutrition, given some of the problematic interactions in the past with some firms constantly violating the International Code of Breastmilk Substitutes (Maestre & Poole, 2018). Other tensions arise as markets and the private sector are seen as a major contributing factor to overnutrition, pushing populations to consume unhealthy foods, and having effective marketing strategies promoting unhealthy foods particularly for children. This '**nutrition transition**', where people have less time to cook and more disposable income, and thus relying more on processed foods is contributing to the double burden of both under and over nutrition (Maestre & Poole, 2018). Private companies are involved with agricultural development, and support development goals at the same time in a myriad of ways: for example, by offering technical expertise, financial services and inputs to farmers, increasing the availability and affordability of nutritious foods on the market and increasing demand of nutritious foods through effective marketing. The private sector can also support nutrition through increasing income and empowering those involved in the value chain of products and services. Working with the private sector, as a programme partner, has enormous potential for achieving a wider and lasting benefit for the communities.

Improved outcomes which have been sought include increased and diversified household food production, increased and/or diversified income generated via food production and marketing or other livelihoods, improved child's food and dietary intake and improved maternal and child health and care behaviours (Kurz, et al., 2013).

The Scaling Up Nutrition (SUN) business network (SUN Business Network, 2017) identified five main routes through which the private sector can contribute to nutrition:

1. **Agriculture and nutrition;** by providing investment, technological innovation and commercial capabilities at each stage of the value chain to increase the supply of nutritious, safe and diverse foods.
2. **Large scale food fortification;** by fortifying foods with essential vitamins and minerals to reach a population at scale.
3. **Innovations and local solutions;** by strengthening supply and demand for

specially formulated foods.

4. **Workplace;** by educating employees about the importance of nutrition and by introducing workplace policies that facilitate access to breastfeeding facilities, child care and maternity benefits.
5. **Supporting nutrition-sensitive interventions;** by playing a key role in strengthening underlying health systems by providing health and hygiene products and health services, supporting women's economic empowerment and access to education.

In this study, we focus on the lessons learnt for work with the private sector that has a positive and sustainable impact on nutrition of poor populations through increased access and consumption of diverse and nutritious foods (agriculture and nutrition linkages).

Examples of private sector engagement projects for improved food and nutrition security are listed in Table 1.

### Agriculture and nutrition

- › Facilitating the production of an affordable, easy to prepare, nutrient-dense bean-based porridge (CIAT, Uganda)
- › Strengthening the value chain for orange-fleshed sweet potatoes (Harvest Plus, Mozambique & Uganda)
- › Dairy value chain for smallholder farmers (Land O'Lakes, Zambia)
- › Linking smallholder farmers to school feeding programmes for different crops such as maize, cowpeas and fresh vegetables (WFP, Zambia)
- › Production and/or marketing of the Purdue Improved Crop Storage (PICS) bags (WFP, various countries)
- › Village agents for the provision of agricultural services under a contract with a single supplier (World Vision, Malawi)
- › Reducing pack sizes for quality seeds (Katalyst, Bangladesh)

**Table 1 | Examples of engaging the private sector for improving food and nutrition security**

<b>Large scale food fortification</b>
<ul style="list-style-type: none"> <li>› Fortification of salt with iodine (various countries)</li> <li>› Production of fortified products coupled with social marketing and nutrition behavioural change (CWW, Niger)</li> </ul>
<b>Innovations and local solutions</b>
<ul style="list-style-type: none"> <li>› Production of Ready to Use Therapeutic Foods (RUTF) (Valid Nutrition, Malawi)</li> <li>› Selling fortified infant flour through multiple retail channels (PKL - Ivory Coast) (SUN Business Network, 2017)</li> </ul>
<b>Workplace</b>
<ul style="list-style-type: none"> <li>› Supporting breastfeeding in the workplace in Vietnam (Alive &amp; Thrive, Vietnam) (SUN Business Network, 2017)</li> <li>› Wellness programme (exercise, nutrition and mental resilience) for employees (Unilever, various countries) (SUN Business Network, 2017)</li> <li>› Leveraging export value chain for improved work conditions for women (including equal pay and maternity leave) (Hivos, Ethiopia)</li> </ul>
<b>Supporting nutrition-sensitive interventions</b>
<ul style="list-style-type: none"> <li>› The delivery of an anti-diarrhoea kit through existing small retailers (ColaLife, Zambia)</li> <li>› Providing hygiene and health messages by large soap company (Lifebuoy, various countries)</li> <li>› Local manufacturing and global supply of cost effective, reusable sanitary pads (AFRIpads, Uganda)</li> <li>› Production of biogas to reduce workload of women (Hivos, various countries)</li> <li>› Supporting a social enterprise for garbage collection (CWW, Haiti)</li> </ul>

**Table 1 | Examples of engaging the private sector for improving food and nutrition security**

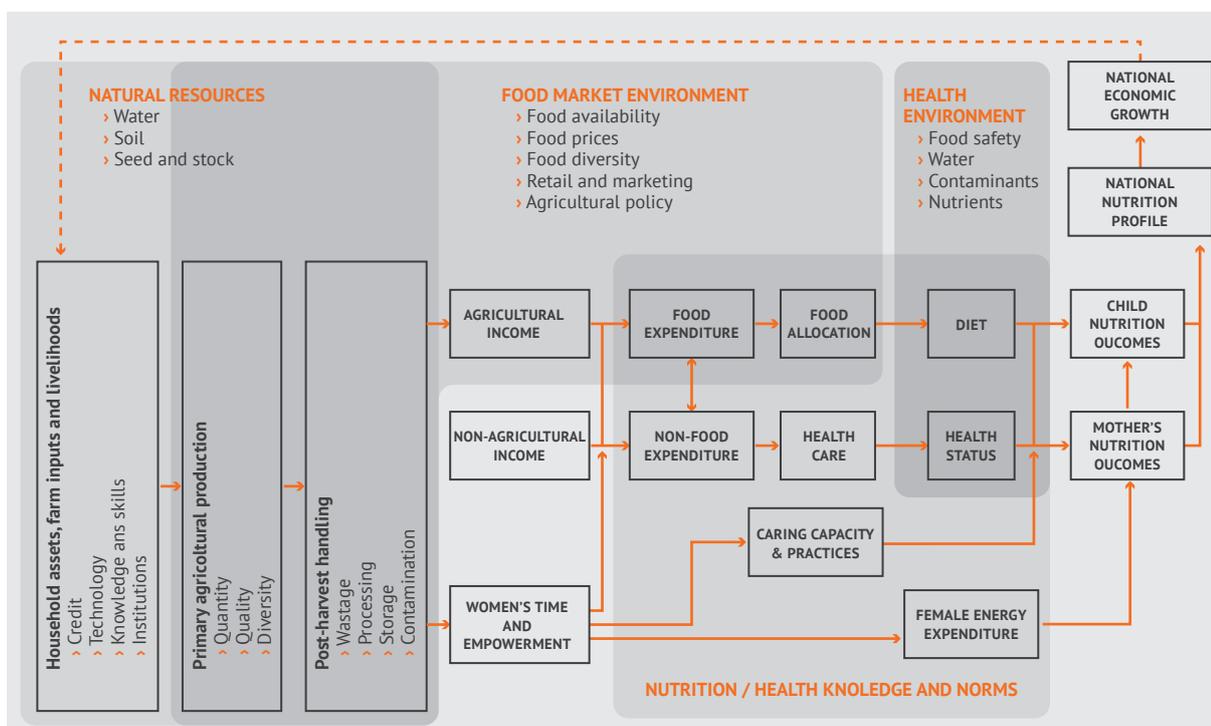
# 3

## AGRICULTURE, SUSTAINABLE FOOD SYSTEMS AND NUTRITION

### 3.1. Pathways between agriculture, sustainable food systems, diets and nutrition

Agriculture, sustainable food systems, diets and nutrition are linked in multiple ways. The pathways between agriculture and nutrition can broadly be divided into three main routes at household level: (1) Agriculture as a **source of food**, either directly from home production or through

the market; (2) Agriculture as a **source of income**, either from produce sold or through wages earned from agricultural work and used for the purchase of food or other nutrition-relevant items such as health care and (3) Agriculture as a gender issue, particularly as a **moderator of women's time use and decision-making power**, and women's own nutritional status, particularly during pregnancy (Herforth & Harris, 2014).



Source: Adapted from (Herforth & Harris, 2014) and (Headey, et al., 2012)

Figure 1 | Pathways between agriculture and nutrition

In addition to these pathways, important moderating factors interact with the different routes, including:

1. The accessibility and quality of natural resources and ecosystem services used in agriculture and for health, such as soil and water
2. The food market environment, including food prices; the role of private sector companies, and national policies that affect these
3. The health environment, including access to clean water and food safety issues along the food chain
4. Nutrition and health knowledge and norms, including cultural practices and the availability of nutrition information.

The conceptual pathways from agriculture to nutrition therefore cover several different issues from several different sectors, and it is assumed that these should be provided in a coordinated fashion for maximum effect (Mwanamwenge & Harris, 2017).

### 3.2. Sustainable food systems to enhance nutritional outcomes

“A sustainable food system (SFS) is a food system that delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised” (See Figure 2). Food systems are changing rapidly around the world and the interaction among production systems, markets, consumer demand and retail systems are dynamic and complex. Food systems play an imperative role in providing adequate access to a diverse range of nutritious foods, largely through market based food systems, that seek to reduce both under and over nutrition. The four domains of a food system which determine dietary quality are illustrated in Figure 3. The paths by which agriculture impacts on nutrition, go through one or more of these domains (GPAFSN, 2014).

