

More Money for Nutrition and More Nutrition for the Money

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This document provides a high-level summary and narrative for the Nutrition Financing actions and commitments to be proposed for the Nutrition for Growth (N4G) Summit in Japan. These proposals have been developed by the Financing working group through analysis and consultations and will continue to be tested and refined moving forward on the road to N4G.

In 2017, the World Bank published an *Investment Framework for Nutrition*,¹ which estimated the costs, impacts and financing scenarios for achieving the World Health Assembly global nutrition targets (“the WHA targets”) for stunting, anemia in women, exclusive breastfeeding and the scaling up treatment of severe wasting among young children. These targets have since been adopted as the SDG targets for nutrition. The Investment Framework estimated that achieving these targets would require an average of \$7 billion annually over the 10-year period of 2016-2025, in addition to the estimated \$3.9 billion spent in 2015.² Full financing at this level would enable monumental gains, including a reduction of 3.7 million deaths in children under the age of five, 65 million fewer stunted children, and 91 million cases treated of severe acute malnutrition, based on conservative estimates.

The Japan 2020 Summit, therefore, represents a critical “make or break moment” for achieving the global nutrition/SDG targets. Under the overall mantra of **more money for nutrition, and more nutrition for the money spent**, it is imperative that we 1) secure meaningful and substantial commitments for increasing financing from all sources, and 2) employ more strategic, innovative and sustainable approaches for mobilizing, deploying and ensuring the efficiency of those resources.

I. MORE MONEY FOR NUTRITION

1.1 Domestic Financing

Increased domestic financing is a core assumption in the Investment Framework’s financing scenarios, with over half the expected additional financing coming from domestic sources. Domestic financing will only increase in its importance moving forward, particularly given the transition of many countries to middle-income levels, and the longer-term trend towards decreasing foreign assistance. And yet, the available data shows only minor or no increases in domestic spending for nutrition in most countries, and significant reductions in some.³ Countries – particularly those with sufficient fiscal space – should be encouraged to commit to increased levels of domestic nutrition spending. This will require political will and leadership to prioritize nutrition within national budgets.

KEY ACTION 1: SUPPORT COUNTRIES TO MAKE SUBSTANTIAL COMMITMENTS AT N4G SUMMIT

In the lead-up to the Japan N4G Summit, the nutrition community will work with high-burden countries with sufficient fiscal space to encourage substantial increases in domestic nutrition spending. Support will be provided to ensure that these increases are based on robust and prioritized planning, with improved systems for resource tracking, and including a specific focus on nutrition data and data systems.⁴ Potential focus countries are currently being identified, in collaboration with civil

¹ Shekar, M. et al, An Investment Framework for Nutrition: Reaching the Global Targets for Stunting, Anemia, Breastfeeding, and Wasting, the World Bank 2017.

² These figures do not represent the full financial need for achieving the WHA targets, due to insufficient evidence and data for some of the interventions and targets.

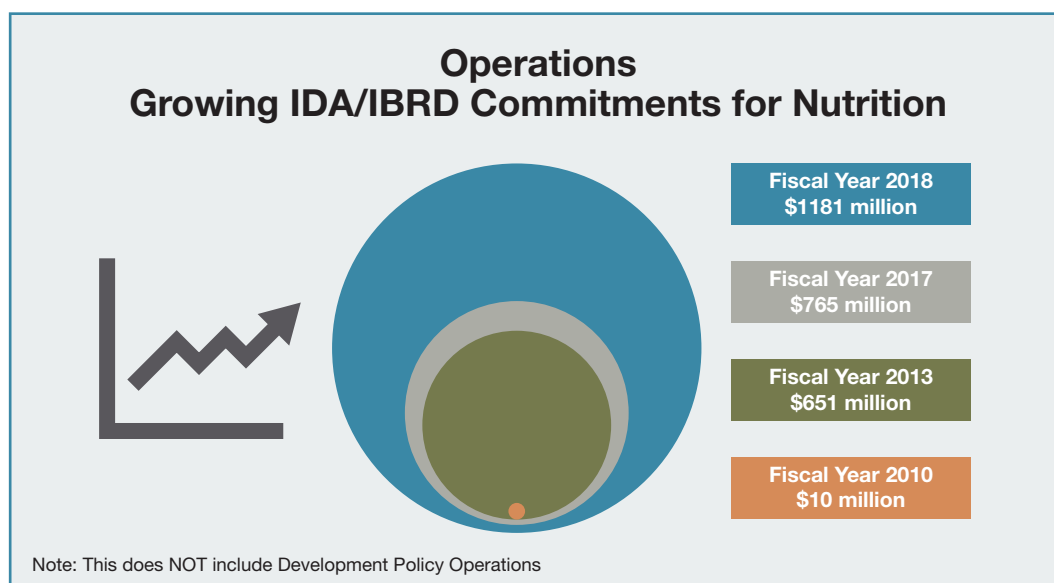
³ <https://www.r4d.org/blog/domestic-financing-for-nutrition/>

⁴ More details are provided in section 2 “More nutrition for the money spent” regarding the approaches and rationale for resource tracking and data investments.

society partners. The aim is both 1) to support the robustness and sustainability of nutrition financing in these countries, but also 2) to recognize them for their political will and planning and generate momentum for increased domestic spending amongst further countries.

