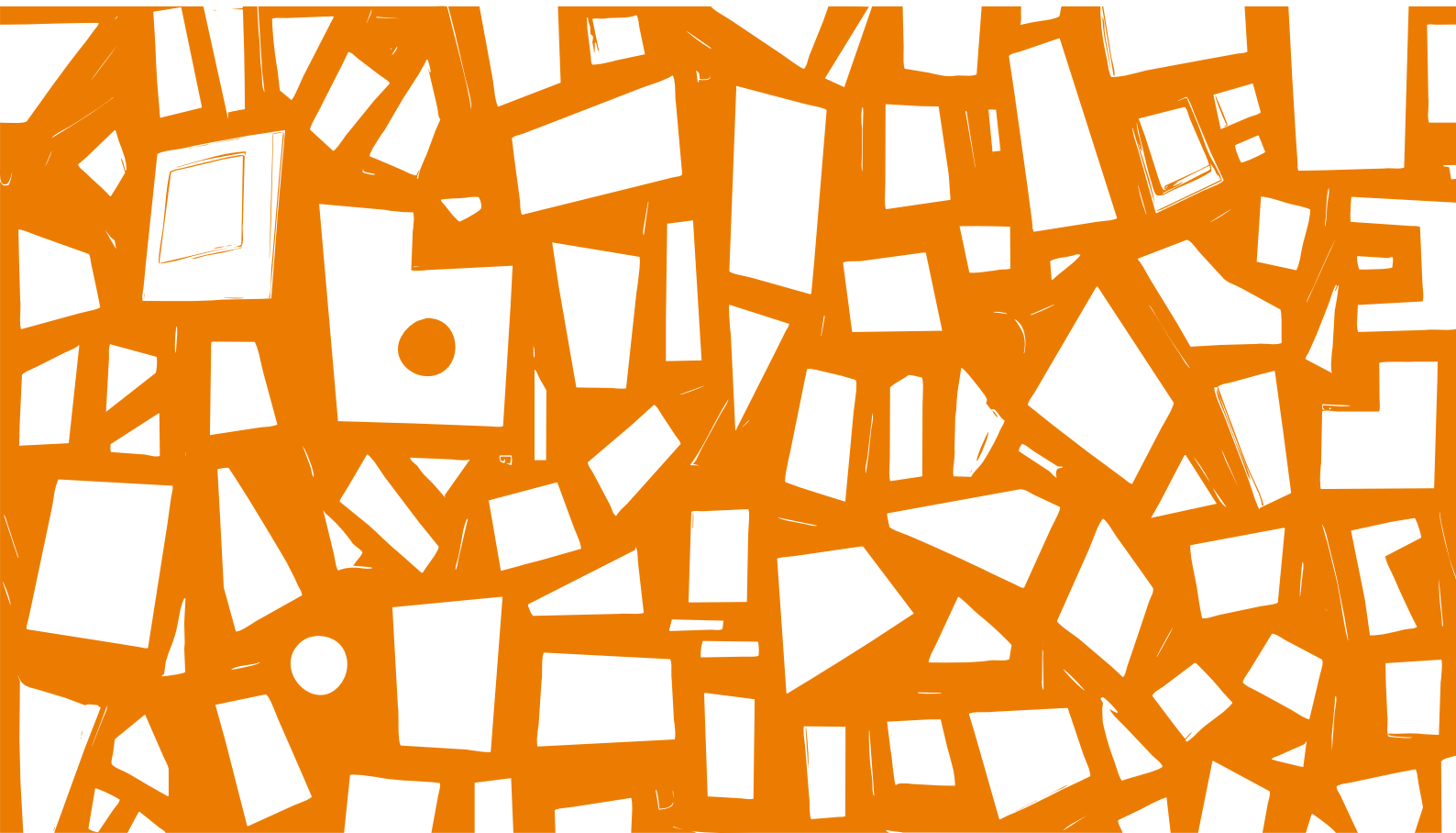




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Financing Nutrition at Scale: Capital Market Strategies for Investors

Case studies and examples on how to unlock financing for nutrition



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Abbreviations and acronyms

ADB	Asian Development Bank	PFM	Public financial management
AfDB	African Development Bank	RMNCAH+N	Reproductive, maternal, newborn, child, adolescent health and nutrition
ATNi	Access to Nutrition initiative	SDG	Sustainable Development Goal
CGAP	Consultative Group to Assist the Poor	SMEs	Small and medium enterprises
DFI	Development finance institution	SUN	Scaling Up Nutrition Movement
DIB	Development impact bond	UNEP-FI	United Nations Environment Programme Finance Initiative
ESG	Environmental, social and governance	UNICEF	United Nations Children's Fund
FAO	Food and Agriculture Organization of the United Nations	WASH	Water, sanitation and hygiene
FCDP	Finance Capacity Development Platform (SUN)	WBA	World Benchmarking Alliance
FfD4	Fourth International Conference on Financing for Development	WB	World Bank
GCF	Green Climate Fund	WHO	World Health Organization
GEF	Global Environment Facility	WHA	World Health Assembly
GFF	Global Financing Facility for Women, Children and Adolescents		
I-CAN	Initiative on Climate Action and Nutrition		
ICMA	International Capital Market Association		
IFAD	International Fund for Agricultural Development		
IFC	International Finance Corporation		
KPI	Key performance indicator		
MDB	Multilateral development bank		
MRV	Measurement, reporting and verification		
MSMEs	Micro, small and medium enterprises		
NGO	Non-governmental organization		
ODA	Official development assistance		





Executive summary

Rising food prices, climate-related shocks and ongoing conflicts are amplifying both the human and economic costs of malnutrition, bringing nutrition more firmly into debates on sustainable finance. The economic case is compelling: The World Bank estimates that US\$128 billion invested in nutrition interventions from 2025–2034 could avert 6.2 million child deaths and 980,000 stillbirths while generating \$2.4 trillion in economic benefits and avoiding up to \$41 trillion in costs.¹ Despite these strong returns, nutrition remains chronically underfunded, receiving less than 0.4 percent of global official development assistance (ODA).²

For impact investors and other investors using environmental, social and governance (ESG) metrics, this underfunding represents both a challenge and an untapped market opportunity. While nutrition-related health costs exceed \$4 trillion annually from overweight and obesity alone,³ and while undernutrition imposes severe productivity losses, private capital flows remain minimal. Just two nutrition bonds had been issued globally as of 2023 (mobilizing less than \$500 million),⁴ compared to \$625.8 billion in green bonds issued in 2024 alone.⁵ Yet emerging evidence shows financial materiality: Companies with healthier product portfolios demonstrate higher profitability and market valuations, while policy shifts such as the sugary-drink tax in Mexico signal revenue risks for unhealthy food-reliant business models.⁶

Meanwhile, signs of investor interest in nutrition are emerging. Investors in Nutrition and Health, from the Access to Nutrition Initiative (ATNi), represents over \$21 trillion in assets under management.⁷ S&P Global integrated nutrition metrics into its ESG assessments in March 2025, and the International Sustainability Standards Board (ISSB) is updating nutrition and health metrics in standards relevant to the food and beverage sector. At the 2025 Nutrition for Growth Summit, leading foundations announced over \$2 billion in new investments.⁸ Major multilateral development banks have committed significant resources: the Asian Development Bank (ADB) has announced \$26 billion (expanding to \$40 billion by 2030),⁹ while the World Bank and the African Development Bank (AfDB) have pledged \$5 billion and \$9.5 billion, respectively.¹⁰

Despite this momentum, several critical gaps limit investment:

- **No common standards:** Unlike climate finance, nutrition lacks a widely adopted taxonomy and standardized key performance indicators (KPIs) for investors to underwrite and report against.
- **Environmental bias in metrics:** Existing labelled instruments prioritize climate and ocean health outcomes over diet quality, affordability or access.
- **Weak measurement infrastructure:** Translating global nutrition targets into investment-grade KPIs at project level remains uncommon.
- **Fragmented public finance:** World Health Assembly (WHA)-aligned nutrition aid represents just 1.4 percent of emergency response funding and 6 percent of food assistance.¹¹
- **Thin product pipeline:** Dedicated nutrition-labelled capital market products are limited.
- **The “missing middle”:** Core food system small and medium enterprises (SMEs) and smallholders that most directly shape nutrition outcomes lack suitable finance, with value chain finance reaching fewer than 10 percent of smallholders.¹²

1 World Bank. (2024). Investment Framework for Nutrition 2024. <https://openknowledge.worldbank.org/entities/publication/2c0b8b5e-0f67-47fe-9eae-d4707d9ed195>

2 Prydz, E. B. (2023). Official development assistance (ODA) is increasing, but not at the rate it needs to. World Bank. <https://blogs.worldbank.org/en/opendata/official-development-assistance-oda-increasing-not-rate-it-needs>

3 World Obesity (2024). Economic impact of overweight and obesity to surpass \$4 trillion by 2035. <https://www.worldobesity.org/news/economic-impact-of-overweight-and-obesity-to-surpass-4-trillion-by-2035>

4 Power of Nutrition (2023). Maximising Resources for Nutrition. https://www.powerofnutrition.org/uploads/general/Innovative_finance.pdf

5 Environmental Finance (2025). Sustainable Bonds Insight 2025. <https://www.environmental-finance.com/content/downloads/sustainable-bonds-insight-2025.html>

6 Salgado Hernández, J. C., Ng, S. W., Colchero, M. A. (2023). Changes in sugar-sweetened beverage purchases across the price distribution after the implementation of a tax in Mexico: a before-and-after analysis. BMC Public Health 23. <https://bmcpublihealth.biomedcentral.com/articles/10.1186/s12889-023-15041-y>

7 ATNi (2025). Embedding Nutrition in Financial Markets. <https://accesstonutrition.org/investor-signatories/>

8 Children's Investment Fund Foundation (2025). Global Philanthropic Partners Announce more than \$2 Billion in Funding for Malnutrition. <https://ciff.org/uncategorized/global-philanthropic-partners-announce-more-than-2-billion-in-funding-for-malnutrition/>

9 Asian Development Bank (2025). ADB Support for Food Security to Reach \$40 Billion by 2030. <https://www.adb.org/news/adb-support-food-security-reach-40-billion-2030>

10 Patel, V. (2025). Nutrition for Growth: Over US\$27B in new funding pledged though large gaps remain. Nutrition Insight. <https://www.nutritioninsight.com/news/n4g-malnutrition-funding-pledge.html>

11 McCarter, A., Andridge, C., D'Alimonte, M. (2022). Tracking Aid for the WHA Nutrition Targets: Progress Toward the Global Nutrition Goals between 2015 to 2022. Results for Development. <https://r4d.org/wp-content/uploads/2022-A4N-Supplementary-Materials.pdf>

12 IFC (2014). Access to Finance for Smallholder Farmers. <https://documents1.worldbank.org/curated/en/965771468272366367/pdf/949050WPOBox3800English0Publication.pdf>



Publication purpose and structure

Developed by the Scaling Up Nutrition (SUN) Movement in coordination with ATNi under the Initiative on Climate Action and Nutrition (I-CAN), this publication provides ESG and impact investors with practical pathways to integrate nutrition into existing climate, agrifood and health investment theses. It treats nutrition both as a direct theme (“nutrition specific”) and as a co-benefit embedded in adjacent investments (“nutrition sensitive”).