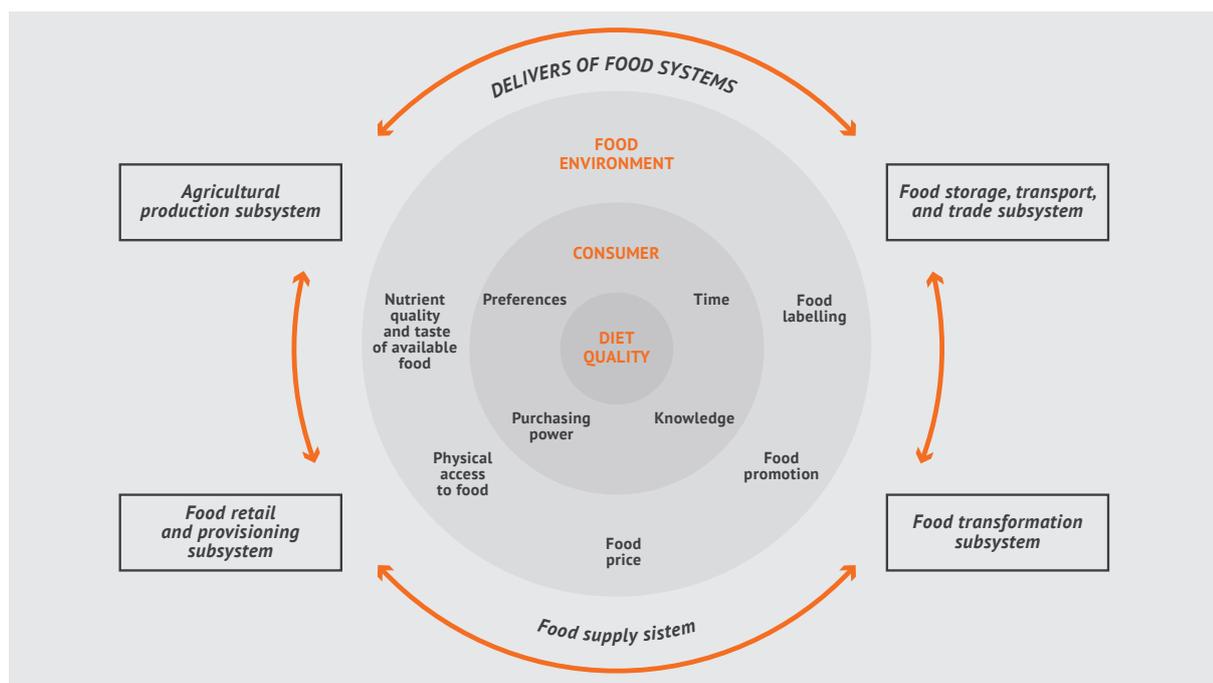


Figure 2 | Conceptual framework for the links between dietary quality and food systems (Development Initiatives, 2017)

	<p><b>Agricultural production</b> - agricultural activities that result in a diverse range of nutritious foods, generate income for food and non-food commodities, or the harvesting of uncultivated fields and forest products, that may be consumed at home or channelled through the farm gate.</p>
	<p><b>Markets and trade system</b> – that take products from the farm gate through various long or short channels towards the consumer.</p>
	<p><b>Food transformation</b> – foods are processed, stored and presented to the consumer, this domain includes micronutrient fortification, labelling and regulation for safety and quality.</p>
	<p><b>Consumer purchasing power</b> – and hence demand for a variety of foods based on sales of own produce and income from labour or renting of productive assets, as well as all forms of non-farm income and transfers.</p>

**Figure 3 | Domains of a food system; adapted from (GPAFSN, 2014)**

In general, food systems are geared towards meeting demand and generating commercial returns, and not necessarily geared towards improving diets or improving livelihoods of the extremely poor. Achieving positive nutritional outcomes requires consideration not only of the way food is produced, but also how it is processed, distributed, marketed and consumed. Therefore, there is a need to shape food systems to deliver healthier diets that take into account the cultural dimension of foods and food preferences in the following way:

- Create **demand** for healthy diets through a blend of private and public approaches, e.g. marketing, home grown school feeding programmes and nutrition awareness, input subsidies,

- Support businesses that **meet that demand**; e.g. by supporting development of business plans for nutritious foods that expand market share and lower prices,
- Create an enabling and supportive **policy environment**; e.g. reducing import duties of fortificants, reducing sales tax of nutritious foods, banning marketing of unhealthy foods (Haddad, 2017),
- Support an **all-inclusive** approach by proactively including vulnerable populations throughout the steps of the food systems.

Nutrition-sensitive approaches to value chain development have emerged as a core element to reshape food systems for improved food and nutrition security (FAO, 2017).

### 3.3. Nutrition-sensitive value chains

Value chain development programmes are traditionally associated with improving the livelihood of small farmers. Indeed, focusing on improving economic returns and increasing the number of actors involved along the value chain, can lead to overall poverty reduction. Increasing the supply and demand of nutritious foods and adding nutritional value can have nutritional outcomes for the value chain. However, value chain programmes can also unfold

their impact on nutrition by addressing the underlying determinants of malnutrition, including empowering women, addressing gender inequalities, increasing awareness of the importance of adequate diets and increasing production of nutritious foods for home consumption, whilst selling surplus. Figure 4 illustrates the difference between a traditional food value chain and a nutrition value chain. The main difference is the shift of focus from foods with an economic value towards foods with high nutritional value, and a strong focus on the nutritional impact for the actors along

Processes Food value chain	Actors	Processes Nutrition value chain	
Input on the market		<b>Greater variety</b> of inputs on the market	<b>WOMEN EMPOWERMENT, GENDER EQUALITY, NUTRITION AWARENESS, INCREASED INCOME</b>
Input into production	farmers	Inputs into production guided by demand and <b>nutritional value</b>	
Food production		Production guided by demand and <b>nutritional value</b>	
Food storage and processing	Processors	Food storage/processing addressing <b>nutritional losses</b> , adding <b>nutritional value</b> , ensuring <b>food safety</b>	
Food distribution and transport	Wholesalers	Food distribution and transport, minimizing <b>nutritional losses</b> , ensuring <b>food safety</b>	
Food retail and labelling	Retailers	Retail and labelling incl. <b>nutritional value</b>	
Food available for consumers		More <b>nutritious food</b> available to consumers	
Food purchased by consumers	Consumers	Increased demand for and access to <b>nutritious foods by the target group</b>	

Figure 4 | Food value chain vs nutrition value chain. Adapted from (CWW, 2016)

the value chain through increased decision making power on income and choice of crop production, stimulating demand, nutritional knowledge and targeting nutritionally vulnerable consumers. However, the economic aspect is still of importance as it remains a key incentive for most actors involved in value chains. The private sector plays a pivotal role at all levels of the value chains and the broader food system in achieving food and nutrition security. The need for investments to boost agricultural production and diversity, keep prices low and increase incomes is indisputable. Nutrition-sensitive agricultural programmes can complement these investments by supporting livelihoods, enhancing access to diverse diets in poor populations, and fostering women's empowerment (Ruel, et al., 2013). Emerging evidence demonstrates

the impact of nutrition-sensitive agriculture, particularly on intermediate steps in the pathways between agriculture and nutrition. For example, crop or production diversity is strongly associated with an increased dietary diversity score (Pellegrini & Tasciotti, 2014; Kumar, et al., 2015). There is strong evidence indicating that crop diversification has a greater effect on dietary diversity than the total amount of agricultural production and/or increased income from production (Kumar, et al., 2015; Pellegrini & Tasciotti, 2014). Increased dietary diversity has been positively associated with height for age Z-scores, which is a measure of chronic malnutrition caused by long term exposure to sub optimal nutrient intake and infections (Bhutta, et al., 2013; Masset, et al., 2012; Mallard, et al., 2014; Fekadu, et al., 2015; Darapheak, et al., 2013).

# 4

## GLOBAL LESSONS LEARNED

This section describes key learnings around engaging the private sector in improving food and nutrition security based on existing literature and the programmatic experience of the partners of the Alliance2015.

### 4.1. Importance of improving access to nutritious foods on the local markets

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The quality of a diet is largely affected by the availability and accessibility of different foods, both from farmers' own production and from the market. Over time, the diet in Africa has changed from mainly home-produced to purchasing of processed foods, with markets exceeding own production as a source of food, even in rural areas (Tschirley, et al., 2015; Qaim, et al., 2016; Reardon, et al., 2015). The location of market places need to be taken into account, as urban areas tend to have better markets and infrastructure than rural areas, sometimes facilitating better access to nutritious foods (Parasar & Bhavani, 2018). Agri-food value chains are integral to these markets, with a large number of actors interacting with different perspectives and levels of power. Main players can be large companies or the public sector, but they often include informal sector operators and small and medium sized enterprises and farmers (Maestre & Poole, 2018). The connections and coordination between different players play an important role in the functioning of marketing.

### 4.2. Mixed evidence on best agriculture production system for improved FNS

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There is an ongoing discussion about the benefits of diverse agricultural production systems and the economies of scale feasible with less diverse systems in order to achieve high quality diets (Bogard, et al., 2017) and how the benefits depend on the context, geography and farmer priorities (Franzo, 2017). Emerging evidence suggests that agricultural diversity translates into dietary diversity (IPES-Food, 2016; Pellegrini & Tasciotti, 2014; Kumar, et al., 2015), and has a marginal positive impact on child nutritional status (Kumar, et al., 2015; Mofya-Mukuka & Kuhlitz, 2015). There is strong evidence indicating that crop diversification has a greater effect on dietary diversity than the total amount of agricultural production and/or increased income from production (Kumar, et al., 2015). On the other hand, high diversification systems could reduce food security over long term, due to a less efficient production structure that delivers smaller amounts of nutrients than less diversified farms could produce (Mofya-Mukuka & Kuhlitz, 2015). The private sector can promote the production of non-food cash crops, which may discourage farmers from producing staple foods, and negatively impact upon household food production (Welthungerhilfe, 2015). However, an evaluation of value chain projects showed

that export oriented production did not impair food security by replacing subsistence agriculture (Kaplan, et al., 2016) and that large projects promoting export oriented crops, often also support the production of food crops, creating synergy effects in relation to food security (Kaplan, et al., 2016).

### **4.3. Investments in staple foods provide opportunities for FNS**

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The promotion of staple food chains has a greater tendency to reach poorer population groups, particularly in food insecure areas, compared to export oriented products, as relevance depends on improved availability of foods and falling consumer prices at the local market (Kaplan, et al., 2016). Promoting staple foods for the domestic market entails lower entry barriers for target groups, enabling households with relatively poor levels of resources to participate, so that broader scale impacts are achieved (Kaplan, et al., 2016). However, power imbalances between poor farmers and the private sector and how these imbalances impact the choices that smallholders are able to make, should not be neglected. Export-oriented chains can improve food security of producers and other value chain actors by the mechanism of boosting incomes and employment. However, there is no certainty that a higher income will be invested in better food and nutritional outcomes (Kaplan, et al., 2016).

