

SOVEREIGN AND SUSTAINABLE STATE-RUN FUNDING MECHANISMS FOR NUTRITION

Introduction

The financial resources available to combat malnutrition in the region are still insufficient. In addition, funding is still too often tied to short-term projects that are unpredictable and dependent on external agendas. Given this situation, the level of mobilisation has increased over the past years and initiatives are underway to increase the level of sustainable funding. The

one-day thematic session on “Scaling up best nutrition practices” will provide participants with the opportunity to learn about these actions and draw lessons to strengthen nutrition funding mechanisms. This note provides a brief overview of the context in preparation for the “Sovereign and sustainable state-run funding mechanisms for nutrition” panel.

Economic cost of inaction and the challenge of funding malnutrition

Other than the devastating human and social consequences, malnutrition results in considerable economic losses. Studies on the cost of hunger, conducted in Burkina Faso, Chad and Ghana, have shown that in 2012 child malnutrition resulted in a loss of 6.4%, 9.6% and 7.7%, respectively, of Gross Domestic Product (GDP), or a total of about EUR 3.9 billion for the three countries (African Union, NEPAD, WFP, 2016). In Mali, a similar study covering 2013, estimated the loss in GDP at 4.1% or about FCFA 265 billion (EUR 404 million) (African Union, NEPAD, WFP 2018).

Conversely, **good nutrition contributes to economic development** and helps generate additional resources, as shown in the table below.

Cumulative additions to GDP associated with accelerating investments to meet the World Health Assembly target for stunting 2035–2060

COUNTRY	CUMULATIVE ADDITION TO GDP (USD MILLION AT 2016 RATES)
Benin	1 571
Chad	3 718
Mali	2 814
Niger	5 553
Nigeria	29 274
Senegal	1 723
Togo	842

Source: Hoddinott, 2016

In addition, “Interventions that prevent malnutrition are excellent investments; for a typical African country, every dollar invested in reducing chronic undernutrition in children yields a USD 16 return.” (Hoddinott, 2016).

Despite the expected economic benefits, the fight against malnutrition is vastly underfunded.

The lack of funding available for scaling up nutrition-specific interventions is a good example of this. The World Bank estimates that a little over USD 10 per child, per year, would be needed to scale up the complete package of interventions needed to achieve four key nutrition targets (The World Bank, 2017). According to the Scaling Up Nutrition monitoring system¹, national budgets allocated per child under the age of five years are less than USD 5 annually in the eight countries in the region where data on this indicator is available.

¹ Source: Monitoring Evaluation Accountability and Learning (MEAL - <https://scalingupnutrition.org/progress-impact/monitoring-evaluation-accountability-learning-meal/>)

REFERENCES

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Budgeting for needs and potential sources of nutrition funding

The first step involves estimating the financial resources needed to implement multisector action plans for nutrition (or strategies, or strategic plans, depending on specific contexts¹), often followed by a review of the existing sources of funding and identifying new potential sources.² Such a review can also include recommending more effective and efficient use of existing budgets for nutrition.

In recent years, a number of countries in the region have mobilised national resources and developed sustainable funding mechanisms, in accordance with budgetary laws.

As such, a number of countries have allocated **budget lines for nutrition** within the ministries of agriculture and health in Sierra Leone, the office of the vice president's nutrition agency in The Gambia and the office of the prime minister's Fight Malnutrition Unit (CLM) in Senegal, for example.

The involvement of the ministry of finance and/or budget from the very beginning of the process facilitates the establishment of these budget lines. Support from members of parliament or the existence of parliamentary initiatives such as the parliamentary networks for nutrition in Burkina Faso and Chad, as well as parliamentarians united against hunger in Ghana; also seem to be factors for success.

Actors in the field are lobbying national governments to increase the budget allocations of various ministries and sectors. For example, Burkina Faso and Senegal use the conditionality of donor budget support such as the European Union to **increase state allocations**. In Senegal, the disbursement of various budget support instalments is conditional on state funding for the Multisector Strategic Plan for Nutrition (PSMN) priorities in a number of ministries and sectors.

Taxation mechanisms for profitable economic sectors (mining and telecommunications, etc.) could also be a source of funding. Mali plans to secure additional resources by way of

1 Later in this note, the generic term nutrition plan is used to designate such documents.

2 For example, Senegal's Fight Malnutrition Unit (CLM) has launched a study to identify existing sources of funding, the types of actions funded, the amounts, the financial flows and the lack of resources per sector and activity type. This study will be used to develop a multisector and multiagency funding plan for nutrition. It will also serve as a reference for monitoring the funding that will be put in place.

a micro-tax on extractive industries: \$0.60 per gram of gold and \$0.01 per barrel of oil.

It is also important to **leverage existing funding in contributing sectors** and ensure that right from the design stage, agriculture, livestock and social protection programmes are nutrition-sensitive. For example, in Niger, a behaviour-change component is associated with cash transfers. However, these resources have potential that is currently underexploited.

National Agricultural Investment Plans (NAIP) could be sources of funding for nutrition. As such, the Food and Agriculture Organization (FAO) and the African Union have helped countries to include nutrition objectives, activities and budgets in the NAIPs.

Given the magnitude of the challenge, **other sources of funding will continue to play an important role. However, they need to be better co-ordinated.**

The **private sector** (including foundations) is also a source of funding for nutrition. For example, the Dangote foundation has committed to investing USD 100 million in combating malnutrition in northern Nigeria over five years.

Innovative funding mechanisms such as the Power of Nutrition, which is based on partnerships between private donors, traditional financial and technical partners, and governments, are also being established. In Liberia, the objectives of the programme developed by the partnership between the government, UNICEF and Power of Nutrition are to enhance the coverage of nutrition services, build the capacity of health professionals and improve information systems.

Global funds³ also constitute a possible source of funding. For example, the Global Agriculture and Food Security Programme (GASFP) funds the Food and Agriculture Sector Development Project (FASDEP) in Gambia. The purpose is to reduce rural household poverty, food insecurity and malnutrition through increased agricultural production and productivity and better marketing.

3 The SUN movement secretariat has drawn up a list of these funds and the innovative funding mechanisms. For further information, please follow this link: <https://scalingupnutrition.org/share-learn/planning-and-implementation/the-global-financing-landscape-for-nutrition/>

QUESTIONS TO OPEN THE DEBATE



- In the context of the Sahel and West Africa, which potential sources could be used to build a sovereign and sustainable state-run funding mechanism?
- How can national budgets be further mobilised to benefit nutrition? What are the opportunities and conditions for scaling up successful actions?