Part I provides an overview of nutrition financing, defining key concepts, examining cross-cutting drivers (women’s empowerment, climate resilience), mapping current finance flows and identifying measurement and verification challenges. It explores how nutrition can be integrated into capital market instruments and proposes approaches to developing a nutrition taxonomy.

Part II presents 11 case studies demonstrating real-world applications across diverse instruments and geographies, including blended finance facilities (Nutrition Foods Financing Facility, The Power of Nutrition, Global Agriculture and Food Security Program), bonds (International Fund for Agricultural Development Nutrition Bond, Cameroon Kangaroo Mother Care Development Impact Bond), trust funds (Global Financing Facility, UNITLIFE), guarantees (MedAccess vitamin A volume guarantee, UNICEF Child Nutrition Fund), debt swaps (Mozambique School Feeding), and nutrition-sensitive retail finance (California FreshWorks).

Part III offers technical and partnership recommendations, including establishing light nutrition taxonomies, embedding nutrition KPIs in sustainability-linked instruments, deploying blended finance for the “missing middle”, and coordinating investor stewardship on portfolio health and transparency.

The road forward

The convergence of a growing awareness of nutrition’s economic importance, expanding sustainable finance markets and increasing institutional investor demand for impact-aligned investments creates an unprecedented opportunity. However, this moment will only translate into transformation if action is taken collectively, systematically and at scale. Nutrition finance must evolve from a fragmented set of transactions to a cohesive strategy embedded in how we plan, budget, invest and measure development progress, treating nutrition not solely as a development challenge but as an investable opportunity where solving a material social challenge aligns with building resilient portfolios, growing new markets and strengthening long-term value creation.



Aim of the book and target audience

Rising food prices, climate-related shocks and ongoing conflicts are amplifying both the human and economic costs of malnutrition, bringing nutrition more firmly into debates on sustainable finance. Nutrition is no longer solely the concern of ministries of health or humanitarian agencies; rather, it is becoming recognized as a core development challenge and investment priority, with implications for productivity and economic growth, educational attainment, gender equity, health care expenditures and macroeconomic stability. In this publication, we primarily address ESG and impact investors – those aiming to link long-term financial returns with the achievement of measurable social outcomes and seeking investable, decision-useful ways to integrate nutrition into existing climate, agrifood and health theses.

As a main driver of malnutrition and related health costs, food systems hold some of the most powerful opportunities to improve human and planetary health while increasing productivity, and the private sector has a key role to play in this. The key question then remains: How can nutrition be integrated into wider sustainable development financing streams, and how can private capital (particularly ESG and impact capital) be mobilized to achieve improved nutrition outcomes? In the pages that follow, nutrition is treated both as a direct theme (“nutrition specific”) and as a co-benefit that can be embedded in adjacent investments (“nutrition sensitive”).

While nutrition interventions have traditionally relied on ODA and public funding, these sources alone are insufficient to meet global needs. Private capital can help, either through nutrition-specific investments (such as fortification and treatment of acute malnutrition) or by making investments in agriculture, climate, health and WASH (water, sanitation and hygiene) nutrition-sensitive so they also improve diet quality and access. Signs of investor interest in nutrition are emerging with initiatives such as the ATNi’s Investors in Nutrition and Health – comprising 87 investor signatories representing more than \$21 trillion in assets under management¹³ – and S&P Global’s integration of nutrition metrics into its ESG assessments, providing early indications that nutrition is entering the mainstream ESG toolkit.

For financial actors, the underfunding of nutrition represents both a challenge and an untapped market opportunity. While the economic and human case is compelling (with high-impact returns on investment and significant cost avoidance benefits), nutrition remains underrepresented in development and climate finance and is barely visible in capital markets despite the World Bank estimate that every \$1 invested in addressing undernutrition can generate social returns of up to \$23.¹⁴ For investors, this gap represents not only a development challenge but also a long-term growth opportunity in emerging and frontier markets, where rising incomes, demographic trends and changing consumer preferences are creating demand for healthier and affordable foods and services.

The translation of that public-good payoff into investor-relevant signals is under way. Evidence is emerging of financial materiality for investors: An analysis from ATNi and Planet Tracker links healthier dietary portfolios with higher profitability and market valuations,¹⁵ and policy shifts such as the sugary-drink tax in Mexico have reduced taxed-drink purchases,¹⁶ signalling demand and revenue risk for business models reliant on unhealthy foods. The gap is partly due to the absence of common standards, verified metrics and investable pipelines that would let investors classify and track nutrition-positive assets within ESG portfolios.

For investors and lenders interested in becoming involved in nutrition-positive finance – in particular in frontier and emerging markets – this publication offers various ways to scale up investment alongside 11 case studies providing real-life examples. Developed by the SUN Movement under the umbrella of I-CAN, it provides a concise overview of the scale of financing needed to close the global nutrition gap, the range of financial instruments that can be deployed, and the measurement approaches that make outcomes decision-useful for finance. The aim is to guide private-sector finance actors towards practical pathways that can transform nutrition from a niche concern into a mainstream investment opportunity.

¹³ ATNi (2025). Embedding Nutrition in Financial Markets. <https://accesstonutrition.org/investor-signatories/>

¹⁴ World Bank. (2024). Investment Framework for Nutrition 2024. <https://openknowledge.worldbank.org/entities/publication/2c0b8b5e-0f67-47fe-9eae-d4707d9ed195>

¹⁵ Planet Tracker, ATNi (2024). ATNi and Planet Tracker Collaborate on Materiality of Nutrition Report. <https://planet-tracker.org/atni-and-planet-tracker-collaborate-on-seminal-materiality-of-nutrition-report/>

¹⁶ Salgado Hernández, J. C., Ng, S. W., Colchero, M. A. (2023). Changes in sugar-sweetened beverage purchases across the price distribution after the implementation of a tax in Mexico: a before-and-after analysis. BMC Public Health 23. <https://bmcpublihealth.biomedcentral.com/articles/10.1186/s12889-023-15041-y>

The repository is not intended as exhaustive but rather looks to feature a broad range of instruments, stakeholders and geographies to provide context for the reader. The selection prioritizes cases illustrating scalability, catalytic potential, replicability or relevance to current investment and policy debates. An emphasis is placed on mechanisms addressing the persistent underfunding of nutrition by engaging private capital through demonstrable links between measurable nutrition outcomes and financial returns, with a clear line of sight to portfolio-level reporting.

Some recommended areas for ESG and impact investors to explore after reading include the following:

- 1) Establish a light nutrition taxonomy and core KPI set across mandates, frameworks and disclosures.
- 2) Add one or two nutrition KPIs to labelled bonds, sustainability-linked bonds and sustainability-linked loans alongside climate targets, so outcomes affect pricing.
- 3) Deploy blended finance guarantees/first-loss with technical assistance to build SME pipelines in aggregation, fortification, cold chain and last mile.
- 4) Embed nutrition co-benefit KPIs in climate adaptation/climate-smart agriculture and blue transactions to access larger pools of capital.

The SUN Movement

The SUN Movement is a multi-stakeholder platform covering 67 countries and four Indian states. It is hosted by the United Nations. Through four global networks (SUN Business Network, SUN Civil Society Network, SUN Donor Network and UN-Nutrition), plus media, youth, parliamentary and academic networks, SUN mobilizes partners to end all forms of malnutrition and align with WHA targets. Launched in 2010 and drawing on the 2008 Lancet series, SUN now covers undernutrition, micronutrient deficiencies and overweight and obesity. Country-led multi-stakeholder platforms drive priorities and implementation, supported by the SUN Secretariat, SUN Coordinator, SUN Lead Group and SUN Executive Committee.

I-CAN

The Initiative on Climate Action and Nutrition (I-CAN) is multi-stakeholder platform convened with partners such as the World Health Organization (WHO), the Food and Agriculture Organization of the United Nations (FAO) and the Global Alliance for Improved Nutrition (GAIN) to connect climate action and nutrition. I-CAN champions integrated mitigation and adaptation with nutrition, tracks progress, provides technical and high-level support to countries, and showcases practical actions. Its work is organized around four pillars: implementation and support; capacity-building, data and knowledge; policy and strategy; and investment.

ATNi

ATNi (Access to Nutrition initiative) is a global foundation actively challenging the food industry, investors, and policymakers to shape healthier food systems. ATNi analyze and translate data into actionable insights, driving partnerships and innovations for market transformation so that all people have access to nutritious and sustainable food

Overview of nutrition financing



Part I: Overview of nutrition financing

Understanding nutrition

Definition of nutrition

According to the WHO, “nutrition is the intake of food, considered in relation to the body’s dietary needs.”¹⁷ Beyond individual well-being, nutrition plays a critical role in human capital formation, economic productivity and sustainable development. Nutrition shapes every life stage, influencing health, education and resilience across generations.

Nutrition is a function of broader economic and social systems such as food, health, education and social protection. Addressing malnutrition requires coordinated action across sectors to ensure access to affordable, nutritious food and essential services.