### **4.4. Need for a focus on diets rather than single foods**

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Traditionally, value chains have a specific commodity focus, whilst improved food and nutrition security results not just from the

nutrient content of an individual food, but from improvements in the overall diet quality. Therefore, value chains are more likely to have success in filling gaps in the diet rather than improving overall nutritional status, though the evidence on these effects is still lacking (IFPRI, 2015; Brauw de, et al., 2015).

### **4.5. Role of targeting for improved FNS**

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Investing in small scale producers is acknowledged to have an immense potential in promoting agricultural development, poverty reduction and improving food and nutrition security (CONCORD, 2016; Oxfam, 2010). As smallholder farmers do not constitute a homogenous group, and vary in terms of access to inputs, social and cultural resources, there is need to further differentiate them. The OECD's five rural worlds (RW) model classifies rural populations based on assets, opportunities and needs, particularly with regards to poverty and food security (GDI, 2016). The target groups primarily reached by value chain promotion, are farmers who are predominantly subsistent and market viable producers (RW3) and those who depend upon non-agricultural income through creation of paid employment as they do not possess any productive resources beyond their own labour (RW4). The inclusion of both large commercial enterprises and companies (RW1) and traditional larger landowners and companies that are not internationally competitive per se (RW2) in value chains promotion, can be potential employers who create additional income-earning opportunities for the target groups (Kaplan, et al., 2016). It is more difficult to make value chains work for the extremely poor (RW5) as they barely have any resources

such as land, knowledge, capital or access to markets and remain a poor market proposition for many private sector operators and are only reached indirectly at best (Kaplan, et al., 2016). Targeting the most nutritionally vulnerable with activities that solely aim for economic growth can have a negative impact on the nutritional status of their own or household members whom they care for, due to an increase of workload which may reduce the time women have to feed and care for young children and there may be a negative impact on women's own nutritional status, particularly during pregnancy (Herforth & Harris, 2014). MSMEs are considered essential for economic and social growth as they can play a central role in driving agricultural productivity and diversity across the value chain and thereby increase the availability of affordable, nutritious and safe foods.

#### **4.6. Gender as a targeted dimension of private sector engagement**

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Women are key actors within the food system and, in most societies, considered to be the primary caregivers, responsible for food preparation and the feeding of young children (Janoch, et al., 2018). Women's empowerment in agriculture is associated with improving child nutrition as women are more likely to invest their income in food and nutrition (Smith & Haddad, 2000). The degree of women's economic empowerment is based on access to productive resources, power and agency. Guaranteeing access to assets, agricultural and financial services and the ability of rural women to benefit from economic and social activities through their ability to make decisions and act upon them and exercising control over their resources are

important factors for women's empowerment (FAO, 2016). Various studies have shown how rural women can be socially and economically empowered by taking part in producer organizations and cooperatives, offering a network of mutual support and solidarity, positively impacting women's decision-making power and on access to and control over productive assets, leading to improved household food and nutrition security and income and a more integrated production of both food and cash crops (FAO, 2012; Woldu, et al., 2015). Cooperatives hold much potential to empower women farmers by enhancing their collective bargaining power and create sustainable employment through equitable and inclusive business models that are more resilient to shocks (FAO, 2012). However, gender equality within cooperatives remains a challenge, with obstacles to women's active participation often rooted in structural and socio-cultural norms at the community and household levels. Targeting interventions towards women can enhance the impact on food and nutrition security through various pathways including increased control over household expenditure, food purchase and feeding practices. However, this has to include activities that create a supportive environment for women so that the gains made are not undermined by negative coping strategies practiced by women facing excessively increased workloads.

#### **4.7. The focus on the end-product may leave out poor consumers**

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The end-product of a nutrition-sensitive value chain may generate value in terms of nutrients, however, this often implies that the end-products are more expensive, excluding poor consumers. Food processing

along the value chain can also result in a lower nutritional value of the end-product as food processing often increases the sugar, fat and salt content of foods. A wider nutritional impact can be achieved by value chains that consider opportunities for linkages to food and nutrition security during each stage of the value chain for the different actors. For example, by increasing production efficiency, income, crop diversification and empowering women by taking into account women's control of resources and their time and energy expenditures.

#### **4.8. Demand is driven by multiple influencers**

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The private sector could be used more systematically to create demand by tailoring products to the specific needs of different population groups, by being more efficient (cheaper) and by providing information. Demand is driven by multiple influences including availability, prices, purchasing power, nutrition knowledge and preference. Creating demand can take a long time and requires private sector interest, expertise and often collaboration with the public sector. There is a need to understand what influences demand for healthy foods in specific contexts, for private sector engagements to respond more effectively to the demands of different types of consumers and contribute to creating or increasing demand (Hawkes & Ruel, 2011). The private sector has been very successful in creating a demand for unhealthy products (such as Coca Cola) among large populations, including children. Better understanding the marketing channels and how these can be leveraged would help make healthy foods more aspirational. The purchasing power of a household also impacts the demand,

although more disposable income does not always result in positive nutritional outcome, with higher income groups spending a larger proportion of their food budget on beverages and animal sourced foods (Chisanga & Zulu-Mbata, 2017).

#### **4.9. Increased income does not automatically translate in improved FNS**

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Income from agricultural commercialization can be used to purchase greater food security and other health supporting goods and services. However, increased income through commercialization has not always yielded nutritional improvements (Kirk, et al., 2017). Even if a household is able to participate in income growth, conversion to nutrition through the mechanism of food, care and sanitation may take time and depends on the general nutrition knowledge and the degree to which women have the ability to influence decisions about how to spend that income (Kirk, et al., 2017).

#### **4.10. Private sector engagement should be based on environmentally friendly principles**

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Agriculture relies on the environmentally sustainable use of natural resources and climate change is likely to have a negative impact on production. Maintaining or improving the natural resource base is critical to the livelihoods and resilience of vulnerable farmers and to sustainable food and nutrition security for all (FAO, 2015). Diversified agro-ecological systems offer major benefits for farmers and society and therefore, the private

sector should be supplying only sustainably produced foods. Adopting the “Push/Pull/Policy” approach can be used by “pulling” sustainable production and demanding environmentally friendly produced foods or products (See Annex 2.4).

#### **4.11. Role of private sector in nutrition transition**

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Increasing income alone cannot solve the problem of malnutrition and may in fact create overweight and obesity (IFPRI, 2015). Whilst the addition of a variety of foods may meet a nutrition gap and improve household dietary diversity, overconsumption of certain foods such as sugar, fat, salt, meat and refined cereals contributes to the increasing problem of overweight and non-communicable diseases. Strong marketing of unhealthy foods by private sector actors, exacerbates the problems for both children and adults. Therefore, there is a need to consider the potential negative impact on food and nutrition security by engaging the private sector.

#### **4.12. Need for an enabling policy and regulatory environment**

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Encouraging the private sector to increase the availability of nutritious foods is not enough, there is a need to work on creating an environment that is more favourable for mobilisation of the local private sector to combat malnutrition. An enabling policy framework for increasing the access, availability and demand for a wide variety of micronutrient rich foods, needs to take into consideration various aspects. These include the impact of trade policies, tax incentives, protecting smallholder farmers from

powerful private actors, agricultural inputs subsidies, fair land laws, food quality, safety standards and marketing regulations. An enabling policy framework should support informed food choices, through nutrition labelling, availability of country specific food based dietary guidelines and nutrition education and promotion. There is also a need to align the priorities of the private sector with those of the public sector and ensure good coordination, as a harmonized approach can reinforce and multiply efforts.

#### **4.13. Public private partnerships for improved nutrition**

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Involving private companies and a public structure in the creation of social value for the benefit of disadvantaged populations is a well known approach in the area of water, sanitation and energy. Their involvement in the fight against malnutrition is still in the pilot stage and few assessments exist on which to evaluate realistic expectations on the private sector (Maestre, et al., 2017; GRET, 2015). Targeting value chains backed by the public sector has potential to generate impact on nutritional outcomes at scale (Parasar & Bhavani, 2018). There is a need for precaution, as the main incentive structure for a firm is profit driven and therefore conflicts of interest between public and private actors are likely (Maestre, et al., 2017). An example is the promotion of cowpeas and fresh vegetables by WFP, whereby the Home Grown School Feeding (HGSF) programme purchases the pulses and fresh vegetables locally through aggregation centres, providing a nutritional benefit for the school pupils whilst creating marketing opportunities for the local farmers.

# 5

## HOW TO ENGAGE THE PRIVATE SECTOR FOR IMPROVED FNS

Merely producing more food does not ensure food security nor improved nutrition (Herforth, et al., 2012) and agriculture interventions do not always contribute to positive nutritional out-comes (FAO, 2012). The private sector can be leveraged to strengthen its orientation towards food and nutrition security by increasing the availability, accessibility and acceptability of inputs for the production of nutritious foods on the markets, but also by engaging the nutritionally vulnerable as actors along the value chain. NGOs play an important role in shaping and testing different forms of private sector engagements for its potential positive as well as negative impact on food and nutrition security, especially that of the poor. There is a need for a win-win situation addressing the trade-offs between economic gains and nutritional benefits of private sector engagement.

### **5.1. *The role of NGOs in engaging the private sector for improved FNS***

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NGOs are well positioned to work with the private sector due to their presence on the ground, knowledge of the local culture and politics, sector expertise and

their focus on measuring impact. They can play an important role in building efficient structures and stimulate effective strategies for effective market development. NGOs play an important role in shaping and testing different forms of private sector involvement, including in places where it's difficult for for-profits to work. Depending on the constraints faced by the private sector, NGOs can provide support by creating market linkages, providing technical know-how, access to finance etc. There are various approaches used by NGOs in engaging the private sector.

