transform nutrition

research brief

ISSUE 11 | JUNE 2017

Public-Private Partnerships and undernutrition: Examples and future prospects

In recent years, political commitment to reducing undernutrition has risen globally. Nutrition features prominently on development agendas, in prime ministerial speeches, in international development discourse and in the media. The multisectorality of nutrition is better recognised with the corresponding need for engagement by multiple actors in different sectors and at different levels. While this has thrown a spotlight on the issue of private sector engagement in nutrition-relevant actions, looming over new initiatives that engage the private sector is a deeply suspicious nutrition sector.

What exactly is a public-private partnership (PPP)?

There are a bewildering number of definitions. We found it helpful to distinguish between two types of PPPs: non-contractual and contractual. In non-contractual PPPs, representatives from the public and private sectors coalesce around a set of shared goals. Partners contribute time, money, expertise, or other resources to the partnership and partners share decision-making and management responsibilities. But there is no legally binding contract between partners and the partnership can be dissolved at any time. Contractual PPPs are characterised, as the name suggest by a formal contract between public and private sector entities. They are further characterised by:

- an objective of advancing a public goal;
- long-term partnership arrangements;
- often, but not always, a bundling of activities;
- a blurring of lines between financier and implementer and concomitant with this, a shifting of risk from the public to the private sector.

We found 24 case studies of nutrition-relevant PPPs, suggesting a relatively rich body of evidence. But this evidence base is weak. In reviewing potential case studies, we first had to weed out cases that appeared to be little more than company public relations so as to focus only on examples with documented impact. This narrowed the field considerably as – while there are many non-peer-reviewed "capsule stories" in glossy company brochures – there is not much at all in the way of independently generated evidence of impact of PPPs on reducing child undernutrition. Many studies are descriptive rather than analytic; few consider counterfactuals.

SOUVID DATTA/SAVE THE CHILDREN

"Looming over new initiatives that engage the private sector is a deeply suspicious nutrition sector."

In our review we provide examples of both successful and less successful PPPs and seek to draw out some wider lessons. Two examples are shown over the page.

A Public Private Partnership success story

The Fortify West Africa (FWA) initiative is an example of a PPP that appears to have been successful. FWA aimed to ensure 70 percent coverage of Vitamin A fortified cooking oil and 70 percent coverage of wheat flour fortified with iron, zinc, folic acid and B vitamins. Inception work began in 2000 with diagnostic work identifying foods that were suitable for fortification and widely consumed and on the level of fortification needed. Gradually, national alliances that included government ministries of health, commerce, industry and finance, United Nations agencies, NGOs, domestic food industries, food importers, and local research organisations, were established. These partnerships had four functions: Develop national standards and directives on mandatory fortification; Capacity building of cooking oil and wheat flour milling industries to implement fortification as well as the ability of regulatory agencies to monitor compliance; Develop and implement social marketing campaigns built around branding fortified foods; and Monitoring programme implementation, supporting public sector enforcement of standards and ensuring quality assurance systems were in place. All this took approximately seven years. As of 2011, approximately 55 million people in west Africa were consuming fortified wheat and the same number were consuming fortified vegetable oil. While ultimately successful, it is striking how much time it took before meaningful scale up occurred. The laborious process of getting agreement from national governments – for example, in establishing regulatory regimes for food fortification and enforcement of standards – took time. While private sector firms expressed enthusiasm for fortification, and while foreign firms assisted through the provision of pre-mix and technical assistance, private firms would not make investments in new equipment or staff training until regulations were promulgated, technical standards agreed upon and enforcement systems put in place.

A less successful example…

Poor quality complementary foods, monotonous and lacking in caloric density, contribute to growth failure. An attempt to address this in Bangladesh involved a joint venture between a multinational food and beverage firm, Danone, and the Grameen Bank. Beginning in 2006, this partnership revolved around the development and marketing of a fortified yoghurt called 'Shokti Doi', rich in protein and calcium. Initially, the yogurt was distributed solely in rural areas by Grameen saleswomen. The venture was intended to cover its costs but not make profits. Accordingly, the yoghurt was priced at a level below the cost of production. However, the joint venture lost a considerable amount of money – more than 0.6 million dollars – in its first two years of operation largely because of low demand for the product by poor rural households to whom the product was initially marketed. Subsequently, the saleswoman programme was cut, the yogurt was distributed solely through retail outlets, and distribution was expanded to wealthier urban areas with product prices increased by 60 percent in order to subsidise the sales in rural areas.

Conclusions

There is significant potential for PPPs to reduce undernutrition. But this optimism comes with significant caveats. First, there are few independent, rigorous assessments of the impact of commercial sector engagement in nutrition. Second, progress requires that the private sector recognises that past and current actions by some firms have created an environment of mistrust. It also requires that the public sector accept that sustainable PPPs are those which permit private firms to generate profits.

PPPs appear best placed to operate where the benefits to nutrition are highest and where public sector solutions are not readily available, effective or sustainable. There may be scope for the private sector to act as a financier for investments to improve children's nutritional status. To succeed, there must be open discussions of objectives, roles and expectations of all parties along with potential conflicts of interest, an open platform where issues and challenges can be addressed, incentivised pro-nutrition roles for the private sector, strong, transparent, well-enforced monitoring processes and serious, independent evaluations of these activities.

Credits

This brief is based on a review undertaken by Transform Nutrition (Hoddinott, Gillespie and Yosef).

Further reading

John Hoddinott, Stuart Gillespie, Sivan Yosef, Panel 8.2: Public-Private Partnership for reducing undernutrition, Global Nutrition Report, Sept 2015, p102

John Hoddinott, Stuart Gillespie, Sivan Yosef, Public-private partnerships and undernutrition: Examples and future prospects, Hidden hunger. Malnutrition and the first 1,000 days of life: Causes, consequences and solutions, ed by H. Biesalski and R. Black (Basel: Karger) 2016

J. Hoddinott, S. Gillespie and S. Yosef, Public-Private Partnerships and the Reduction of Undernutrition in Developing Countries, IFPRI Discussion Paper 1487 December 2015

Transform Nutrition is funded by UK aid from the UK government and is a consortium of five international research and development partners. Using research-based evidence we aim to inspire effective action to address undernutrition. The views expressed do not necessarily reflect the UK Government's official policies

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