Cross-cutting nature of nutrition

Nutrition outcomes refer to measurable improvements in nutritional status, including reduced undernutrition, micronutrient deficiencies and diet-related diseases. Projects contributing to nutrition outcomes span health, agriculture, education, social protection, climate and WASH sectors, split between “nutrition-specific” interventions addressing immediate causes and “nutrition-sensitive” interventions addressing underlying determinants. Nutrition is also widely recognized as a cross-cutting enabler of sustainable development; while it sits explicitly within Sustainable Development Goal (SDG) 2, ensuring good nutrition is understood as foundational to progress across all 17 SDGs.¹⁸

Figure 1: Linkage of diet quality to the Sustainable Development Goals



Source: Scaling Up Nutrition (n.d.). Linking nutrition and the SDGs. <https://scalingupnutrition.org/resources/nutrition-info/nutrition-action/linking-nutrition-and-sdgs>

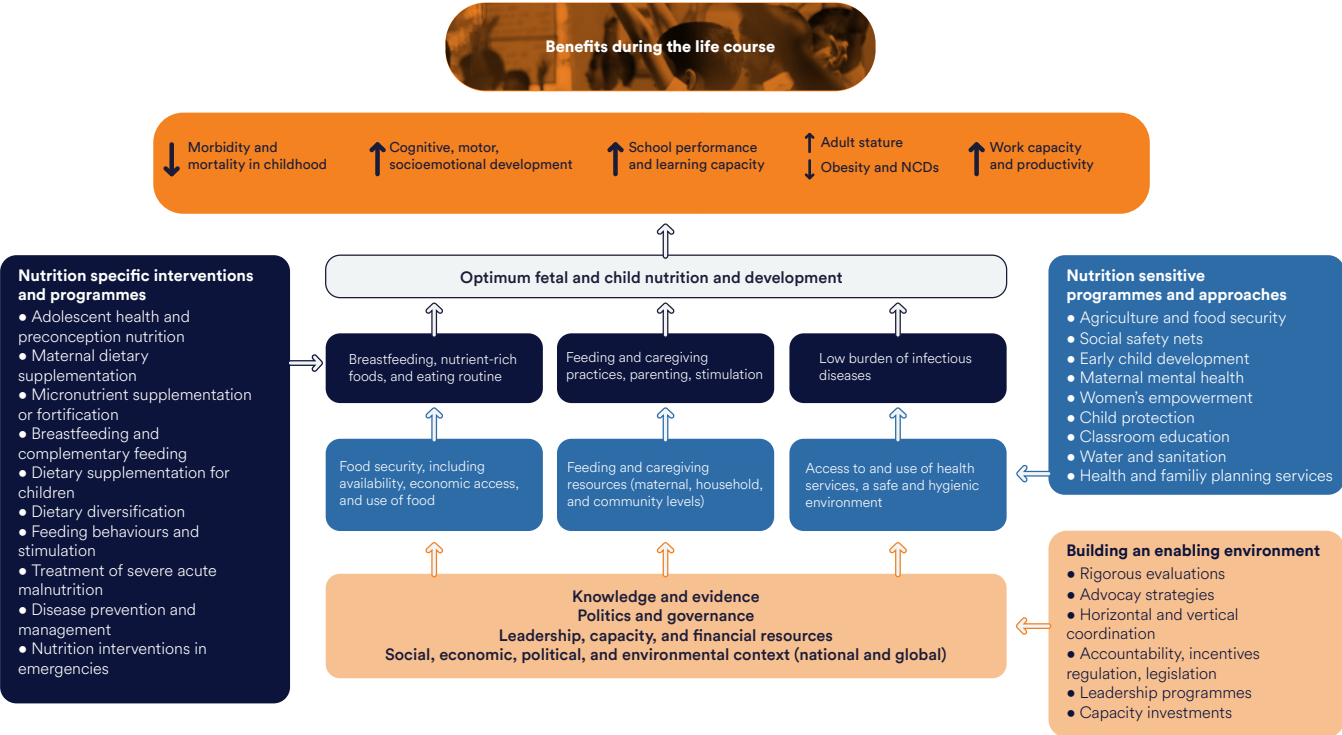
17 World Health Organization. (n.d.). Nutrition | Introduction. <https://www.emro.who.int/health-topics/nutrition/introduction.html>

18 Scaling Up Nutrition (n.d.). Linking nutrition and the SDGs. <https://scalingupnutrition.org/resources/nutrition-info/nutrition-action/linking-nutrition-and-sdgs>

Crucially, climate change is now a major driver of malnutrition, creating a clear entry point for investors already financing mitigation and adaptation: The Intergovernmental Panel on Climate Change concludes with high confidence that climate change has contributed to malnutrition in all its forms,¹⁹ with extreme weather events driving rising undernutrition, and *The State of Food Security and Nutrition in the World 2025 report from FAO* repeatedly highlights climate extremes among the core drivers of food insecurity.²⁰ For such investors, adding nutrition KPIs to climate-smart agriculture and resilience deals links adaptation benefits to diet quality and access while also strengthening the social component of ESG reporting that many investor coalitions are now asking companies to disclose. These nutrition-relevant additions can link to diversified/biofortified production, fortification and cold chain/logistics that protect perishables.

The Lancet paper series from 2013 included a framework illustrating the distinctions between “nutrition specific” and “nutrition sensitive”, along with other factors and benefits feeding into nutrition outcomes:

Figure 2: Framework for actions to achieve optimum fetal and child nutrition and development



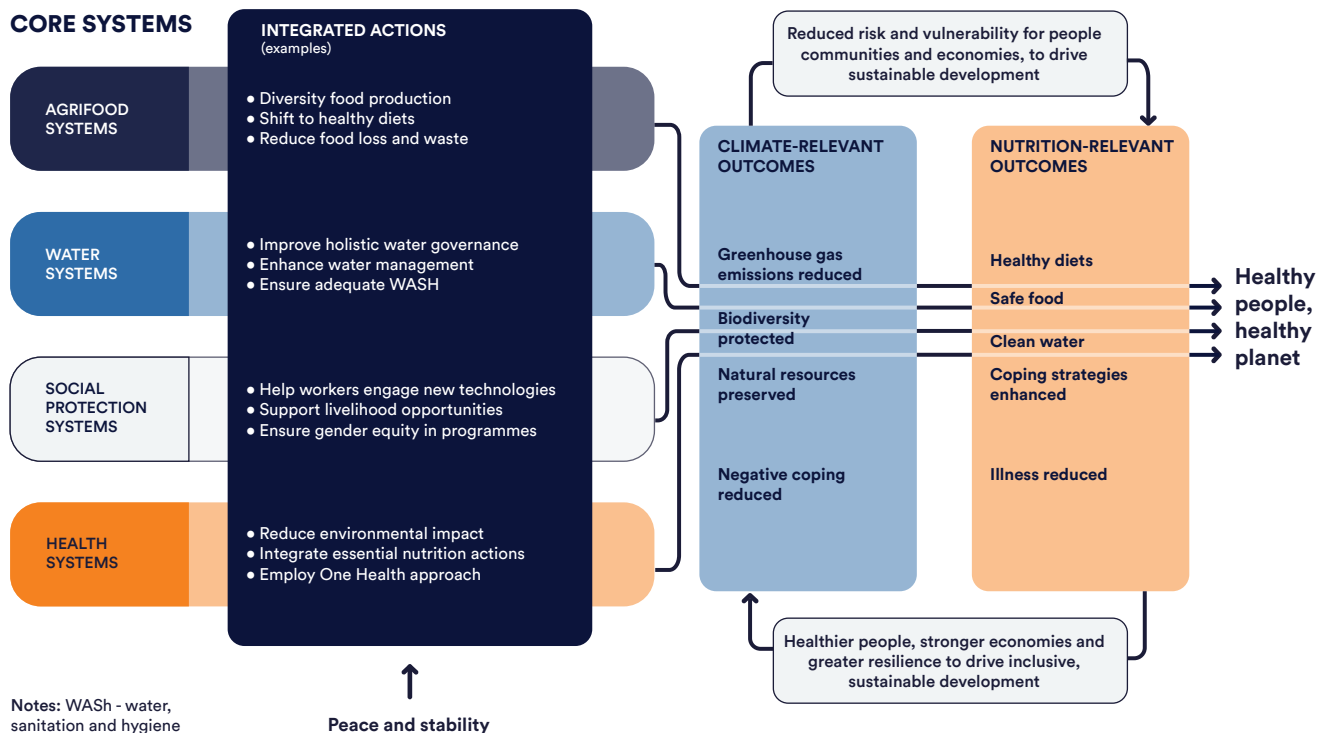
Source: The Lancet (2013). Executive Summary of the Lancet Maternal and Child Nutrition Series. <https://www.thelancet.com/pb/assets/raw/Lancet/stories/series/nutrition-eng.pdf>

¹⁹ Intergovernmental Panel on Climate Change (2022). Fact sheet - Food and Water https://www.ipcc.ch/report/ar6/wg2/downloads/outreach/IPCC_AR6_WGII_FactSheet_FoodAndWater.pdf

²⁰ FAO, IFAD, UNICEF, WFP and WHO (2025). The State of Food Security and Nutrition in the World 2025 – Addressing high food price inflation for food security and nutrition. Rome. <https://doi.org/10.4060/cd6008en>

Recognizing the full landscape of nutrition-sensitive sectors is imperative to identifying investment opportunities. FAO's 2023 report *Climate Action and Nutrition Pathways to Impact*²¹ discusses the impact of core systems (agrifood, water, social protection and health) in leading towards both positive climate and nutrition outcomes, for which an outline to integration action impacts is presented in Figure 3.