PUSH/PULL approaches can be employed to help develop strong, pro-poor markets that buy effectively and efficiently from smallholders, and supply producers with adequate inputs at fair costs. PUSH approaches build producer capacity based on market requirements, whilst PULL approaches encourage the integration of producers in to markets (Walkerman, et al., 2015). PUSH approaches typically involve interventions aimed at increasing farmers knowledge on production techniques and improving producers processes and facilities for harvest, post-harvest and storing, tailored to fit market needs. PULL approaches can involve increasing the capacity of actors who are aggregating produce and facilitating the

entry of “firms” that see a market for their products or a source of needed raw materials (Walkerman, et al., 2015). Early success shows that it is possible to create pathways out of poverty for the poor by building resources, capacities and access that they need to participate in markets with reduced risk and greater confidence.

An example of PULL strategies is impact investment. Over the last several years, the NGO sector has seen a number of developments in **impact investment and social enterprise creation** with a potential to scale and sustain long term mission results. According to the Global Impact Investing Network (GIIN), impact investments are “investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return”. Important roles of the NGOs in impact investing, is providing capital to social enterprises, using their capacity to advocate and convene to support the development of infrastructure and mission aligned investing and providing capacity development for social entrepreneurs or impact investors. The impact investing ecosystem is rapidly evolving as more and more new actors join the movement. A recent NGO impact investing network survey among 31 NGOs showed that all are either actively engaged, piloting approaches or exploring options for impact investing (Amplify, 2016).

**Making markets work for the poor (M4P)**, is considered a PUSH approach whereby NGOs or other actors play a temporal and catalytic facilitation role, seeking to leverage the power of the market to benefit poor and vulnerable groups (SDC, 2014). Challenges, especially the ones faced by the poor in participating in the market system, need to be addressed by improving access to inputs, resources and information and by

improving skills and organization to take advantage of not always fully transparent and often very competitive markets. Market systems development programmes should leave behind more efficient and inclusive systems that function and adapt without external support and deliver benefits to larger numbers of poor people in the future (The Springfield Centre, 2015). However, critics argue whether M4P has the ability to target the extremely poor as they lack resources, production surplus, skills and ability to deal with risks (Blaser, 2014).

## 5.2. *Nutrition considerations in private sector engagement*

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This section will describe a number of factors that need to be considered in order to ensure that the engagement with the private sector contributes to improved food and nutrition security.

### 5.2.1. UNDERTAKE MARKET SYSTEM ANALYSIS AND A CONTEXT ANALYSIS

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Shifting production and consumption towards more sustainable and nutritious foods requires an understanding of the complex range of factors within market systems. It is important to have a clear theory of change from the onset to outline how the private sector can improve nutrition, while taking into account agricultural production, price transmission through the chain, demand, gender, cultural dimensions of food, income and environmental dimensions at various levels (Hawkes & Ruel, 2011). A market system analysis is important to understand how markets operate and how they relate to, and affect food and

nutrition security of vulnerable households. A market analysis should involve steps to map the actors and activities from “farm to fork”; ascribing some form of economic and nutritional value to each actor and activity; assessing the constraints and opportunities in the organizational, financial, technological and information aspect of the chain and assessing the constraints and opportunities related to market demand and supply as they affect nutrition for the actors along the value chain (Hawkes & Ruel, 2011).

### 5.2.2. FRAMING EXPLICIT NUTRITION GOALS AND ACTIONS

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Explicit nutrition goals and actions to improve food and nutrition security need to be incorporated from the project design phase, by applying a nutrition and pro-poor lens. Being explicit about expected nutrition outcomes for the nutritionally most vulnerable will push the inclusion of specific activities, generates additional resources, keeps the nutritional focus and allows for careful monitoring of change in nutrition related outcomes.

### 5.2.3. TARGET NUTRITIONAL VULNERABLE GROUPS AND SMALLHOLDER FARMERS

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Nutritionally vulnerable groups, including women, children, adolescents and smallholder farmers need to be targeted as consumers and actors along the entire value chain. They can be targeted directly with the activities or more indirectly by ensuring that the benefits mainly impact the most

nutritionally vulnerable. It is important to sufficiently differentiate between target groups in the conception of the project as activities need to be tailored specifically to the needs of the target groups along the impact pathway. Working with the extremely poor is economically fragile (RW5)<sup>1</sup>, and therefore, suitable support activities need to be implemented and specific activities focusing on the inclusion of the poor should be considered. There is also a need to take into consideration unintended outcomes e.g. additional workload for women reducing the time available for caring for children, chronically ill and the elderly and the impact on women’s own nutritional status, particularly during pregnancy (do no harm). A supportive environment needs to be created by both public and private sector to ensure that nutritionally vulnerable are directly or indirectly connected to the private sector.

### 5.2.4. ADDRESS BARRIERS HINDERING WOMEN’S ECONOMIC EMPOWERMENT AND IMPROVE EQUITY

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In order to increase the impact of the private sector for improved nutritional outcomes, it is important to address barriers to women’s empowerment. A supportive environment needs to be created by ensuring access to productive resources, income opportunities, extension services, information, credit, labour and time-saving technologies; supporting their voice in household and farming decisions and changing gender norms by involving community leaders and encouraging a more equitable decision making process at household level (FAO, 2015; Norell, et al., 2016).

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1 - Rural World 5 (see Annex 1)

### 5.2.5. INCORPORATE A NUTRITION BEHAVIOUR CHANGE COMPONENT ALONG THE VALUE CHAIN

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Nutrition behavioural change communication needs to be targeted towards all actors along the value chain – supplier and demand side – in order for them to realize the role they play in improving food and nutrition security. Nutrition education and promotion for all should be encouraged in order to make nutritious foods more aspirational and spending and investing income towards improved food and nutrition security needs to be promoted. Appropriate consumer awareness creation will help caretakers make informed choices when providing nutrition, hygiene and health to their families. Nutrition education for suppliers will ensure that goods and services are designed with the aim to contribute to improved food and nutrition security for the poor. Examples include incorporating nutrition within agricultural extension, product labelling, nutrition messages on packaging, or health promotion through the public sector.

### 5.2.6. PROMOTE CROP DIVERSIFICATION IN PRIVATE SECTOR ENGAGEMENT

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It is important that micronutrient rich foods are available, accessible and acceptable to the poor throughout the year. Food systems with high resilience need to have alternative sources of nutrients as well as alternative routes for obtaining foods. This resilience can be achieved either through diversifying production at different times of the year by promoting different crop varieties (including early maturing crops, underutilized and bio-

fortified crops) and promoting knowledge on seasonally available nutritious foods. An important incentive for farmers to produce nutritious crops for home consumption, is the ability to sell surplus produce through access to markets. Potential solutions to increase availability of nutritious foods in value chains is the inclusion of nutritious crops within a commodity specific value chain (e.g. intercropping of pulses with rice, cultivation of banana trees as shadow tree for young cocoa trees), farmer trainings, access to technology, increase access to inputs for diverse and nutritious crops (incl. bio-fortified crops, and small seed packs), credits, and incentivizing production through improved access to markets (see also below on Shashe Citrus Orchard project implemented by Cesvi, Annex 2).

### 5.2.7. PROMOTE LOCAL FOOD PRODUCTION AND PROCESSING WITHIN PRIVATE SECTOR

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Strengthening food processing, preservation and storing techniques that result in robust access to recommended food sources and nutrients for all members of a household all year round, need to be promoted. Examples include increasing access to (small-scale) storage and processing equipment (silos or airtight bags for storage), food dryers for the food preservation and innovations to develop healthy foods that are convenient to prepare (e.g. ready to make porridge).

### 5.2.8. PROMOTE ENVIRONMENTALLY FRIENDLY AGRICULTURAL PRACTICES OF PRIVATE SECTOR

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It is crucial to maintain or improve the natural resource base, including pest bio control, critical for the livelihoods and resilience of vulnerable farmers and for sustainable food and nutrition security (FAO, 2015). Private sector actors can promote sustainable agricultural practices by specifying sustainability criteria for food products. An example is the WAPRO project implemented by HELVETAS (See Annex 2.4).

### 5.2.9. INCLUDE NUTRITION OUTCOMES AND RELATED INDICATORS INTO MONITORING FRAMEWORK

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There is a need to widen the scope of value chain programming and private sector partners to include nutrition in the goals and M&E frameworks. It is important not only to define a nutrition indicator at impact level, but to also consider nutrition indicators for each level along the different pathways between agriculture and nutrition – from ‘farm to fork’. There is also a need to distinguish between food security indicators that measure the access and availability of foods and nutrition indicators that assess the quality of the diet and the actual consumption (Chapter 7).

### 5.2.10. INVEST IN RESEARCH TO IMPROVE UNDERSTANDING OF THE ROLE OF PRIVATE SECTOR FOR FNS

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In order to improve how food value chains deliver nutrient-rich foods and contribute to

reducing nutritional deficiencies amongst the poor and nutrition-vulnerable, there must be a comprehensive understanding of how these work and the roles that both public and private actors play in making them work more effectively (Maestre, et al., 2017). Research is needed, to broaden the evidence base on how the private sector can best be leveraged for food and nutrition security. But the role that good quality monitoring and evaluation can play in generating evidence should not be underestimated. Therefore, innovative ways to better understand consumer and nutrition behaviour, production, postharvest handling and market access is needed alongside programme implementation.

## 5.3. *Need for an enabling institutional environment*

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Efforts to improve food and nutrition security through well targeted, context specific and nutrition-sensitive interventions require an enabling institutional environment. Policies and regulations need to be in place and designed to increase sustainable production, availability and affordability of a wide variety of micronutrient rich and safe foods, support informed choices through nutrition labelling and nutrition education and encourage private sector to operate in line with those policies and public interests. NGOs can advocate for policies and regulations enabling sustainable and healthy food systems. Institutional monitoring is necessary to ensure that the private sector does not undermine the provision of nutritious and quality foods, which can lead to various forms of malnutrition including over- and undernutrition and micronutrient deficiencies.

