

Development Policies & Practice

GRET

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★ Innovative projects and policies ★ Contributing to the debate ★ Opinion brief

These briefs aim to fuel discussions on development policies, based on GRET's and its partners' experience.

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Public-private partnerships to combat malnutrition?

Public-private partnerships (PPPs) are models that are both "fashionable and controversial, especially when they concern major infrastructures: according to the World Bank, 25% of PPPs fail. In developing countries, when these models involve small businesses at local level, they can be innovative and effective solutions that are promoted by NGOs. Involving a private company and a public structure in the creation of social value for the benefit of disadvantaged populations, these stakeholder coalitions are systems that are well known in the area of essential services (water, sanitation, energy). Their application in the fight against malnutrition is still in the pilot stage and rarely mobilised. GRET has been working for 20 years with private businesses in developing countries and defends this model to combat infant and young child malnutrition...

The complementary food market

Every year, nine million children worldwide die before the age of five. Directly or indirectly, one out of every two of these deaths is due to malnutrition. In most cases, malnutrition is caused by inappropriate feeding and illness. It is difficult for disadvantaged families to prepare meals of sufficient nutritional quality using unprocessed raw materials. Marketing of manufactured complementary foods would appear to be a solution to provide quality, affordable foods that are fast and easy to prepare to as many people as possible. When accompanied by distribution of messages on appropriate feeding practices, it enables effective improvement of infant feeding.

GRET and the French National Research Institute for Sustainable Development (IRD) defined a sys-

tem to prevent infant and young child malnutrition that is appropriate for poor populations. Today, this system is implemented in approximately ten developing countries. The system notably includes introducing quality manufactured complementary foods into infants' feeding from the age of six months. These foods are adapted to suit the nutritional requirements of infants and young children, the eating habits of populations, international quality standards and are affordable for low income populations. These criteria are almost totally absent in developing countries, where the major international brands are inaccessible to the vast majority of families, and where local products do not meet the essential quality criteria.

GRET is convinced that producing these foods locally while ensuring they are marketed at affordable prices would make it possible for a larger number of children to consume them over the long term, and is supporting the private sector to play this role in the fight against malnutrition. In a sector that comes under public health, intervention by the public stakeholder is crucial to define and ensure respect of policies, and implement incentive measures that are essential to develop these product offers. PPPs therefore seem an appropriate solution.

Combining economic profitability and social impact

The role of the private partner consists of implementing activities enabling products and/or services to be supplied to the greatest possible number of people. The public partner's role is to create a favourable environment (legislative, com-

Founded in 1976, GRET is a French development NGO that has been actively fighting poverty and inequalities on all levels and in a broad range of subjects.

Its professionals provide lasting, innovative solutions for fair development in the field and work to positively influence policy.

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mercial, etc.) for the development of activities, to encourage and check that the implementation of private sector activities is conducted within the scope of policies and the legal framework, without abuse, and to ensure achievement of the social objective for the most vulnerable. The success of stakeholder coalitions requires clear, transparent methods of collaboration, diagnosis of the population's needs & expectations, and strategies that reconcile the social objective with economic profitability.



In the specific case of the fight against malnutrition, lack of know-how and the necessary initial financial investment are real drawbacks for local businesses that want to launch quality complementary foods on the market. Such businesses are faced with a difficult market: competition from products that are not suitable for children, with the constantly renewed and limited target consisting of low-income families with children aged between 6 and 24 months, and stringent constraints in terms of quality. There can be no doubt that these characteristics explain the current lack of such product offers. In collaboration with the public sector, NGOs can support these businesses in terms of the technical know-how necessary to define, formulate, distribute and promote appropriate products, especially by using local raw materials and production facilities, and by using distribution networks that cover the local market.

A restrictive environment for development of the local private sector

Encouraging the local private sector is not enough, it is also necessary to work on creating an environment that is more favourable for mobilisation of the local private sector to combat malnutrition.

★ **Direct competition from multinationals** providing imported products poorly suited to local requirements and unaffordable for disadvantaged populations is an initial constraint. These companies flood the market with a dense distribution and promotion system, to the detriment of small local businesses whose resources do not enable them to directly compete. Although these small local businesses' main target is comprised of the most disadvantaged populations, their economic balance would however be ensured by expanding their market to the middle classes. To date, international donors do not support activities to promote these small local businesses, and laws and relatively low import taxes do not always enable local products to win against imported products.

★ **Confusion over the international debate on the promotion of breast-milk substitutes** is an increasingly significant constraint. The World Health Organisations' (WHO) International Code

NUTRI'ZAZA, A SOCIAL BUSINESS TO COMBAT MALNUTRITION IN MADAGASCAR

In Madagascar, where 50 % of children suffer from chronic malnutrition, since 2002 GRET has been developing complementary food suitable for the needs of children aged between 6 and 24 months within a genuine stakeholder coalition: the Taf company, IRD, University of Antananarivo, the Ministry of Health, the National Office of Nutrition and municipalities.