Figure 3: Integrated actions across agrifood, water, social protection and health systems for positive climate and nutrition outcomes



Notes: WASH - water, sanitation and hygiene

Source: FAO (2023). Climate action and nutrition – Pathways to impact. <https://doi.org/10.4060/cc8415en>

21 FAO (2023). Climate action and nutrition – Pathways to impact. <https://doi.org/10.4060/cc8415en>

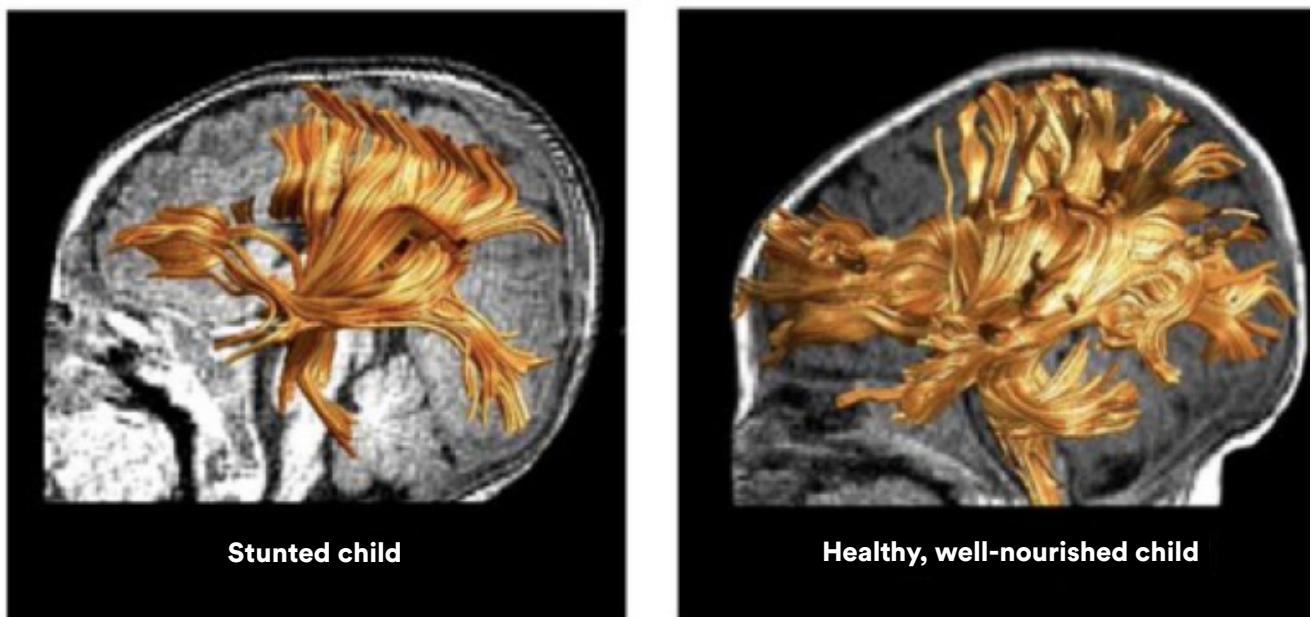
Key drivers that strengthen nutrition outcomes

a) Women's empowerment and gender equity

Women's empowerment interventions have been shown to improve nutrition-related outcomes, with the most pronounced impacts seen in food security and food affordability and availability.²² Access to financial services (such as credit, savings and insurance) empowers women to make informed decisions about household nutrition. Swain and Nsabimana (2023)²³ found that in Rwanda, financial inclusion positively impacted household food and nutrition, particularly when women had control over financial resources. This control strengthens intrahousehold bargaining power, which has been linked to better nutrition outcomes.²⁴ Similarly, Aker et al. (2016) found that direct financial provision to women led to increased dietary diversity in households by 9–16 percent and increased child food intake, attributing improvements partly to time savings from mobile cash transfers, which enabled more productive activities such as additional crop cultivation.

Critically, the first 1,000 days (from conception to age 2) are a unique window for brain development; inadequate nutrition in this period causes lasting cognitive and educational losses, underscoring why women's empowerment and control over resources during pregnancy and early childhood is pivotal.²⁵ According to the 2024 World Bank Nutrition Investment Framework's measurements of the Human Capital Index, children born in 2020 can expect to be, on average, just 56 percent as productive as they could be with the right nutrition.²⁶ Figure 1 shows the contrast in brain activity between a stunted child and a well-nourished child.

Figure 4: Brain activity impact from undernutrition



Source: Nelson, C. A., Gaab, N. (2017). Development of white matter fiber tracts compared between stunted and normal growth three-month old Bangladeshi children. Harvard Medical School.

22 Berretta, M., Kupfer, M., Shisler, S., Lane, C. (2023). Rapid Evidence Assessment on Women's Empowerment Interventions Within the Food System: A Meta-Analysis. Agriculture & Food Security 12. <https://agricultureandfoodsecurity.biomedcentral.com/articles/10.1186/s40066-023-00405-9>

23 Swain, R. B., Nsabimana, A. (2023). Financial Inclusion and Nutrition Among Rural Households in Rwanda. WIDER Working Paper 2023/141. <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2023-141-financial-inclusion-nutrition-rural-households-Rwanda.pdf>

24 Aker, J. C., Boumnijel, R., McClelland, A., Tierney, N. (2016). Payment Mechanisms and Antipoverty Programs: Evidence from a Mobile Money Cash Transfer Experiment in Niger. Economic Development and Cultural Change 65(1). <https://doi.org/10.1086/687578>

25 World Food Programme (2024). Nutrition programming in the first 1,000 days. <https://www.wfp.org/publications/nutrition-programming-first-1000-days>

26 World Bank. (2024). Investment Framework for Nutrition 2024. <https://openknowledge.worldbank.org/entities/publication/2c0b8b5e-0f67-47fe-9eae-d4707d9ed195>

These developmental impacts translate into material economic costs for employers. A global study covering 95 lower-middle-income countries (LMICs) estimates that childhood stunting costs the private sector at least \$135.4 billion in sales annually (equivalent to 0.01 percent to 1.2 percent of gross domestic product across countries), with particularly large impacts in the manufacturing, garment and food sectors.²⁷ This illustrates the potential that early-life undernutrition has to depress workforce capability and firm performance at scale.

It was found in Askeer et al. (2022)²⁸ that women face a higher income penalty from childhood stunting, reinforcing the gendered implications of early-life nutrition deficits. The gender dimension of nutrition extends into adult life, with women having been shown to face higher risks of food insecurity within households, where food distribution may prioritize men and boys in times of scarcity.²⁹ Empowering women through both economic and social mechanisms can counteract this balance. Singh and Jha (2024)³⁰ found that factors relating to women's empowerment were a significant predictor of undernutrition. It is suggested that if women farmers had opportunities equal to men's, agricultural production would increase 2.5–4 percent, resulting in a 12–17 percent reduction in the amount of people hungry globally.³¹

Applying a life cycle lens clarifies where along the food value chain capital should flow. Priorities at each stage (from the first 1,000 days through school age, adolescence, adulthood and older age) translate into concrete supply, processing and delivery needs. Evidence and guidance underscore this sequencing: Briefs from UNICEF and the World Food Programme (WFP) emphasize that nutrition in the first 1,000 days shapes lifelong brain development and health,³² making support to mothers and infants paramount, while WFP's school meals policy highlights school age as a platform to sustain diet quality and learning at scale.³³ In turn, nutrition-sensitive value chain frameworks from FAO^{34 35} and the International Fund for Agricultural Development (IFAD)³⁶ show how upstream (production), midstream (processing/logistics, including fortification and cold chain) and downstream (retail/last-mile) investments improve the availability, accessibility and affordability of diverse, safe and nutritious foods, thereby linking life stage priorities to investable entry points along the chain.

While existing research is not yet comprehensive enough to be definitive, current evidence suggests that empowerment and gender equality positively impact nutrition outcomes; aligning finance with a life cycle lens and value chain opportunities can translate women's empowerment into measurable improvements in diets and child development.³⁷

b) Climate resilience and livelihoods

Climate change poses significant risks to food security and nutrition, most severely felt in vulnerable regions. These manifest both through acute events (such as floods, droughts and heatwaves) and chronic stressors (like shifting rainfall patterns and rising temperatures). Extreme weather events can lead to immediate disruptions in food production and supply chains. These acute threats such as sudden floods or droughts can destroy crops, reduce yields and impair access to nutritious foods. This then results in food prices spikes and increased food insecurity. Such events disproportionately affect smallholder farmers and low-income populations, exacerbating malnutrition and health disparities.

27 Askeer, N., Tasic, H., Onah, M. N., Wigle, J., Rajakumar, R., Sanchez-Hernandez, D., Akuoku, J., Black, R. E., Horta, B. L., Nwuneli, N., Shine, R., Wazny, K., Japra, N., Shekar, M., Hoddinott, J. (2022). Economic costs of childhood stunting to the private sector in low- and middle-income countries. *EClinicalMedicine*. doi: 10.1016/j.eclinm.2022.101320.

28 Askeer, N., Tasic, H., Onah, M. N., Wigle, J., Rajakumar, R., Sanchez-Hernandez, D., Akuoku, J., Black, R. E., Horta, B. L., Nwuneli, N., Shine, R., Wazny, K., Japra, N., Shekar, M., Hoddinott, J. (2022). Economic costs of childhood stunting to the private sector in low- and middle-income countries. *EClinicalMedicine*. doi: 10.1016/j.eclinm.2022.101320.

29 Asian Development Bank (2013). Gender Equality and Food Security. <https://www.adb.org/sites/default/files/publication/30315/gender-equality-and-food-security.pdf>

30 Singh, G., Jha, A. (2024). Role of Women's Empowerment in Improving the Nutritional Status of Children Under Five Years of Age: An Insight from the National Family Health Survey-5. <https://pubmed.ncbi.nlm.nih.gov/38826598/>

31 Sandosham, S. (2025). To Feed a Warming World, We Must Also Serve up Gender Equality. Reuters. <https://www.reuters.com/sustainability/society-equity/feed-warming-world-we-must-also-serve-up-gender-equality-2025-03-25/>

32 UNICEF (n.d.). Early childhood nutrition. <https://www.unicef.org/nutrition/early-childhood-nutrition>

33 World Food Programme (2020). A Chance for every Schoolchild - WFP School Feeding Strategy 2020 – 2030. <https://www.wfp.org/publications/chance-every-schoolchild-wfp-school-feeding-strategy-2020-2030>

34 FAO (2022). FAO Regional Conference for Europe: Sustainable food value chains for nutrition, a practical approach for transforming agrifood systems for healthy diets in Europe and Central Asia. <https://openknowledge.fao.org/server/api/core/bitstreams/bd586ba7-9434-4b1e-b659-ddf6d35b1a63/content>

35 FAO (n.d.). Nutrition-sensitive Value Chains. <https://www.fao.org/nutrition/capacity-development/nutrition-sensitive-value-chains/en/>

36 IFAD (2018). Nutrition Sensitive Value Chains: A Guide for Project Design. <https://www.ifad.org/en/w/publications/nutrition-sensitive-value-chains-a-guide-for-project-design>

37 European Commission (2025). Gender Equality and Food Systems – a Knowledge Review. https://knowledge4policy.ec.europa.eu/sites/default/files/Knowledge%20GenderEqualityandFoodSystems%20final%2010_02_2025.pdf