# 6

## ALLIANCE2015 APPROACHES IN ENGAGING THE PRIVATE SECTOR

The Alliance2015 partners have different programmatic approaches for engaging the private sector through different organisational mandates and objectives and by working through different actors and markets. In addition, the economic, social and cultural context where the programmes are being implemented, play an important role in defining activities needed for improved food and nutrition security through the engagement of the private sector. Alliance2015 partners' objectives regarding their private sector work are not always explicitly aiming to improve food and nutrition security for the poor, but work with the assumption that the impact on food and nutrition security will take effect through various direct and indirect pathways, including through improved employment opportunities, increased income and increased availability of nutritious foods on the local market.

The work of the Alliance2015 partners with the private sector mainly focuses on the field of agriculture & food systems. There are a number of other projects in other fields with a potential to improve food and nutrition security, such as the development of a social enterprise for social waste collection in Haiti (CCW) and improving women's working conditions (Hivos).

The approaches of the Alliance2015 partners are diverse, demonstrating how NGOs can work in different ways and levels with the private sector for improving food and nutrition security. The approaches can be broadly divided into four categories (see Figure 5);

- **PUSH strategies**, through training in agriculture and business skills for market actors at all levels, providing access to finance, assets and inputs
- **PULL strategies**, through supporting social enterprises, or by playing a temporal, catalytic facilitation role to leverage the power of the market
- **Ensuring nutrition considerations**, by aiming to increase the production of diverse and nutritious foods at household level and by increasing the availability of nutritious foods on the market
- **Enabling an institutional environment**, by using advocacy and convening power to support a conducive environment for the mobilisation of the local private sector to combat malnutrition.



**Figure 5 | The private sectors engagement of ALLIANCE2015 partners for improved food and nutrition security**

### 6.1. PUSH strategies

The Alliance2015 partners are strong in building technical capacity for improving agricultural and business skills. Examples include the work of ACTED which stimulates entrepreneurship, including business advisory and financial services, by supporting subsistence based farmers to become market based producers by developing their organisational capacity for better collective action. The **Realigning Agriculture to Improve Nutrition (RAIN)** project of CCW in Zambia provides agriculture, nutrition and marketing training to female farmers in order to stimulate the production of nutritious crops for their own consumption, but also for selling surplus at local and national markets. The project established links with a Zambian social enterprise (LIMA LINKS) that provides a custom-made app for real time

data on commodity prices and interested buyers in order to connect rural and remote living farmers to the agricultural market place. PIN builds the capacity of farming in the certification process of organic farming, which enables farmers to access the EU market. **The Shashe Citrus Orchard Project** (implemented by Cesvi in Zimbabwe) centres upon improving food security coupled with long term commercial sustainability, through empowering farmers with an irrigated orchard for high value citrus fruits, resulting in a shift from subsistence to commercial agriculture. In this model, the community is represented in a Trust where community farmers are elected and hold the majority besides traditional and public authorities, ensuring their decision making and negotiation power towards the use of land and the market.

## 6.2. PULL strategies

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Hivos is the first member of the Alliance2015 to spearhead a relatively new approach to private sector engagement, by initiating impact investment programmes that invest capital to drive measurable social and environmental change alongside a financial return. Impact investments present a compelling opportunity to achieve increased scale, innovation, sustainability and partnership in international development (Amplify, 2016). The **Hivos food & lifestyle fund** in Southern Africa (Zambia, Zimbabwe, Malawi and South Africa) aims to create a sustainable farm-to-fork food system, to allow people in Southern Africa to have a healthy, diversified diet with local foods that are produced in a way that increases biodiversity and restores soils. The **food & lifestyle fund** promotes food security by investing in reliable and accountable local agricultural value chains and local urban farming. It promotes food diversity by reinventing local traditional foods as an alternative to global monocultures and promotes a nutrient-rich diet by investing in organic and sustainable food production, distribution and retail as an alternative to processed food. By creating new and diverse opportunities to improve food systems, the Hivos impact investment fund can deliver more sustainable benefits for those in need, creating an environment of increasing resources flowing to solve the world's most challenging social and environmental problems.

PULL and PUSH strategies are often combined into one PUSH/PULL approach. The **Water Productivity Project (WAPRO)** reflects HELVETAS holistic approach to development, by implementing a PUSH, PULL and POLICY approach. Operating in Kyrgyzstan, Tajikistan, India and Pakistan, the project addresses the knowledge gaps of rice and cotton

producers regarding efficient water use and diversification of cropping systems with various types of pulses and vegetables (PUSH). Thanks to this approach, nutritious foods are more available for local marketing and home consumption, and local food production is more resilient to climatic shocks. On the other hand, WAPRO established partnerships with private companies including Mars, IKEA and Coop Switzerland who align their demand for rice and cotton products with the above mentioned sustainability standards (PULL). The project simultaneously promotes favourable policy environments (POLICY) and has created demand for replication of the global value chain work by other brands. WHH is testing different, new inclusive business models, ranging from Impact Investment to Shared Value, to Social Business. WHH is engaged with the private sector in the form of three different engagement models:

### 1. Social enterprise development model,

whereby social enterprises (private business, co-op) are the link between the beneficiaries and the market. WHH supports the tools and training of the beneficiaries, infrastructure and training for the social enterprises and securing markets. All profits are reinvested in helping the enterprise expand and in the community. The number of beneficiaries is usually below 1000 due to capacity and resources of WHH.

2. **Private sector promotion model** enables WHH to support small scale farmers with training and materials required to produce the product, which they can then sell to buying agents, traders and agricultural business centres. A large beneficiary group can be reached (>1000) due to private sector actors working actively with farmers. WHH plays an important role in building relationships with the different

private sector actors. The private sector is motivated by improved profit and/ or quality of the product.

**3. Basic service provision model** creates demand for services from beneficiaries and provides services or products to beneficiaries through existing and new service providers. WHH plays a role in creating demand and in connecting companies or supporting new enterprises to meet the demand.

The **Postharvest Management Project (PHM)** of HELVETAS builds the capacity of the private sectors for the production and marketing of improved PHM technologies such as airtight storage facilities, drying platforms and threshing machines. PIN, WHH, HELVETAS and Hivos have a stronger focus on the promotion of private sector engagement for global and regional markets, whilst for others (e.g. CWW), the private sector engagement is mostly integrated within larger programmes conceptually geared towards broader goals.

### 6.3. Nutrition considerations

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In their mission statements, CWW and WHH have a specific emphasis to improve food and nutrition security, which is reflected in a strong focus on nutrition-sensitive agriculture within their programming. Both agencies incorporate nutrition indicators at outcome level. CWW, WHH and PIN have a strong background in working with male and female smallholder farmers aiming to improve their agricultural production and crop diversity and facilitating linkages to local and national markets. Nutrition behavioural change communication is often part of a broader programming not only targeting consumers but also suppliers and producers along the value chain. CESVI (**Shashe Citrus Orchard Project**) and HELVETAS (**WAPRO**) promote

intercropping nutritious crops within cash crop value chains, increasing the availability of nutritious crops at both household level and at the local market.

### 6.4. Enabling an institutional environment

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Alliance2015 partners have a strong ability to conduct advocacy campaigns, raise awareness at both national and international level and bring diverse stakeholders together for common goals. For example in Latin America, Hivos coordinates the **Sustainable Agriculture, Food and Environment (SAFE)** platform, which is a multi-stakeholder alliance of big coffee and cocoa companies, investors and NGOs. The platform aims to raise awareness regarding the need to build sustainable sourcing models and adopting climate-smart agricultural practices. Hivos also uses **Food Change Labs** to work with private sector, government and other stakeholders in creating more sustainable food systems. HELVETAS implements the **PUSH, PULL and POLICY approach**, whereby the POLICY aspect promotes a favourable policy environment and the project has created demand for replication of the global value chain work. CWW and WHH, together with the International Food Policy Research Institute, publish the **Global Hunger Index Report** on an annual basis as a tool to support advocacy work on both national and international platforms and facilitate policy change.

### 6.5. Targeting

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Fundamental to any nutrition-sensitive intervention is that the action is aimed at women, adolescent girls and/or children, as they are traditionally the nutritionally

most vulnerable and at the same time the nutrition gatekeepers for their families. This is regardless of whether they are members of a household, a smallholder farmer, an agriculture input supplier, or a retailer or wholesaler. Therefore, there is a need to consider targeting all actors along the value chain, the consumers of the food or end-product. The Alliance2015 partners have different target group criteria. CWW's mandate is to work with the extremely poor at individual and community level, largely linking the poor with the markets, and often work in insecure or isolated environments adding additional challenges in developing markets. The other organisations mainly concentrate on smallholder households, market viable farmers and or micro enterprises, who already have market linkages but require further support, corresponding to rural worlds three and four. Organisations including WHH, PIN and CWW often have women as an explicit target group, providing more opportunities for improving food and nutrition security.

## 6.6. Examples of Alliance2015 programmes

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The Alliance2015 consortium (led by ACTED and partnering with Cesvi, CWW and Hivos) is implementing the **Addressing the Root Causes of Conflict (ARC) livelihoods programme**. The programme focuses on creating sustainable income generation and livelihood opportunities for vulnerable populations. Social Development Centres (SDCs) were supported to collaborate on training initiatives and strengthen SDC management capacity in Lebanon. The Alliance2015 partners have developed a three step process to conduct a thorough

market assessment, market mapping, formal/informal growth trend analysis and consumer needs assessment, to design market resource guides for SDCs. Under the ARC, Alliance2015 has proposed to reposition these centres as job counselling and skills training centres which can function as a link between jobseekers and employers in the public/private sector, whilst promoting various value chains. In Mozambique, a consortium comprised of CWW, WHH and ORAM implemented the "Strengthening Civil Society to enhance livelihoods through supporting economic skills diversification, markets and gender equity in Zambezia" project from 2015 to 2017. CWW targeted extremely poor communities in very remote areas, while WHH targeted poor communities in peri-urban and less remote areas. Farmer Field Schools, care groups and mother's & father's nutrition groups, dialogue Clubs, farmers' associations (ORAM) and village Saving and Loan Associations were established and used as an entry point for improving agricultural productivity and diversity and improved capacity for community groups in marketing, with the ultimate goal of improving nutrition. In Uganda, CWW and WHH are jointly implementing the **Resiliency through Wealth, Agriculture and Nutrition in Southern Karamoja (RWANUP)** project. The project goal is to reduce food insecurity among vulnerable people. ACDI/VOCA and WHH are leading implementation of activities related to agriculture, livestock and improved livelihoods, while CWW is primarily responsible for health, nutrition and WASH activities. While there is no clear market linkages within the project, it is a good example of how the Alliance2015 can focus on food security (WHH) while the other concentrates on nutrition security (CWW).