Koba Aina, which is affordable for disadvantaged populations, is produced by Taf and distributed via the traditional distribution network, the institutional network (NGOs, United Nations bodies, ministry of Health) and an innovative network: restaurants for babies. Having distributed 20 million meals in 10 years via these restaurants, GRET demonstrated the usefulness and feasibility of the system, and in 2013, together with the other shareholders - Taf, I&P, Sidi and Apem – created

the Nutri'zaza company in order to make activities sustainable and extend them. Nutri'zaza is a public limited company governed by Malagasy law that meets the criteria of a social business: a business plan serving a social mandate, ethical criteria, and all profits are reinvested in the business. To secure its social mandate, several safeguards were put in place: shareholders' agreement and binding statutes, charter, creation of an Ethics and social monitoring committee made up of the initial partners, and indicators to measure social impact. Public support from Agence française de développement (AFD) makes it possible to strive for economic balance. In 2014, Nutri'zaza marketed over 4.5 million meals.

This experience demonstrates the pertinence of PPPs and the need for public subsidies upstream of implementing social enterprise in developing countries to enable a high level of innovation during the test phase, and subsequently to support their start-up and empowerment.

of Marketing of Breast-milk Substitutes prohibits the promotion of all breast-milk substitutes, and more and more countries are adopting national decrees in order to manage and ensure proper application of this code. Although complementary foods are not concerned by it, they are regularly confused with breast-milk substitutes, as is the case in Myanmar, where promotion of and communication on any type of manufactured food for children under the age of two is prohibited. The risk of these types of measures being gradually applied in other countries, sometimes under the influence of large international organisations, is very worrying and represents a real drawback for the fight against malnutrition (poor knowledge of the existence of suitable foods, appropriate methods of preparation and consumption, etc.).

★ **The issue of standards:** stringent international quality recommendations and standards (the FAO/WHO Codex Alimentarius) are not well known and not well managed in developing countries. There are almost no national standards and consumers have no guarantee on the quality of these types of products, whereas their expectations are high in terms of hygienic and nutritional quality. Stakeholders who respect standards face competition from those who do not.

★ **National nutrition strategies do not always promote local products** and international institutions often continue to use imported products for their prevention and care programmes, even when quality local products exist, or could be developed.

Recommendations to encourage PPPs to combat malnutrition

GRET recommends that international institutions and public authorities in countries affected by malnutrition:

- Encourage the adoption of **national quality standards** for complementary foods adapted to suit the contexts.
- Encourage **inclusion of local nutritional foods in national policies** to prevent malnutrition (as in Burkina Faso) or in protocols to deal with moderate acute malnutrition (as in Mali or Madagascar).
- Implement **training campaigns for decentralised health services and prevention campaigns for the general public** aiming to increase knowledge on appropriate infant feeding practices, and create a framework that is favourable for the development of local social entrepreneurship in this area.

A STANDARD FOR COMPLEMENTARY FOODS IN BURKINA FASO

In Burkina Faso, 31.5 % of children under the age of five suffer from chronic malnutrition and 70,000 children die from malnutrition every year. Since 2005, GRET has been supporting approximately twenty small local businesses with the production and marketing of fortified infant flours. These flours are marketed and distributed during food crises by emergency players (organisations financed by Echo). Competitiveness between local producers is increasing, with a range of infant flours on the market that have varying levels of quality.

GRET supported the government with the implementation of the first quality standard for infant flours, created on 23 April 2014, featuring requirements in terms of nutritional, microbiological and physicochemical quality. This provides an indicator for families and an advantage for local businesses whose production is enhanced. GRET participates in the technical committee for the certification of infant flours, in which numerous partners from the public and private sectors also participate.



- **In the WHO's International Code of Marketing of Breast-milk Substitutes and the various national legal versions of this code, distinguish clearly between complementary foods and breast-milk substitutes.** This distinction must make it possible to guarantee minimization of private sector abuse in terms of promotional practices that can discourage breast-feeding, and enable small local businesses producing quality complementary foods to encourage consumption and proper use of these foods. Promotion must be accompanied by messages encouraging appropriate feeding practices. It should also be conducted by public authorities.
- **Contribute to removing financial barriers** for the purchase of products by vulnerable



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households. In Burkina Faso, companies are advocating for tax exemptions on imports of minerals and vitamins used in the composition of infant flours. In Mauritania, the taxation system is not very favourable for the development of local production, which has difficulty competing against imported products that are taxed very little.



- **Promote dialogue with the private sector** to encourage it to become mobilised and express itself within stakeholder coalitions, while ensuring that local governance of the fight against malnutrition is mainly provided by public authorities and civil society, so as to control the influence of the private sector and any possible abuse.

GRET recommends that international donors:

- **Mobilise funding over the medium term to support coalitions of private and public sector stakeholders** facilitating the emergence and development of local social businesses in developing countries.
- **In a complementary manner, combine support for emergency strategies** aimed mainly at fighting chronic malnutrition among the poorest and support for **sustainable development strategies** based on economically profitable systems enabling the various forms of malnutrition to be prevented, including chronic malnutrition, among the largest possible number.
- **Encourage NGOs to search for innovative solutions** in terms of social entrepreneurship, PPPs & stakeholder coalitions, and economically feasible controlled sustainable models to combat malnutrition in developing countries. ●

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