Longer-term, chronic and climatic changes can see gradual temperature increases and altered precipitation patterns, leading to degraded soil quality, reduced agricultural productivity and diminished nutrition crop values. Elevated atmospheric CO₂ levels have been linked to decreased concentrations of essential nutrients such as iron and zinc in staple crops, potentially leading to micronutrient deficiencies in populations reliant on these foods.³⁸

Investing in climate resilience, food security and nutrition outcomes through sustainable agricultural practices and diversifying income sources are essential towards mitigating these risks. Strategies include adopting climate-smart agriculture techniques, such as drought-resistant crop varieties, improved irrigation systems and agroforestry.³⁹



38 Neville, S. (2024). Malnutrition Crisis, Threatens Child Health Gains, Warns Bill Gates. FT. <https://www.ft.com/content/0b9c8854-084f-443e-99f9-bc12eb52c6d7?>

39 Naseem, A., Waqas, M., Humphries, U. W. (2025). Climate Change and Food Security: Agricultural and Non Farm Adaptation Strategies in Asia. Climate Change, Food Security, and Land Management. https://link.springer.com/referenceworkentry/10.1007/978-3-031-71164-0_54-1

Understanding nutrition finance

Definition of nutrition finance

Several definitions of nutrition finance exist in literature. The 2024 *State of Food Security and Nutrition in the World* report financing for food security and nutrition as “the public and private financial resources, both domestic and foreign, that are directed towards eradicating hunger, food insecurity and all forms of malnutrition. They are targeted to ensure the availability, access, utilization and stability of nutritious and safe foods...”⁴⁰

This cross-sectoral approach encompasses funding from governments, development partners, impact investors and the private sector deployed through various instruments, including grants, blended finance, credit guarantees and social bonds. Importantly, nutrition finance extends beyond traditional health sectors to build resilient, equitable development pathways.

Monetary and non-monetary value of nutrition

The economic benefits of improved nutrition are realized through higher workforce productivity, reduced health care spending and better educational outcomes. However, the largest financial gains from nutrition finance often come from avoiding the future costs associated with malnutrition.

Focusing on undernutrition, the World Bank 2017 publication “An Investment Framework for Nutrition” indicated that an evidence-based package costing around \$7 billion per year could prevent 65 million cases of child stunting, 265 million cases of anaemia in women and 91 million low-birthweight births by 2025, from a 2015 baseline.⁴¹ The 2024 edition of the Investment Framework provided an updated projection that \$128 billion towards scaling a discrete set nutrition interventions across the 2025–2034 period could avert 6.2 million child deaths and 980,000 stillbirths, alongside preventing 27–65 million stunting cases and 144 million cases of maternal anaemia. Full global scale-up is project to generate \$2.4 trillion in economic benefits while avoiding up to \$41 trillion in costs across this period.⁴²

At the level of firms and labour markets, one practical pathway is productivity. Evidence on workplace health and nutrition programmes identifies two main mechanisms: Improved nutrition and health can reduce sickness-related absenteeism and associated disruption costs and can also reduce presenteeism (being at work but operating below full capacity), improving energy, attention and overall work performance.⁴³ Quak, Ebata & Barnett (2025) also note that reported financial returns vary widely and are often estimated using cost-saving indicators (e.g. health care use and absenteeism), with systematic reviews highlighting mixed results and methodological limitations. It is emphasized that much of the empirical literature on workplace interventions comes from high-income settings, with relatively limited evidence from LMIC contexts, so findings should be interpreted cautiously when extrapolating across settings.

The value of nutrition extends beyond economic efficiency to human capital development and social equity. Women and girls face disproportionate nutritional challenges yet offer the greatest potential for impact: Well-nourished women and girls stay in school longer, have safer pregnancies and earn significantly more throughout their lives.⁴⁴ Maternal nutrition affects not just women themselves but their children’s lifelong development, creating intergenerational benefits. Investment in women’s nutrition, specifically, can generate economic returns as high as \$35 for every \$1 invested.⁴⁵

40 FAO, IFAD, UNICEF, WFP and WHO (2024). The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms. Rome. <https://doi.org/10.4060/cd1254en>

41 World Bank (2017). An Investment Framework for Nutrition.

42 Shekar, M., Okamura Shibata, K., Vilar-Compte, M., Dell-Aira, C., editors (2024). Investment Framework for Nutrition 2024. World Bank <https://openknowledge.worldbank.org/entities/publication/2c0b8b5e-0f67-47fe-9eae-d4707d9ed195>

43 Quak, E-J., Ebata, A., Barnett, I. (2025). A review of the business case for workforce nutrition initiatives. *Front. Public Health Sec. Public Health and Nutrition* Volume 13. <https://doi.org/10.3389/fpubh.2025.1592601>

44 Gendernutritiongap.org. (2024). About - Closing the gap. Closing the Gap. <https://gendernutritiongap.org/about/>

45 World Bank. (2017). An Investment Framework for Nutrition. <https://openknowledge.worldbank.org/bitstream/handle/10986/26069/9781464810107.pdf>



Need for nutrition finance

The economic costs of nutrition-related issues are extremely high, and while financing needs are small in comparison to these costs, ODA flows towards nutrition represent a tiny portion of aid.

Figure 5: Economic cost and financing gap in nutrition



Source: World Obesity (2024). Economic impact of overweight and obesity to surpass \$4 trillion by 2035. <https://www.worldobesity.org/news/economic-impact-of-overweight-and-obesity-to-surpass-4-trillion-by-2035>

World Bank. (2024). Investment Framework for Nutrition 2024. <https://openknowledge.worldbank.org/entities/publication/2c-0b8b5e-0f67-47fe-9eae-d4707d9ed195>

The World Bank's Investment Framework for Nutrition 2024 estimates that to meet maternal, infant and young child nutrition targets, \$10.8 billion is needed annually through 2030, with total nutrition-sensitive needs ranging from \$39–50 billion per year.⁴⁶ ODA underfunding (as seen in Figure 1) exists despite compelling returns on investment, signalling the opportunity for private finance to come in and address this shortfall.

Current level of nutrition finance and sources of finance

Global nutrition financing faces a significant gap between needs and available resources. As previously discussed, the scale of malnutrition demands transformative investment, while current funding is primarily sourced through limited public funding. Understanding the broader landscape requires looking at international and domestic sources of public and private financing in terms of their current contributions towards nutrition outcomes and identifying where the opportunities lie for expansion.

Public domestic finance

Most countries allocate minimal resources to nutrition through sectoral budgets, typically less than 3 percent of national health budgets.⁴⁷ Pre-pandemic analysis of 42 countries revealed that domestic investment either stagnated or declined in many high-burden settings, with nutrition heavily reliant on external assistance. Major challenges include a lack of multisectoral coordination, fragmented nutrition spending buried within broader sector programmes,⁴⁸ and limited accountability/financial-tracking systems, which makes it hard to trace impact or align spending with national targets.⁴⁹

⁴⁶ World Bank. (2024). Investment Framework for Nutrition 2024. <https://openknowledge.worldbank.org/entities/publication/2c0b8b5e-0f67-47fe-9eae-d4707d9ed195>

⁴⁷ Scaling Up Nutrition. (2023). Leveraging nutrition financing to save lives and accelerate the SDGs. <https://scalingupnutrition.org/resource-library/information-notes/leveraging-nutrition-financing-save-lives-and-accelerate-sdgs>

⁴⁸ World Bank (2023). Driving Nutrition Action Through the Budget. <https://www.worldbank.org/en/topic/nutrition/publication/nutrition-action-through-budget>

⁴⁹ Keller, J. M., Eldridge, R. (2025). The Evolving Global Landscape for Nutrition-Specific Financing. Center for Global Development. <https://www.cgdev.org/sites/default/files/evolving-global-landscape-nutrition-specific-financing-taking-stock-moving-forward.pdf>



Countries have begun to adopt multisector nutrition strategies that link health with agriculture, education and social protection. Altogether, over 92 percent of SUN countries hold multisector national nutrition plans, with 78 percent being costed. The Seqota Declaration in Ethiopia (nine ministries, including those responsible for health, agriculture and education),⁵⁰ the NPAN2 in Bangladesh (2016–2025)⁵¹ and the Multi-Sector Nutrition Plan (MSNP)-II in Nepal (2018/19–2022/23)⁵² provide examples of this. However, the financing of these plans stands as the roadblock, with financing mechanisms across SUN countries being identified as universal critical needs.

Domestic financing remains limited and vulnerable to shocks and is the primary source of nutrition financing in just one-fourth of SUN countries, while overall, external grants and loans provide a major source. Recent Center for Global Development analysis reinforces this, highlighting low domestic spending and heavy reliance on volatile external funding for nutrition.⁵³ In Nepal, MSNP implementation notes predominant support from development partners (European Union, UNICEF).⁵⁴ This raises sustainability concerns where programmes are donor-dependent or lack long-term budget commitments. Insufficient budgetary allocation is identified by SUN as a common barrier to integrating nutrition into national systems.

Increasing domestic resource mobilization for nutrition, including through incentives for local value addition in agrifood systems, can both strengthen resilience and expand fiscal space over time. Measures such as nutrition-sensitive industrial policies, targeted tax incentives and budget tagging can help channel more domestic revenue into locally owned nutrition priorities. Additional domestic fiscal space can also come from repurposing agricultural subsidies and earmarking revenues from health-related fiscal measures, such as sugar-sweetened beverage taxes, to fund nutrition priorities.⁵⁵

50 Ministry of Health Ethiopia (n.d.). Seqota Declaration. https://www.moh.gov.et/en/Seqota_Declaration?language_content_entity=en

51 Bangladesh National Nutrition Council, Ministry of Health and Family Welfare, Government of the People's Republic of Bangladesh (2022). Second National Plan of Action for Nutrition (2016-2025). <https://www.carebangladesh.org/storage/app/uploads/public/66b/d99/d53/66bd99d531a71676715362.pdf>

52 Government of Nepal, European Union, UNICEF (2021). Multi-Sectoral Nutrition Plan (MSNP) – II. <https://www.unicef.org/nepal/media/16171/file/MSNP%20II%20-%20Newsletter%20-%20ISSUE%2001.pdf>

53 Keller, J. M., Eldridge, R. (2025). The Evolving Global Landscape for Nutrition-Specific Financing. Center for Global Development. <https://www.cgdev.org/sites/default/files/evolving-global-landscape-nutrition-specific-financing-taking-stock-moving-forward.pdf>

54 Nepal Nutrition and Food Security Portal (n.d.). MNSP. <https://nnfsp.gov.np/navigation/mnsp>

55 Jimoh, H. (2025). How Innovative Finance Can Drive Better Nutrition Outcomes in Africa. Access to Nutrition Initiative. <https://accesstonutrition.org/how-innovative-finance-can-drive-better-nutrition-outcomes-in-africa/>

Public international finance

While remaining the cornerstone of global nutrition funding, currently public flows alone are not enough for transformative impact. Overall ODA for nutrition is already limited, and global flows were increasingly constrained in 2025. Bilateral donors continue to fund nutrition programmes, but volumes are modest. About \$1.6 billion was disbursed to WHA priority interventions in 2022,⁵⁶ about 0.4 percent of total Development Assistance Committee ODA that year (\$211.3 billion).⁵⁷ Of this, only 34 percent of basic-nutrition disbursements were WHA-aligned; the shares were just 1.4 percent for emergency response and 6 percent for food assistance.⁵⁸

Multilateral development banks (MDBs) offer support in the forms of loans and grants for nutrition-sensitive projects, but dedicated, nutrition-specific lending and instruments are a small share of their portfolios. Most support instead flows via broader, nutrition-sensitive operations in agriculture, social protection, WASH or health systems.⁵⁹ More broadly, when development finance institutions (DFIs) invest public funds in food and beverage production and retail, nutrition outcomes (including the healthiness of product offerings) are not consistently tracked. Strengthening outcome tracking would improve accountability and alignment with nutrition objectives.