# 7

## MONITORING PROGRESS AND ACHIEVEMENTS

This section provides guidance on indicators to use to monitor the programmatic impact of private sector engagement on food and nutrition security of the poor. Impact indicators need to be appropriate to the type of intervention and the intended target group. A study by (Herforth & Ballard, 2016) concluded that in agriculture-nutrition projects, the M&E focus needs to move away from measuring nutritional status, as it is challenging to have sufficient statistical power to detect an impact. Nutrition indicators assess specific outcomes related to specific nutrition activities. One has to distinguish between food security indicators, which assess the availability and affordability of foods; and nutrition security indicators, which assess the quality of the diet and the consumption. Existing validated indicators of diet quality and food access, such as the Minimum Dietary Diversity for Women (MDDW) and the Food Insecurity Experience Scale (FIES) (Herforth & Ballard, 2016) are more appropriate and reflect appropriate levels of nutritional impact for most projects. Currently, most agriculture-nutrition projects focus their evaluation on farming households, while their effects may in fact be much broader, affecting local markets and the wider consumer population. On the other hand, market development programmes often assess the impact by measuring increases in yields and income which does not

indicate who benefitted most and how this translates into improved food and nutrition security. It is therefore required to measure important outcomes along the entire programme impact pathways and to be able to disaggregate data by target group. Food security is only one determinant of nutritional outcomes, especially for children. Other indicators are related to women' education level, resources allocated to national policies and programmes for infant and young child nutrition and access to clean water, basic sanitation and quality health services (FAO, 2017). It is important to consider indicators for all pathways between agriculture and nutrition. Table 2 provides a list of indicators related to measuring food and nutrition security. Income can be used to measure economic outcomes of a project and is useful when disaggregated by sex to reflect intra-household income control. Women are more likely to spend income on improving food and nutrition security (Smith & Haddad, 2000). However, if women are not empowered with knowledge or time, or if healthy and diverse foods are not available, any increase in yields and income may not be used to maximise nutritional benefit. Institutional monitoring needs to ensure that they do not undermine the provision of nutritious and quality food which can lead to obesity or other forms of malnutrition.

Type of measure	Recommended indicator or measurement
Diet – individual level	<ul style="list-style-type: none"> <li>› Minimum Dietary Diversity Score for Women and children aged 6-23 months</li> </ul>
Food access – HH level	<ul style="list-style-type: none"> <li>› Experience based measures of food security (FIES, etc)</li> </ul>
Food availability and diversity on farm	<ul style="list-style-type: none"> <li>› Production of target nutrient rich foods (volumes, areas planted)</li> <li>› Diversity of crops and livestock produced</li> <li>› Proportion of staple crops biofortified</li> <li>› Grain loss</li> <li>› Knowledge of improved farming practices</li> <li>› Access to inputs and credits</li> </ul>
Food environment in market	<ul style="list-style-type: none"> <li>› Availability and prices of promoted nutrient rich foods in local market</li> <li>› Cost of a healthy diet</li> </ul>
Economic outcomes	<ul style="list-style-type: none"> <li>› Income; disaggregated by gender to reflect intra-household income control</li> <li>› Diversification of income</li> <li>› Profit from all products</li> </ul>
Women’s empowerment	<ul style="list-style-type: none"> <li>› Women’s access to and control over resources (assets and income)</li> <li>› Women’s participation in economic activities</li> <li>› Asset ownership by gender</li> <li>› Women’s time use and labour</li> </ul>
Nutrition knowledge	<ul style="list-style-type: none"> <li>› Project specific indicators</li> </ul>
Natural resource management	<ul style="list-style-type: none"> <li>› Access to improved drinking water source</li> </ul>

Adapted from (Herforth & Ballard, 2016)

**Table 2 | Example of indicators related to food and nutrition security**

# 8

## CONCLUSION

Although there is a growing consensus that a key priority to address undernutrition is the transformation of agriculture and food systems, there are too few independent and rigorous evaluations done on the effectiveness of involvement of the private sector in nutrition (Maestre, et al., 2017). Questions are still unanswered on the best way to engage the private sector for assuring positive linkages between agriculture and nutrition, and how they can impact the poor and nutritionally vulnerable. An important implication is that expectations that the private sector will deliver on public nutrition objectives need to be tempered by the reality that most firms – even the most socially responsible firms – are businesses that need to create profits or at least be sustainable (Maestre, et al., 2017).

As summarized in Figure 5, Alliance2015 and its partners all consider the private sector an important stakeholder within their programming, but each partner applies a slightly different market development approach and has obtained a vast amount of experience and learning in doing so. The private sector is engaged at different levels, from using PUSH approaches that build the capacity of farmers to engage with market actors and PULL approaches that leverage the private sector to facilitate participation of smallholder farmers in economic opportunities. Value chain development and impact investing provide opportunities

for improved food and nutrition security. While one partner on its own might be able to work with a few selected market actors addressing a specific impact pathway, by combining each others' approaches Alliance2015 has the potential to improve food and nutrition security of the poor through a much more holistic market system development approach. There are already some examples where the Alliance2015 partners combine their efforts and demonstrate that implementing in partnership can benefit the various actors within a market system. Although nutrition considerations are often included within the private sector programming of the Alliance2015, there is a need to take more deliberate action in order to maximise the impact of food and nutrition security of the poor and nutritionally vulnerable. Important considerations relate to the targeting of end consumers, but also towards actors along the value chain, addressing barriers hindering women's empowerment, promoting increased crop and dietary diversity, increasing nutritional knowledge, promoting environmentally friendly agricultural practices and the need for an enabling institutional environment that encourages the private sector to contribute to the improvement of food and nutrition security.

There is a huge potential to combine the individual strengths of the Alliance2015 partners with regards to the private sector in order to make a more profound impact on food and nutrition security.

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# ANNEX 1. TYPE OF HOUSEHOLDS & ENTERPRISES IN THE FIVE RURAL WORLDS MODEL

The Organization for Economic Co-operation and Development (OECD) developed a conceptual model that classifies rural populations based on a pragmatic, multi-criteria analysis of basic assets and endowments, competitiveness and growth opportunities and needs, in particular with regards to poverty and food security (GDI, 2016). The Rural World concept classifies the rural population into

a limited number of ubiquitous groupings according to major, common constraints, needs and opportunities (GDI, 2016). The 5RW concept is recommended for the inter-sectoral planning of rural development in developing countries and provides a good overview of who can be reached within the framework of value-chain promotion for which complementary activities must be carried out (GDI, 2016).

Rural world	Description
<b>RW1. Large-scale commercial agricultural households and enterprises</b>	<ul style="list-style-type: none"> <li>› Very small minority of rural households and firms in the developing world,</li> <li>› Engaged in high-value, export-oriented agriculture,</li> <li>› Direct access to finance, risk-management instruments, information and infrastructure</li> <li>› Influential voice in national policies and institutions affecting their enterprises,</li> <li>› Close ties to buyer-driven value chains</li> </ul>
<b>RW2. Traditional landholders and enterprises, not internationally competitive</b>	<ul style="list-style-type: none"> <li>› Substantial number of rural households and agricultural firms in the developing world,</li> <li>› Frequently part of the local elite but with little influence at national level,</li> <li>› Sizeable landholdings often devoted to both commercial and subsistence agriculture,</li> <li>› Had access to basic services, such as finance, before structural adjustments, but no longer,</li> <li>› Access to formal risk-management instruments is limited.</li> </ul>

<p><b>RW3. Subsistence agricultural households and micro-enterprises</b></p>	<ul style="list-style-type: none"> <li>› Very large number of fishermen, pastoralists, smallholders and associated micro-enterprises,</li> <li>› Food security is their main concern,</li> <li>› Assets are poorly developed,</li> <li>› Very limited access to services (credit), even before structural adjustments,</li> <li>› Severely constrained ability to take on higher levels of risk,</li> <li>› Often live in fragile ecosystems or less-favoured regions</li> </ul>
<p><b>RW4. Landless rural households and micro-enterprises</b></p>	<ul style="list-style-type: none"> <li>› Frequently headed by women</li> <li>› Main sources of income and sharecropping or working as agricultural labourer</li> <li>› Often migrating to economic centres on a daily, seasonal or even permanent basis, but low education levels are major barrier to migrating out of poverty</li> </ul>
<p><b>RW5. Chronically poor households, many no longer economically active</b></p>	<ul style="list-style-type: none"> <li>› Often sold off or been stripped of their asset holdings during periods of crisis.</li> <li>› Remittances from relatives, community safety nets and government transfers are vital,</li> <li>› Often socially excluded from the larger community.</li> </ul>

# ANNEX 2. PRIVATE SECTOR APPROACHES OF ALLIANCE2015 PARTNERS

## ANNEX 2.1 ACTED

Taking into consideration the pivotal role of the private sector in addressing global hunger, ACTED has implemented a number of projects with the private sector to enhance food security and nutrition. For example, in order to reduce malnutrition rates in Afghanistan, ACTED works with various private sector players to fortify wheat flour. On the one hand, ACTED supports wheat farmers and farmer cooperatives to increase wheat yields in a sustainable and resource efficient way. The farmers and cooperatives are then linked to private wheat flour mills. At the

same time, ACTED supports soy farmers in soya bean production and links these farmers to the private sector run soya-mill in Mazar-e-Sharif. The soya mill is then linked to the private wheat flour mills who mix the soy flour and other micro-nutrients with wheat flour thus fortifying it and selling it to private bakeries. ACTED together with the Mazar-e-Sharif soya mill then trains these private bakeries in the production of fortified bread and conducts general awareness raising on health benefits of fortified wheat products (see Figure 6).