KEY ACTION 2: CONTINUED GROWTH OF IDA/IBRD NUTRITION PORTFOLIO

Action 1 will be complemented by efforts to continue the growth of nutrition projects in the IDA/IBRD portfolio, which has increased dramatically from US\$10 million in FY 2010, to US\$651 million in FY 2013, US\$765 million in FY 2017, and US\$1.2 billion in FY 2018.⁵



1.2 Tailored Support for Transitioning Countries

As countries transition from low-income to middle-income status, their access to donor- and concessional financing (including IDA) diminishes. This carries the risk of investments dropping off in social sectors (including for nutrition) if countries do not increase their domestic spending for nutrition. This includes the need for supporting efforts to address the double nutrition burden (under- and over-nutrition), for example in countries such as Zambia and Sri Lanka. Although data is not available in all relevant countries, there are worrying signs in a number of cases: high burden middle-income countries (MICs) such as Cambodia, Tunisia and Namibia are showing decreased spending on nutrition; and key high-burden lower-middle-income countries (e.g. Kenya, Cambodia, Zambia and Nigeria) are spending less than US\$0.12 per capita on undernutrition.⁶

KEY ACTION 3: STRENGTHEN FINANCING OPTIONS FOR MICS/UMICS THROUGH EXISTING MECHANISMS

We will evaluate the viability and terms for leveraging catalytic donor- and multilateral financing to accelerate domestic financing for nutrition and data systems. This may also involve a “sustainable financing facility,” providing catalytic funding to accelerate domestic financing for nutrition, as countries transition from low-income to middle-income status.⁷

1.3 Donor Financing

The Investment Framework called for an additional US\$40 billion of donor financing over the 2016-2025 period in order to support scale-up of a core package of high-impact nutrition-specific interventions. Based on the latest available figures, major donors have generally increased or maintained funding for nutrition-specific priorities. Notably, the World Bank’s International Development Association (IDA) has shown the greatest increase in nutrition-specific disbursements, with a growth of 55% annually between 2015 and 2017.⁸ The overall IDA/IBRD portfolio increased in size by over 50% from 2017

⁵ Source: World Bank. This does not include development policy operations.

⁶ Based on spending figures for “nutritional deficiencies” from National Health Accounts; this represents a subset of nutrition-specific activities.

⁷ More details on this facility are provided in Annex 3.

⁸ R4D, Tracking aid for the WHA nutrition targets: Progress towards the global nutrition goals between 2015-2017, 2019.

to 2018,⁹ which suggests that the growth in IDA nutrition disbursements is continuing. And yet, even with the spending increases, this still left a gap in 2017 of \$100 million in donor support for the prioritized package of interventions.¹⁰

Even as domestic financing will be the primary focus moving forward, external support will remain critical. Donors should be encouraged to increase resources in line with the Investment Framework's "global solidarity scenario."¹¹

KEY ACTION 4: INCREASE PREDICTABLE DONOR FINANCING TO SUPPORT NUTRITION SCALE-UP IN LINE WITH COSTED/PRIORITIZED GOVERNMENT-LED PLANS

We propose to evaluate the viability and terms for implementing performance-based approaches – for example through existing facilities such as the Power of Nutrition or the Global Financing Facility (GFF) – to focus on measurable improvements in coverage for an enhanced set of nutrition-specific interventions. This will build on the successful work to date by the Power of Nutrition and GFF, but also optimize their support for nutrition for greater impact.

Further donor resources will also be required to support some of the other proposed actions in the coming sections.

1.4 Innovative/Catalytic Approaches to Financing

The Investment Framework argues that innovative financing will need to play an important role in closing the nutrition resource gap, including through fully resourcing the Power of Nutrition and the GFF. Beyond this, there is currently momentum for transformational change to tackle all forms of malnutrition (to address not just undernutrition, but also overweight and obesity), and to do so by leveraging non-traditional resources. Many national governments are currently experimenting with fiscal policies (e.g. sugar-sweetened beverage taxes) to raise funds in ways that also support nutrition outcomes. There is also a growing recognition that financing should not only be innovative, but also catalytic in leveraging domestic and private financing for scalability and sustainability. Technical assistance is required to support these efforts.