Despite these shortages, momentum is building. The ADB has announced a \$26 billion expansion (bringing the total to \$40 billion across 2022–2030) for food and nutrition security, including a sizeable private-sector component,⁶⁰ while the World Bank mounted a \$30 billion food and nutrition security package (April 2022 to June 2023),⁶¹ and at Nutrition for Growth 2025, major pledges included \$9.5 billion from the AfDB and \$5 billion from the World Bank towards nutrition.⁶² The United Nations Capital Development Fund (UNCDF) also is deploying blended finance for nutrition supply chains: UNICEF and UNCDF launched the Nutrition Supplier Finance Facility – with support from the Children’s Investment Fund Foundation (CIFF) to provide loans/guarantees to local manufacturers of essential nutrition supplies, including a first \$2.5 million investment in Nigeria.⁶³ In parallel, global mechanisms are working to close gaps: the Global Financing Facility (GFF) channels reproductive, maternal, newborn and child health financing with strong nutrition components,⁶⁴ while UNICEF’s Child Nutrition Fund pools donor resources for procurement and systems. Climate/environment funds like the GCF⁶⁵ now frame food system and health/food/water security result areas, creating opportunities to de-risk private capital alongside MDBs.

With MDB strategies now explicitly highlighting food security and nutrition, coordinated use of their concessional windows, guarantees and blended finance tools, when combined with GFF/United Nations agencies and climate funds, can crowd in private investment for nutrition-positive value chain projects and outcome-linked deals.

56 Results for Development (2024). Tracking aid for the WHA nutrition targets. https://r4d.org/wp-content/uploads/R4D_TrackingAidforNutrition_2024.pdf

57 Prydz, E. B. (2023). Official development assistance (ODA) is increasing, but not at the rate it needs to. World Bank. <https://blogs.worldbank.org/en/opendata/official-development-assistance-oda-increasing-not-rate-it-needs>

58 McCarter, A., Andridge, C., D’Alimonte, M. (2022). Tracking Aid for the WHA Nutrition Targets: Progress Toward the Global Nutrition Goals between 2015 to 2022. Results for Development. <https://r4d.org/wp-content/uploads/2022-A4N-Supplementary-Materials.pdf>

59 Keller, J. M., Eldridge, R. (2025). The Evolving Global Landscape for Nutrition-Specific Financing. Center for Global Development. <https://www.cgdev.org/sites/default/files/evolving-global-landscape-nutrition-specific-financing-taking-stock-moving-forward.pdf>

60 Asian Development Bank (2025). ADB Support for Food Security to Reach \$40 Billion by 2030. <https://www.adb.org/news/adb-support-food-security-reach-40-billion-2030>

61 World Bank (2022). World Bank Announces Planned Actions for Global Food Crisis Response. <https://www.worldbank.org/en/news/press-release/2022/05/18/world-bank-announces-planned-actions-for-global-food-crisis-response>

62 Patel, V. (2025). Nutrition for Growth: Over US\$27B in new funding pledged though large gaps remain. Nutrition Insight. <https://www.nutritioninsight.com/news/n4g-malnutrition-funding-pledge.html>

63 Singal, C. (2025). Beyond credit ratings: How blended finance can unlock African domestic finance for African development. <https://www.uncdf.org/article/8904/beyond-credit-ratings-how-blended-finance-can-unlock-african-domestic-finance-for-african-development>

64 FAO (2012). The State of Food and Agriculture. <https://www.fao.org/4/i2885e/i2885e00.pdf>

65 Global Financing Facility (n.d.). Nutrition: Overview. <https://data.gffportal.org/key-theme/nutrition>



Private domestic finance

Private domestic capital, which is derived from local businesses, cooperatives and informal networks, has yet to be fully leveraged for nutrition. Many smallholders finance their own production (through savings, crop sales and informal or value chain credit). Farmers have been shown in FAO research to be the largest investors in agriculture in developing countries,⁶⁶ while formal finance reaches only a minority of smallholders.⁶⁷ These flows typically cover working capital and subsistence production needs⁶⁸ rather than explicitly targeting broader nutrition outcomes. What remains limited is the volume and structuring of deliberate investment into nutrition-sensitive value chains and services from private domestic actors such as agribusinesses, food processors, retailers and service providers.

Meanwhile, a “missing middle” persists in deal pipelines. The enterprises that most directly shape the availability, safety and affordability of nutritious foods struggle to access appropriate finance and technical assistance. This includes smallholders, aggregators, MSME (micro, small and medium-sized enterprise) processors, cold chain and last-mile distributors. Even well-regarded approaches such as value chain finance reach fewer than 10 percent of smallholders, leaving pipelines shallow where impact is highest.⁶⁹

Local businesses are vital in ensuring nutritious food access, yet their involvement in explicit nutrition-oriented initiatives remains constrained by weak incentives, policy fragmentation and unclear returns. In some contexts, however, blended finance models and risk-sharing facilities have enabled cooperatives and SMEs to engage in areas such as maternal and child health, school feeding or nutrient-fortified agricultural inputs. Pharmacies, clinics and informal vendors also play a role in distributing nutrition products, but their activities are generally unstructured and excluded from formal financial systems. Ultimately, access to capital remains a significant barrier for many local private entities, especially in rural and low-income areas where informal finance dominates and business risk is high.⁷⁰

66 Green Climate Fund (2025). Health, food, and water security. <https://www.greenclimate.fund/results/health-food-water-security>

67 FAO (2012). The State of Food and Agriculture. <https://www.fao.org/4/i2885e/i2885e00.pdf>

68 Center for Strategic and International Studies (2022). Access to Finance for Smallholder Farmers. <https://www.csis.org/analysis/access-finance-smallholder-farmers>

69 Anderson, J., Ahmed, W. (2020). CGAP Smallholder Diaries: Building the Evidence Base with Farming Families in Mozambique, Tanzania, and Pakistan. CGAP. https://bfaaglobal.com/wp-content/uploads/2020/06/CGAP_Smallholder-Diaries.pdf

70 IFC (2014). Access to Finance for Smallholder Farmers. <https://documents1.worldbank.org/curated/en/965771468272366367/pdf/949050WPOBox3800English0Publication.pdf>

Private international finance

Private international financing, sourced from philanthropic foundations, global investors, diaspora remittances and multinational corporations, represents another important channel for global nutrition financing efforts.

Global philanthropies are now committing record sums to nutrition. At the 2025 Nutrition for Growth Summit in Paris, leading foundations and partners announced more than \$2 billion in new investments aimed at scaling proven, cost-effective nutrition interventions.⁷¹ These commitments include the Bill & Melinda Gates Foundation's \$750 million for fortified foods and maternal and child nutrition, the Bezos family's pledge of up to \$500 million for UNICEF's Child Nutrition Fund, and CIFF's \$400 million allocation to high-impact interventions across the lifecycle. Other major pledges came from the Rockefeller Foundation, Kirk Humanitarian, the Aga Khan Development Network, the Eleanor Crook Foundation and others, targeting school meal programmes, prenatal supplementation and climate-resilient nutrition systems.

Other private flows, including impact investing, nutrition bonds and diaspora remittances, remain largely untapped. Private-sector investors have shown minimal engagement in nutrition, with relatively few vehicles that are explicitly nutrition-focused and designed to deliver measurable nutrition impact. The Nutrition Foods Financing Facility (N3F) is one of the most prominent examples, structured as a blended finance "nutrition-focused impact investment fund." Other nutrition-themed investment funds also exist (such as Pictet's nutrition equity fund or BlackRock's, as discussed later in this paper)⁷² but are generally thematic strategies with more limited visibility and comparability of nutrition outcomes and impact measurement.

The Power of Nutrition noted that as of 2023, only two nutrition bonds (with a total mobilization of less than \$500 million) had been issued,⁷³ a miniscule figure when contextualized against \$625.8 billion in green bonds (9,514 issuances) and \$170.9 billion in social bonds (5,555 issuances) in 2024 alone.⁷⁴ More recently, however, we have seen developments such as IFAD's first \$50 million nutrition bond in 2024, showing new issuances in the nutrition debt instrument space.

Diaspora remittances are another significant and important but informal channel, providing vital support to household food and nutrition security in many LMICs.⁷⁵ Yet these flows are not systemically linked to national nutrition strategies or investment frameworks.

71 Clarmondial (2020). Mobilising additional financial resources for nutrition. https://www.clarmondial.com/wp-content/uploads/2020/11/SDC_Financing_Nutrition.pdf

72 Children's Investment Fund Foundation (2025). Global Philanthropic Partners Announce more than \$2 Billion in Funding for Malnutrition. <https://ciff.org/uncategorized/global-philanthropic-partners-announce-more-than-2-billion-in-funding-for-malnutrition/>

73 Pictet (2025). Pictet-Nutrition I EUR.

74 Power of Nutrition (2023). Maximising Resources for Nutrition. https://www.powerofnutrition.org/uploads/general/Innovative_finance.pdf

75 Environmental Finance (2025). Sustainable Bonds Insight 2025. <https://www.environmental-finance.com/content/downloads/sustainable-bonds-insight-2025.html>



Corporate and investor influence

Beyond direct investment, financial-sector actors are expanding engagement through multiple channels that can collectively drive significant nutrition impact.