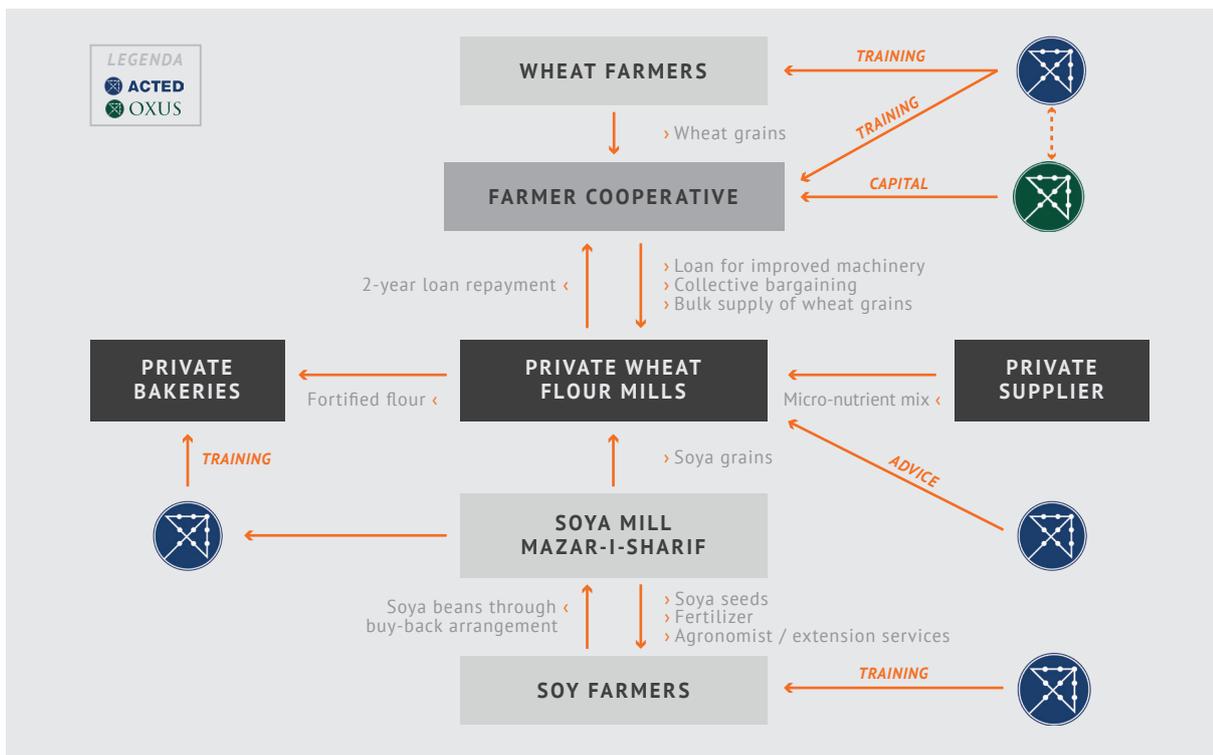


Figure 6 | ACTED's support of private sector for improved food and nutrition security

## ANNEX 2.2 CESVI

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CESVI focuses on multiple aspects of improving livelihoods of small holder farmers by supporting farmers to shift from subsistence to commercial agriculture through empowering smallholders with skills in agricultural production, grain quality control and post-harvest handling, and supporting cooperatives for collective bulking and marketing and strengthening links to the private sector. This is to ensure that communities experience true improvement in their living conditions while at the same time safeguarding and protecting the soil and the surrounding environment. The private sector and various businesses are considered to make a difference through the transfer of skills and the empowerment of local private and professional outlets in a way that promotes synergies rather than opposition. CESVI promotes value chains for several commodities, including sesame, and there are proposals for the value chain of aloe and Arabic gum. CESVI recognizes the importance of agricultural diversification and strengthening the role of women in improving food and nutrition security.

**The Shashe Citrus Orchard Project** is a successful example of a Public Private Community Partnership (PPCP). The model embraced a vision centred upon improving food security coupled with long term commercial sustainability, by producing high value citrus fruits and investing the acquired income into the management and maintenance of the irrigation system. Participants also made individual profits. The introduction of contract farming for a variety of nutritious crops in between the rows of citrus trees, proved very successful allowing immediate income for the community and an opportunity for improving the diets of farmers. This new model is an ongoing and adaptive process where Cesvi is devoted to promoting a partnership between the community and its external partners (Cesvi, 2016). The model has boosted the local livelihood and household's income allowing for an increase in available resources locally and individually.

## ANNEX 2.3 CONCERN

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### WORLDWIDE

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Concern is a humanitarian organization working to transform the lives of the poorest. The livelihoods of the extremely poor often depend on their labour and depleting natural resources, they therefore face considerable levels of risk and vulnerability.

Concern has been working with the private sector for many years, partly as a way to raise funds to increase the scale of Concern's work, but also by linking the extremely poor to the markets and supporting the use of technological innovations of the private sector. The focus on the poorest and the fragile contexts gives another dimension to private sector engagement. NGOs play an important mediator role in helping to bring market actors closer together.

Concern is linking humanitarian and long-term development through triggering private investments and developing businesses. As Concern's organizational focus is working with the extremely poor, most market related activities focus on micro level. Common activities implemented across the various country programmes include business skills training, vocational skills training, strengthening of agricultural extension, supporting farmer groups, distribution of a diverse range of inputs, linking farmers to markets, supporting village saving loan associations, supporting small business development, provision of cash transfers or vouchers and support to financial services. Concern is implementing the **graduation**

**model** in several countries, and aims to bring extremely poor people out of poverty through consumption grants, training and asset transfer. This multi-sectoral approach provides the opportunity to jump start a sustainable and profitable economic activity, based on a developed business model. In order to enhance the business skills of micro entrepreneurs, Concern developed a business skills training guide taking into account that some micro-entrepreneurs may lack literacy and numeracy skills.

Linking beneficiaries to the markets is often a smaller component within a comprehensive livelihood or nutrition-sensitive agriculture programme. The **Realigning Agriculture to Improve Nutrition (RAIN)** project in Zambia aimed to improve the nutritional status through nutrition-sensitive agriculture. The project learning showed the need to incentivize production of nutritious crops by creating or strengthening markets for these crops. The income is necessary to purchase nutritious foods in order to have access to micronutrient rich food all year round. Concern facilitated linkages between farmers groups, aggregation hubs and the large urban market (Soweto), School Feeding Program through WFP and private sector companies such as Amatheon. A Zambian social enterprise (LIMA LINKS) provides a custom-made app to provide real time data on commodity prices and interested buyers. Women also received training in processing of green leafy

vegetables, by a private company who agreed to purchase all processed foods. Another way through which Concern engages the private sector for nutritional outcomes, is by establishing a **social enterprise for solid waste management**, which can impact nutrition through reduced infections and diarrhoea. In Malawi, Concern and partners leveraged the private sector technology, systems and scale in order to reduce food insecurity by working with a **mobile network provider** to deliver electronic cash transfers.

Concern is part of a consortium in Niger that involves the local private sector to provide manufactured fortified complementary foods and develop appropriate products for women of childbearing age (**Inclusive and sustainable value chains and food fortification**).

The project provides expertise for the development of social marketing strategies, especially in the development of distributions models via three types of networks (1) formal and informal traditional retail outlets in urban and rural areas; (2) institutional network and (3) innovative proximity networks, especially in urban area. Concern, other NGOs and the public sector promote the fortified food products within its nutrition behavioural changes programmes.

## ANNEX 2.4 HIVOS

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Hivos brokers coalitions between citizens, civil society organizations and change makers within government and private sector partners who are willing to develop new solutions to persistent problems. Hivos brings various stakeholders together and helps frontrunners and their innovations to accelerate. The private sector is considered important to empower citizens to shape society and take control of their own lives. Hivos works closely with the private sector in different domains, such as renewable energy, value chain development and sustainable diets, and uses different approaches. The **Africa Biogas Partnership** Programme has already constructed more than 60,000 biogas plants in East and West Africa, providing 300,000 peoples with access to sustainable energy sources. The biogas plants produce slurry which can be used to improve soil fertility and reduce the need to collect firewood by women. In Latin America, Hivos coordinates the **Sustainable Agriculture, Food and Environment (SAFE)** platform, which is a multi-stakeholder alliance of big coffee and cocoa companies, investors and NGOs. SAFE aims to tackle the impact of climate change through support to smallholder farmers and their inclusion in the global value chain. In Kenya, the **Women@work campaign** leverages the value chain for export products, by engaging all stakeholders along the value chain to improve the working conditions of women, such as low pay for women and denied basic rights such as maternity protection. Two other innovative ways through which Hivos engages the private sector are described below.

### **Hivos Food & Lifestyle fund**

Hivos has initiated impact investment programmes to invest capital to drive measurable social and environmental change alongside a financial return. Impact investments present a compelling opportunity to achieve increased scale, innovation, sustainability and partnership in international development (Amplify, 2016). The Hivos food & lifestyle fund aims to create a sustainable from farm-to-fork food system, to allow people in Southern Africa to have a healthy, diversified diet with local foods that are produced in a way that increases biodiversity and restores soils. By creating new and diverse opportunities to improve food systems, the Hivos impact investment fund can deliver more sustainable benefits for those in need, creating an environment of increasing resources flowing to solve the world's most challenging social and environmental problems. The financial investment ranges between 50,000 and 500,000 Euros per MSME, and technical support is also provided throughout the process. The Theory of Change for this fund clearly shows how impact investments can have a sustainable impact on various aspects of food and nutrition security. Important pathways include the creation of employment, diversification of production, increased productivity, reduced post-harvest losses, improved biodiversity and women empowerment. The M&E system include several nutrition and gender related indicators.

### **Food Change Labs**

The Food Change Labs are another innovative way of working with the private sector and other stakeholders in creating more sustainable food systems. The Food Change Labs provide space to catalyse positive disruptions to food challenges in a way that puts citizens at the centre of finding solutions. The Lab members build on their extensive knowledge of the local context and their specific area of expertise within the food system to co-create and seize upon emergent innovations with a wide range of stakeholders. These innovations can be in public policy, technology, business modes, framing of cultural values and ultimately behaviour change. The Food Change Labs can provide opportunities to increase the availability and accessibility of nutritious foods.