KEY ACTION 5: IMPLEMENT INNOVATIVE/CATALYTIC FINANCING MODELS TO INCREASE FISCAL SPACE AND RESPONSIBLE BUSINESS INVESTMENTS, AND ENCOURAGE BETTER POLICY ACTIONS FOR NUTRITION

This will include exploring technical assistance facilities to support 1) scale-up of food fortification and systems through private sector partnerships; and 2) countries in designing fiscal policies that improve food systems and nutrition outcomes, such as taxation on unhealthy foods.

II. MORE NUTRITION FOR THE MONEY SPENT

Financing does not exist in a vacuum. It is a critical input to fuel nutrition programs and enable their impact in reducing deaths and other nutrition-related burdens. In order to maximize the impact of nutrition financing, it must be supported by key complementary components.

2.1 Data, Measurement and Accountability

The global nutrition targets cannot be reached without high-quality, timely data to inform program and policy design, mobilize resources, track progress and course-correct, and to enable accountability against commitments, including in the context of the N4G Summit. The 2017 Global Investment Framework for Nutrition roughly estimated financing needs for program monitoring and evaluation at 2% on top of total nutrition financing needs, acknowledging this is an area requiring further work. A sub-working group has focused specifically on nutrition data financing nutrition, with the following findings:

- Of the SUN countries with costed multi-sectoral nutrition plans, there is no systematic planning for data, M&E and accountability tracking.
- Most data-related funding must come from domestic resources, and yet there is little visibility in country plans regarding data systems needs.
- Evidence for nutrition-sensitive policies and programs is still needed to enable more effective programming and prioritization.

⁹ Internal World Bank analysis.

¹⁰ R4D, 2019.

¹¹ Shekar, M. et al

KEY ACTION 6: GOVERNMENTS WILL BE ENCOURAGED TO COMMIT TO COSTED SCALE-UP PLANS, DATA AND M&E

We will continue to support governments to strengthen evidence-based nutrition plans, and to include a specific focus on costed data and M&E components, comprising 4-6% of total budget, by 2021. This may translate in to the launch of Strategic Use of Nutrition Data (STUND) fund to provide technical assistance for data and data use, and to test data systems innovations. It may also include the use of allocative efficiency tools such as Optima Nutrition (<http://optimamodel.com/nutrition/>) to strengthen the quality of national plans.

KEY ACTION 7: LAUNCH EVIDENCE TO ACTION (E2A) FUND

Support the use of decision-science tools such as Optima Nutrition for investment planning and generate evidence on delivery and impact of at-scale cross-sector nutrition-sensitive and specific programs.

2.2 Improved Utilization and Tracking

Financial tracking is a prerequisite for assessing the performance of financing systems, progress in the domestic financing transition, evaluating efficiency and productivity, and advocating for policy change.¹² And yet, the current availability and quality of in-country nutrition spending data is generally quite poor. Although some countries have initiated efforts to improve the data and analysis on nutrition spending through public expenditure reviews (PERs), the current approaches for these PERs is not producing consistent data and does not represent a sustainable solution. Some new initiatives underway show significant promise in addressing these challenges through integrating the tracking of multi-sectoral nutrition spending into national systems for public financial management (PFM). These initiatives enable on-going tracking through leveraging and investing in national systems and capacity, rather than primarily relying on “one-off” and “after the fact” reviews. Such approaches do not replace PERs – which will likely continue to be an important tool – but they significantly reduce the burden associated with them, and improve their quality, consistency and utility. For example, the World Bank’s BOOST initiative¹³ facilitates access and analysis for national charts of accounts data, and therefore represents an important opportunity to support the implementation of these approaches within countries.

KEY ACTION 8: SUPPORT AND ENCOURAGE GOVERNMENTS TO STRENGTHEN NUTRITION RESOURCE TRACKING BY 2022

Use sustainable data systems such as BOOST to strengthen nutrition resource tracking.

¹² Global Burden of Disease Health Financing Collaborator Network, “Past present, and future of global health financing: a review of development assistance, government, out-of-pocket, and other private spending on health for 195 countries, 1995-2050,” *The Lancet*, April 2019.