Investor stewardship and engagement: Asset managers and institutional investors are increasingly engaging with food and beverage companies and retailers in their portfolios on nutrition performance. Examples of this include ATNi's Investors in Nutrition and Health collaborative engagement with food and beverage companies in ATNi's Indexes, including seven investors which publicly pledged to require disclosures based on a government-endorsed nutrient profile model at the 2025 Nutrition for Growth Summit. Advocacy relates to driving healthier product portfolios, improved nutrition disclosures, nutrition governance and management systems, and transparent practices related to marketing to children. Such engagement leverages existing investment relationships to drive systemic change across food systems without requiring new capital deployment.

Shareholder resolutions and governance: Investors are filing shareholder resolutions focused on nutrition-related risks and opportunities, using corporate governance mechanisms to drive change in food company strategies and disclosure practices. An example of this has been seen with a coalition of Nestlé shareholders, holding \$1.68 trillion in assets under management, filing a resolution to set a target for an increased proportion of sales from healthier products in consideration of company regulatory, reputational and legal risks, in addition to public health impacts.⁷⁶ Similar actions have delivered results elsewhere: At Tesco (2021), the investors' health resolution prompted the retailer to set a target of lifting the share of sales from healthier products to 65 percent by 2025.⁷⁷ At Unilever (2022), a shareholder resolution led the company to commit to reporting and setting targets on the healthfulness of its portfolio.⁷⁸ At the policy level, the Fourth International Conference on Financing for Development outcome explicitly calls for more investment to address food insecurity and malnutrition and for an enabling environment that facilitates (and uses public finance to de-risk) private investment in agrifood systems, reinforcing tailwinds for investor stewardship on nutrition.⁷⁹

76 Lücke, M. (2024). Remittances Improve Nutrition and Agriculture in Rural Households. *Welternährung*.

<https://www.welthungerhilfe.org/global-food-journal/rubrics/development-policy-agenda-2030/importance-of-migrant-remittances-for-rural-areas>

77 ShareAction (2024). Shareholders File Health Resolution at Nestlé. <https://shareaction.org/news/shareholders-file-health-resolution-at-nestle>

78 ShareAction (2021). Tesco sets health target in response to shareholder challenge. <https://shareaction.org/news/tesco-sets-health-target-in-response-to-shareholder-challenge>

79 ShareAction (2022). Special healthy diets resolution at Unilever PLC for consideration at 2022 AGM.

<https://shareaction-api.files.svdcn.com/production/resources/reports/Unilever-Resolution-2022.pdf?dm=1716973080>

Gaps limiting investment

This paper so far has discussed that nutrition outcomes can be advanced through both nutrition-specific and nutrition-sensitive investments across the value chain and life course, and that interest from ESG/impact investors and policy lenders is growing. Yet the market is not scaling at the pace or clarity we see in adjacent themes such as climate or health. Below, a series of key gaps are synthesized that present the strongest barriers to ESG/impact investor engagement with nutrition.

1) No common rulebook. Unlike climate, nutrition finance still lacks a widely adopted taxonomy and a small set of decision-useful KPIs that issuers and investors can underwrite and report against. The fact that major investor coalitions have had to publish their own “Investor Expectations on Nutrition, Diets & Health”⁸⁰ underscores this standard-setting gap.

2) KPIs skew to environment rather than diets. Even in food systems sustainable finance, labelled instruments, guidance and deals tend to anchor targets (and pricing levers) to climate and nature outcomes (e.g. conservation, stock management, pollution control, ocean health), while nutrition-relevant outcomes (such as access to nutritious foods, affordability and diet quality) are specified as core targets far less often. ShareAction’s 2025 “Point of No Returns” finds that asset managers’ approaches to public and consumer health are “even further behind”, with many firms relying on engagement statements that do not clearly translate into investment decision rules and with relatively few examples of successful action on public/consumer health compared to other social issues.⁸¹ As a result, nutrition targets are less likely to be designed as pricing-relevant (i.e. specific, verifiable and tied to financial terms), limiting the scale and replicability of nutrition-linked capital markets instruments.

3) Outcomes measurement remains hard to link to deals. While global tools track progress against the WHA/SDG nutrition targets,⁸² translating those outcomes into investment-grade KPIs at project/issuer level is still uncommon, slowing replication and scale.

4) Fragmented and modest public financing. Donor funding for WHA priority interventions is small relative to need and spread across many channels, making co-financing and crowd-in harder. In addition, WHA-linked aid remains limited and has plateaued in recent years.

5) Thin, early-stage product set. Dedicated, nutrition-labelled capital markets products are limited. While limited bond issuances targeting nutrition outcomes have been executed (such as the World Bank Sustainable Development Bond issuances in 2020 and 2021),^{83 84} the IFAD-labelled Nutrition Bond of 2024 was the first of its kind from a major MDB, illustrating how little explicitly nutrition-tied issuance exists today.

6) The “missing middle” in pipelines. As noted in the section of this paper on private domestic capital, core food system SMEs and smallholders lack suitable finance and technical assistance, while value chain finance reaches fewer than 10 percent of smallholders. Ticket size mismatches, limited collateral and weak business planning make many opportunities non-bankable in the eyes of mainstream lenders, keeping high-impact deal flow thin.

For private investors, these gaps are not only sources of friction but also markers of where new products, funds and partnerships can create first-mover advantage and scalable growth, most notably in rapidly urbanizing emerging markets.

80 Fourth international Conference on Financing for Development (2025). Outcome document of the Fourth International Conference on Financing for Development. <https://financing.desa.un.org/sites/default/files/ffd4-documents/2025/Compromiso%20de%20Sevilla%20for%20action%2016%20June.pdf>

81 Access to Nutrition Initiative (2020). Investor Expectations on Nutrition, Diets & Health. <https://acesstonutrition.org/app/uploads/2020/06/Investor-Expectations-on-Nutrition-Diets-and-Health-FINAL.pdf>

82 Sood, A., Grey, C., Vrubleviskis, D., Middleton, J., Collins, M., Warsaw, M. (2025). Point of No Returns 2025: A responsible investment benchmark of 76 of the world’s largest asset managers. ShareAction. https://shareaction-api.files.svdcn.com/production/resources/reports/ShareAction_PONR2025_Final.pdf?dm=1749045243

83 World Health Organization (n.d.). Global Nutrition Targets Tracking Tool. <https://www.who.int/data/nutrition/tracking-tool>

84 World Bank (2020). Nippon Life Invests in World Bank Sustainable Development Bonds and Highlights Support for Nutrition. <https://www.worldbank.org/en/news/press-release/2020/10/21/nippon-life-sdb-nutritio>

Addressing the measurement, reporting and verification challenge through a nutrition taxonomy

To take a first look into delving deeper into the most pressing gaps, this section discusses some of the current impacts that manifest from the systemic hurdles in nutrition finance. As the landscape is evolving, we can see what kinds of issues these gaps are leading to and some of the approaches that can be implemented towards overcoming them.

The emergence of nutrition-focused capital market instruments brings with it the risk of “nutrition-washing”, when companies mislead stakeholders about their nutrition and health impacts (analogous to greenwashing). Research has found that contributing factors to greenwashing in the food industry include advertising, access to information, transparency, knowledge, trust, and labelling,⁸⁵ all of which apply to nutrition-focused financial instruments.

Nutrition-washing in capital markets manifests through impact inflation (overstating nutritional benefits), scope shifting (highlighting improvements in wealthy markets while ignoring deteriorating access elsewhere), metric gaming (selecting favourable measurement criteria), and temporal displacement (emphasizing long-term potential while minimizing current harmful practices).

The absence of a nutrition taxonomy similar to established climate finance taxonomies represents a key barrier to managing these issues and subsequently scaling nutrition investment. With the limitations on investee reporting and dietary data in frontier and emerging markets, this is especially relevant. Investors often need a taxonomy that allows decision-useful measurement using credible proxies for access, affordability and diet quality. However, recent momentum around nutrition assessment and measurement provides an opportunity to move forward in addressing this hurdle. Climate finance has demonstrated how standardized definitions, eligibility criteria and measurement frameworks can enable massive capital mobilization. Taxonomies such as the European Union Taxonomy for Sustainable Activities or the Association of Southeast Asian Nations Taxonomy for Sustainable Finance, for example, provide clear criteria for what constitutes environmentally sustainable economic activities but lack direct nutrition-related considerations.⁸⁶ Meanwhile, the Taskforce on Nature-related Financial Disclosures provides nature-related guidance for food and agriculture⁸⁷ that maps dependencies, impacts, risks and opportunities. In 2025, the Global Reporting Initiative and ISSB publicly stated their intention to develop sector-specific guidance that could have the potential to shape nutrition taxonomy. Such sector guidance has the potential to be adapted to classify nutrition-relevant activities and inform a future nutrition taxonomy. Momentum in baseline sustainability disclosure is also relevant here, as seen with the ISSB proposing amendments to the Sustainability Accounting Standards Board (SASB) Standards, including a comprehensive review of the Processed Foods Standard and targeted amendments across a further 41 industry standards.⁸⁸

The enabling environment challenge

The challenge of nutrition-washing is compounded by fundamental weaknesses in the institutional and regulatory environments where nutrition investment is most needed. Analysis across SUN countries saw health sectors demonstrate the strongest integration of nutrition, yet other critical sectors (namely food systems, social protection, WASH and education) show far weaker coordination and governance structures. Fragile contexts face particularly severe constraints: chronic underfunding, political instability and conflict create conditions where even well-intentioned nutrition investments struggle to achieve measurable impact. Without robust governance frameworks, clear accountability mechanisms and adequate budgetary allocation, capital market instruments lack the institutional foundation necessary to ensure that financing translates into genuine nutritional outcomes rather than simply funding activities tangentially related to food and agriculture.