# ANNEX 2.5 HELVETAS SWISS

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## INTERCOOPERATION

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HELVETAS works with individuals, states, private sector and civil society on development cooperation and development politics, to ensure that the progress achieved together lasts.

HELVETAS broadly uses market systems development (MSD), including climate resilient market systems, as a key approach in its programmes. Therein, the fostering of the role of private sector actors in providing services and goods that are available and affordable to poor people is a key aim. Since food and nutrition security is a multi-dimensional topic, HELVETAS tries to address the topic from different angles and where possible in a programmatic way, for example combining projects fostering private sector-based strategies towards local food production and postharvest management, with projects that promote professional trainings of young people in agriculture-related sectors (e.g. local food processing), or with WASH projects that also use the MSD approach. Although MSD aims at strengthening both public and private actors in their market function, the main challenge is often to find ways by which private actors can be interested, engaged and committed to contribute to relevant and inclusive development.

The **Water Productivity Project (WAPRO)** reflects HELVETAS holistic approach to development, by implementing a PUSH, PULL and POLICY approach. Operating in Kyrgyzstan, Tajikistan, India and Pakistan, the project addresses the knowledge gaps of rice and cotton producers regarding

the efficient water use and diversification of cropping systems with various types of pulses and vegetables (PUSH). With this approach, nutritious foods are more available for local marketing and home consumption, and local food production is more resilient to climatic shocks. WARPO also established partnerships with private companies including Mars, IKEA and Coop Switzerland who align their demand for rice and cotton products with above mentioned sustainability standards (PULL). The project simultaneously promotes favourable policy environments (POLICY) and has created demand for replication of the global value chain work by other brands.

The **Postharvest Management (PHM) Project** in Sub Saharan Africa aims to improve food security of smallholder farmers by reducing post-harvest losses and addressing major constraints in the technology dissemination and adoption. The private sector was engaged by supporting small agro-entrepreneurs for the production and marketing of improved PHM technologies such as airtight storage facilities (metal silos, PICS bags), drying platforms and threshing machines. Tinsmiths artisans are trained in the production of metal silos and supported to create market linkages. Agro-input providers receive trainings and support in establishing distribution networks for PICS and GrainPro bags. This has resulted in a reduced average loss of crops, but also reduced aflatoxin levels in maize, beans and peanuts, which provides an additional

linkage to nutritional status. Further due to better storage over a longer period of time, smallholders sell more high quality surplus grain on local markets at higher prices, thus achieving additional income.

The **Nutrition in Mountain Agro-Ecosystems** (Nepal, Kyrgyzstan, Pakistan, Ethiopia, Peru) works through a network of actors facilitating innovation and diversification of proven agro-ecological and other nutrition-sensitive practices by capacity development of rural service providers. The project promotes diversification and intensification of nutrient rich foods in local production and market systems and broad knowledge sharing through regional and global networks (e.g. SUN). It fosters the production and selling of a variety of nutritious products as a business opportunity for farmers and local agribusinesses, processors, traders, retailers and restaurants. It also aims to revive traditional food varieties and seize food culture as an opportunity for marketing and tourism.

## ANNEX 2.6

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### PEOPLE IN NEED

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PIN works in partnership with communities, civil society organisations, governments and businesses to sustainably increase food and nutrition security and income of poor farming families and protect people's livelihoods by reducing the environmental degradation and depletion of natural resources.

PIN works through more effective performance of agricultural service and input providers in order to improve and diversify production, food utilization and marketing capacity of livestock and crop producing households. In general, PIN targets those farmers most at risk of food and nutrition insecurity. However, PIN does work with larger farmers as well, as they are often "early-adopters" of new practices and once their improved practices demonstrate results, smaller farmers may take the risk and consider adopting the new practice.

PIN uses a variety of behavioural change techniques to understand and address the key barriers that prevent agriculture, nutrition or marketing practices.

PIN stresses the importance of context analysis, which will provide insights on what the real problems are, related to agriculture and the engagement of the private sector.

Various types of marketing activities are being implemented, including the promotion of local markets through voucher systems, support the marketing of new types of fast growing vegetables, introducing the organic farming certification process and assisting farmers to access the EU market.

PIN projects are often evaluated against

a number of food and nutrition related indicators including number of months that a household faces food shortages, dietary diversity, and the extent to which producers consume the promoted product, and some indicators related to women empowerment. A number of projects in which the private sector has been engaged are described below.

The **Quality Diets for Better Health (QDBH)** supports the value chain of the orange fleshed sweet potato in Ethiopia. The project is expected to provide additional income for male and female farmers and traders and initiate a substantial flow of orange fleshed sweet potatoes and derived products to urban consumers. An important element is nutrition behavioural change, based on formative research on gender, nutrition and the sweet potato value chain.

The **Resilient Agriculture for Improved Nutrition (RAIN)** project in South Sudan engages the private sector by supporting local shop owners in enhancing the availability of the key agricultural and veterinary inputs essential for ensuring long-term food and nutrition security and in creating farmers' demand.

The **Community Livestock Marketing Development Project (CLIMAD)** aims to strengthen women's empowerment and inclusion in decision making in rural opportunities to reduce poverty. An innovative approach is the capacity building of Village Animal Health Workers, who are service providers (for a small fee). The project indicated improved food security, improved women empowerment and increased income.

## ANNEX 2.7

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### WELTHUNGERHILFE

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The focus of the work of WHH is on nutrition-sensitive interventions aiming at sustainable food and nutrition security by addressing mainly underlying and basic causes of malnutrition and hunger. Income generation from the agricultural sector and productive infrastructure for local markets as well as diversification of agricultural production aim at increasing access to nutritious and healthy foods. Enhancing food security, increasing smallholder's capacities and promoting agro-ecological principles are at the basis of WHH's investment in agriculture. Gender sensitivity plays a crucial role in planning, implementing and monitoring the impact of the interventions.

WHH has a wealth of experience in implementing local, regional and international value chain development projects for a wide range of commodities in different contexts. These projects include the promotion of sustainable value chains for locally produced goods, such as rice, cocoa, coffee, rose oil, honey. Other projects promote sustainable food systems by linking farmers, consumers, retailers, governments, investors, donors and civil societies.

In addition to the agricultural-based value chains, other projects with the private sector, include fostering the development of small and medium enterprises, creating renewable electricity micro-grids, professionalizing waste management systems and training and education projects. Collaborations with the private

sector has a role in many of these projects, yet despite the diversity of existing collaborations, the potential of these collaborations as market-based approaches has not yet systematically been explored. WHH has many positive examples of pro-poor business logic and entrepreneurial involvement in our projects and aims to strengthen this field explicitly and turn it into a "new pillar" of Welthungerhilfe driven by the desire to turn beneficiaries into proud actors as consumers, producers and / or entrepreneurs. WHH believes in creating scale and economic sustainability through market mechanisms (e.g. value chains), whilst at the same time, ensuring that markets work also for the poor and are not excluded. WHH is testing different new inclusive business models ranging from Impact Investment to Shared Value, to Social Business.

The **Bhoomika-Sustainable Food Systems** in India aims at creating sustainable food systems that deliver nutritious, healthy and safe food produced in an ecologically sound and fair manner at affordable prices. The programme links smallholder farmers, consumer families, wholesaler/retailers/brand owners as well as local governments, investors/donors and civil society organisations. The programme created a common brand and vision ("Bhoomika - clean, green, fair") and brings together all stakeholders to inform on potentials, facilitate and broker cooperation, convene different partners and catalyse the development of reliable, fair and sustainable local markets systems. The food products will be certified for quality (contamination-free, eco-friendly produced and packed). They will be traceable (local origin), ecologically sound (seasonal, diverse, including underutilized traditional

food crops, produced in harmony with nature) and fair (equitable distribution of profit, transparency of costing, only surplus production, affordable prices even for poorer families) and respecting and promoting local food culture. Private sector is part of the system in form of brand holders, wholesalers/retailers and companies involved in other aspects (such as packaging etc.)

In Sierra Leone, WHH is engaged with export traders in the **Cocoa value chain** and provides expertise for technical trainings, traceability, certification, block farming. WHH works on Responsible Agriculture Investment (RAI), by establishing systems such as Cocoa Production Cluster. The model consists in a law-based agreement between Investor, land owner, and Project Beneficiaries. It provides tenure security, legal certainty, and investment protection. WHH supports various **Value chains in Zimbabwe** by promoting smallholder farmer access to affordable input and profitable output markets, supporting contractual arrangements between smallholders, processors and traders. WHH also supports sustainable market based ICT services for smallholder farmers and assists private sector and farmers through training and facilitation.

WHH is currently involved in initiatives aiming at creating **new inclusive business models (Social Business, Impact investment)** to fight hunger and malnutrition. For example, in Kenya, WHH is a shareholder in a company called **Toothpick**. The Toothpick company uses an innovative technology to increase cereal production. This is done through offering farmers a biopesticide to control striga (weed affecting cereals). WHH also joined Hivos food and lifestyle fund (see Annex 2.3).

WHH is a member of the **International Sustainability and Carbon Certification (ISCC)**<sup>2</sup> which is a global leading certification system covering the entire supply chain and all kinds of bio-based feedstocks and renewables. WHH is a member in the **board of trustees in the Cotton made in Africa initiative**<sup>3</sup> which aims at sustainably improving the living conditions of cotton farmers in Sub-Saharan Africa. Smallholders learn about efficient and environmentally friendly cultivation methods through agricultural training. At the same time, an international alliance of textile companies was established which purchase the cotton made in Africa, raw material and pay a licensing fee to use the label. WHH and ZEF (Centre for Development Research, Bonn) have developed a **Food Security Standard (FSS)**<sup>4</sup> for agricultural products designed to incorporate food security in existing certification schemes. The FSS is a best-practice set which provides guidance for regional and national standard settings as well as for private certification schemes.

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2 - <http://www.iscc-system.org/en>

3 - <http://www.cottonmadeinafrica.org/en>

4 - <http://www.sciencedirect.com/science/article/pii/S096195341630040X>

*Working together for a just  
and sustainable world free  
from poverty and hunger*

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