¹³ <http://boost.worldbank.org/boost-initiative>

Sustainable Financing Mechanisms for Nutrition

Sustainable financing requires that national costed plans are adequately budgeted and spent, and that the spending is monitored for efficiency and effectiveness. As noted in a recent Lancet article on health financing, without comprehensive financing assessments, “policymakers and planners cannot clearly measure how much has been spent... where funding has come from, or what are reasonable expectations for future spending.”¹⁴ This is especially true for nutrition spending that goes across sectoral boundaries and thus are often not fully captured in any of the financial monitoring systems in place. In the past few years, several countries conducted comprehensive public expenditure reviews (PERs) for nutrition,¹⁵ which provided quality information on nutrition budgets and spending across relevant sectors. However, since it tends to be a labor-intensive exercise, there are emerging initiatives to develop a mechanism to periodically report nutrition-related expenditures as part of the public financial management (PFM) system. Two country trial cases are summarized below:

Pakistan – The Controller General Office has developed, with support from the World Bank, a system for tracking nutrition-specific and sensitive expenditures as part of the national PFM system. This model evolved from the BOOST Initiative supported mainly by the Public Sector Governance Group of the World Bank. Guidelines on expenditure mapping and reporting are being developed, based on national nutrition plans and globally sourced methodologies (e.g. using the SUN methodology and learning from recent nutrition PERs in other countries). Expenditures are mapped to existing cost centers and budget structures in the national chart of accounts and integrated financial management information systems (IFMIS). Further, citizen-friendly dashboards will be developed at the provincial level that provide publicly available data and reports to be used for accountability and decision-making.

Indonesia – In 2017, the Government of Indonesia declared stunting prevention an urgent problem to be addressed multi-sectorally by synchronizing national, local and community programs guided by the National Strategy to Accelerate Stunting Prevention. The Minister of Finance has stipulated amendments to the existing budget approval and execution document so that budgets related to stunting are tagged, tracked, evaluated and reported in government performance evaluation report as a thematic budget. The reports are used to ensure effectiveness and efficiency of coming fiscal year’s budgeting to ensure best outputs of the government development programs.

Expected advantages of this approach include:

- Encouraging and leveraging robust national planning and budgeting for nutrition;
- Building on and investing in existing national systems and capacity for public expenditure management, which is a core tool for the Ministry of Finance; and
- Adapting this system for other multi-sectoral topics such as RMNCH, gender, etc. rather than building multiple competing tracking tools.

These approaches have a great potential to serve as a “next generation model” for national-level nutrition financial tracking. Countries – with support from partners – should commit to furthering these efforts to build comprehensive and sustainable nutrition expenditure tracking systems to support their existing national plans and strategies, and more importantly continue to meet changing nutritional needs of the population for years to come.

¹⁴ Global Burden of Disease Health Financing Collaborator Network, “Past present, and future of global health financing: a review of development assistance, government, out-of-pocket, and other private spending on health for 195 countries, 1995-2050,” The Lancet, April 2019).

¹⁵ Countries that have conducted or are conducting public expenditure reviews include: Indonesia, Bangladesh, Bhutan, Rwanda, Nepal, Sri Lanka, Tanzania, among others.

III. NEXT STEPS

In July 2019, the Government of Japan convened a meeting in Seattle with the working group leads to discuss the vision for the 2020 summit, progress in developing commitments and actions, and next steps. The proposed actions in the sections above were presented to the group, with positive feedback. Below is a summary of the conclusions and next steps on financing from the meeting:

- We have a nutrition global investment framework (GIF), which is evidence-driven, costed and tied to outcomes, which we should continue to use for analytics, advocacy and to guide financial commitments. For the gaps in the GIF (e.g. nutrition sensitive), we will prioritize actions to be more inclusive and complete, including through 1) the E2A fund, and 2) developing a list of five to ten things required in each sector/system to improve nutrition outcomes.
- Building on what we have, it is important to optimize the existing financing mechanisms, including the Power of Nutrition and the GFF. Some of the optimization opportunities include 1) addressing the issues of graduation (to support not only LICs); 2) shifting to a more performance-based focus via the Coverage Challenge fund; 3) creating more opportunities to support food systems and social protection (i.e. nutrition sensitive areas) within these mechanisms; and 4) pursuing opportunities to strengthen financing systems, including data (e.g. STUND fund).
- Increasing domestic resources for nutrition is a priority. We will identify a set of “first movers” who have a combination of burden and political will to support.
- Work to increase financial commitments for nutrition through IDA and IBRD, and encourage other development banks, (e.g. Islamic Development Bank) to play a stronger role.
- Increase awareness and engagement of private investors and high-net-worth individuals through exploring initiatives such as World Bank Group nutrition bonds.
- Mainstream data financing, including through 1) pursuing the STUND and E2A fund ideas, and 2) having a coordinated data financing ask for SDG2 (combining targets 2.1 and 2.2).
- Explore the idea of securing further commitments to costed nutrition investment plans and strengthened resource tracking. Data and M&E should be systematically addressed and resourced as part of this (4-6% is a target).
- Recognizing the potential of CSOs, further work is required to identify how to optimize their engagement and commitment in the area of financing.
- Pursue ideas such as private sector partnerships to support healthy diets as a means to improve food systems.