⁸⁵ World Bank (2021). World Bank and Japanese Investors Highlight Efforts to Support Nutrition through Sustainable Development Bonds. <https://www.worldbank.org/en/news/press-release/2021/12/21/world-bank-and-japanese-investors-highlight-efforts-to-support-nutrition-through-sustainable-development-bonds>

⁸⁶ Hugarha, W. S., Szakos, D., Süth, M., Kasza, G. (2024). Greenwashing in the food industry: A systematic review exploring the current situation and possible countermeasures. Cleaner and Responsible Consumption. <https://doi.org/10.1016/j.clrc.2024.100227>

⁸⁷ European Commission (N.D.) EU Taxonomy for Sustainable Activities. https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

⁸⁸ Taskforce on Nature-related Financial Disclosures (2024). Additional Sector Guidance – Food and Agriculture. <https://tnfd.global/wp-content/uploads/2024/06/Additional-Sector-Guidance-Food-and-Agri.pdf>

Foundational elements for a nutrition taxonomy

Despite these institutional and regulatory gaps, recent developments in nutrition measurement and assessment provide key building blocks that could support the development of a nutrition taxonomy. The SDG 2 indicator on minimum dietary diversity introduced in 2025 provides a standardized global metric to enable universal benchmarking. ATNi's Global Access to Nutrition Index has pioneered systematic corporate nutrition assessment, evaluating food and beverage companies on nutrition governance, product formulation, reporting on portfolio healthiness, affordability, labelling, workforce nutrition and marketing practices. The 2024 edition assessed 30 of the largest food and beverage manufacturers in the world on their performance in improving nutritious foods access, constituting 23 percent of global market share.⁸⁹ However, the latest benchmarks show poor performance. ATNi's 2024 Global Index finds that companies derive only 34 percent of sales from "healthier" products, just 30 percent meet a 50 percent healthier-sales target, no company fully bans the marketing to children of unhealthy foods, and just 30 percent have affordability strategies for lower-income consumers.⁹⁰ Similarly, the World Benchmarking Alliance's Food and Agriculture Benchmark, which assesses corporate performance against nutrition and sustainability targets,⁹¹ concluded that most large companies are not taking sufficient action; the average score is 17 out of 100, and over one-third (120 of 350) of companies score 0–10 out of 100.⁹²

Recent integration efforts of these measurement frameworks are beginning to bring nutrition-specific criteria to mainstream financial market infrastructure through incorporation into established rating systems. The March 2025 addition of nutrition metrics based on ATNi benchmarks to S&P Global's Corporate Sustainability Assessment represents a significant step towards mainstreaming nutrition assessment.⁹³ FTSE Russell, Institutional Shareholder Services Inc. and ISSB are also incorporating or piloting ATNi indicators, suggesting broader recognition of the need for nutrition-specific measurement frameworks.

Fully realizing these frameworks requires aligning capital market incentives within ESG and making food security and nutrition explicit criteria for investment and reporting.⁹⁴ Adopting a food security and nutrition lens, considering its inherently intersectoral nature, can bridge climate, health and economic agendas. Major financiers already track nutrition through internal results frameworks: the World Bank and IFAD monitor diet quality and related outcomes using recognized measures such as Women's/ Minimum Dietary Diversity (WDD/MDD-W) and the cost/affordability of a healthy diet, which now underpins an SDG 2 indicator. Embedding these metrics in investment design, reporting and incentive structures – while also highlighting both the short- and long-term returns of nutrition – would help reform the financing architecture and mobilize capital at the necessary scale to close current gaps.⁹⁵ Experience from climate finance also shows that even the most sophisticated taxonomies and reporting frameworks do not by themselves guarantee that capital reaches vulnerable populations. To achieve this, taxonomy development needs to move in parallel with pipeline development, local intermediation and incentives that favour investments serving high-need communities.

89 IFRS (2025). Supplemental reference material – List of SASB Standards being amended. <https://www.ifrs.org/content/dam/ifrs/project/enhancing-the-sasb-standards/sasb-ed-2025-1-table-list.pdf>

90 Access to Nutrition Initiative (2024). Global Index 2024. <https://accesstonutrition.org/index/global-access-to-nutrition-index/>

91 Access to Nutrition Initiative (2024). Global Index 2024. <https://accesstonutrition.org/index/global-access-to-nutrition-index/>

92 World Benchmarking Alliance (2023). Food and Agriculture Benchmark: Nutrition. <https://www.worldbenchmarkingalliance.org/publication/food-agriculture/rankings/nutrition/>

93 World Benchmarking Alliance (2024). 2023 Food and Agriculture Benchmark: Insights Report. <https://assets.worldbenchmarkingalliance.org/app/uploads/2024/04/2023-Food-and-Agriculture-Insights-Report.pdf>

94 Garrett, G. S. (2025). ATNi Secured a Win for Markets and Nutrition. ATNi. <https://accesstonutrition.org/news/atni-secured-a-win-for-markets-and-nutrition/>

95 Garrett, G.S. (2024). How can financial markets help tackle the unhealthy food crisis? World Economic Forum. <https://www.weforum.org/stories/2024/01/financial-markets-help-tackle-unhealthy-food/>



Challenges in nutrition product identification

Unlike climate finance, where taxonomies and metrics steer capital, nutrition finance lacks common definitions and decision rules. Without agreed criteria that link nutritional quality, affordability and access to real-world health outcomes, many “nutrition” products default to broad, issuer-defined labels (such as revenue from “nutrition-related” lines), which can include companies whose offerings do little for vulnerable populations.

By contrast, health-sector financing mechanisms such as Gavi’s International Finance Facility for Immunisation links capital flows to specific health outcomes for targeted populations,⁹⁶ while development impact bonds for maternal and child health explicitly tie returns to measurable improvements in vulnerable groups.⁹⁷ These models demonstrate how clear identification criteria (namely specifying who benefits and what outcomes matter) can direct resources towards genuine impact, a standard largely absent in nutrition product definitions.

BlackRock’s Global Nutrition Fund illustrates the definitional challenges. The fund invests globally “at least 70 percent of its total assets in the equity securities of companies engaged in any activity forming part of the food and agriculture value chain, including packaging, processing, distribution, technology, food and agriculture related services, seeds, agricultural or food-grade chemicals and food producers”, with a focus on “promoting healthy and sustainable eating choices, delivering efficiencies across global food supply chains, and enabling less resource intensive farming”.⁹⁸ It further requires that companies contribute either through “minimum proportion of the issuer’s business activity” or “business practices” that support environmental and social objectives, with a threshold of “more than 20 percent of its revenue attributable to products and/or services” mapped to these objectives.

However, such instruments face a fundamental challenge in ensuring that funding goes to beneficial and non-harmful investments. The BlackRock fund defines its universe broadly as companies that prioritize shifting consumer preferences towards nutrition, which permits investment in large multi-national food corporations that, while active in the “nutrition” space, may not prioritize accessible, affordable nutrition for vulnerable populations. Its strategy of investing across the entire food and agriculture value chain also raises questions about whether gains in processing efficiency or agricultural chemicals necessarily translate into improved nutrition outcomes for those most at risk.

Market recognition and future potential

A first review of the materiality of nutrition, completed by ATNi in 2024, found that the case for healthier foods and nutrition is only now emerging. While there is an association between companies with healthier food product portfolios and higher profitability in comparison to their unhealthy peers, poor disclosure and a general lack of information observed constitutes a risk for investors and makes definitive conclusions difficult – indicating a need for greater study and analysis.⁹⁹ However, a growing community of more than 80 institutional investors has committed to integrate nutrition into investment approaches,¹⁰⁰ indicating market appetite for clearer guidance.

These developments create components that could inform an all-encompassing nutrition taxonomy: standardized metrics, taxonomy, corporate assessment frameworks, investor demand and integration pathways into existing financial infrastructure. This provides the opportunity to capitalize on market interest and direct capital towards genuine nutrition outcomes, overcoming nutrition-washing challenges and acting to then close the current financing gaps and scale investment into addressing nutrition challenges.

96 Garrett, G. S. (2024). An Investment Conundrum – Why Are Nutrition’s High Investment Returns Ignored? Impakter. <https://impakter.com/an-investment-conundrum-why-are-nutrition-high-investments-returns-ignored/>

97 Gavi (n.d.). International Finance Facility for Immunisation. <https://www.gavi.org/investing-gavi/innovative-financing/iffim>

98 Palandjian, T. (2017). Financing Outcomes through Social Impact Bonds. Nonprofit Finance Fund, Federal Reserve Bank of San Francisco. <https://investinresults.org/chapter/financing-outcomes-through-social-impact-bonds.html>

99 BlackRock (2025). BlackRock Nutrition Fund. <https://www.blackrock.com/hk/en/products/229904/blackrock-world-agriculture-fund-a2-usd>

100 ATNi, GAIN, Planet Tracker (2024). Materiality of Nutrition Are Financial Markets Missing the Value of Healthy Food? <https://planet-tracker.org/wp-content/uploads/2024/06/Materiality-of-Nutrition.pdf>



The “missing middle” in nutrition finance

Evidence from SME finance highlights a persistent “missing middle” in the capital market. The International Finance Corporation estimates that in emerging markets and developing economies, the MSME finance gap is around \$5.7 trillion, even though MSMEs account for over 90 percent of firms and a major share of employment and gross domestic product.¹⁰¹ This gap is especially acute for enterprises that are too large for microfinance but too small, young or risky for commercial banks and mainstream investors. They typically require flexible tickets in the tens or hundreds of thousands of dollars, while many sustainable investment vehicles are structured around much larger minimum deal sizes, which makes due diligence and transaction costs disproportionate to the capital deployed.

Experience from climate finance points to a similar pattern. Recent analysis of climate-smart SMEs finds that many climate finance instruments have minimum ticket sizes in the range of €200,000 to €2 million,¹⁰² which is beyond the growth and scale projections of most climate-oriented SMEs. This leaves a large segment of high-impact enterprises effectively excluded from suitable finance, reinforcing the “missing middle” problem.

¹⁰¹ ATNi (2025). Embedding Nutrition in Financial Markets. <https://accesstonutrition.org/investor-signatories/>

¹⁰² International Finance Corporation (2025). MSME Finance Gap. https://www.smefinanceforum.org/sites/default/files/Data%20Sites%20downloads/IFC%20Report_MAIN%20Final%203%202025.pdf

The same risk applies in nutrition finance. Without structures designed to reach this “missing middle”, nutrition-aligned capital is likely to gravitate towards large corporates and sovereign issuers that can meet disclosure and reporting requirements, while SMEs, farmer organizations, local processors and service providers that shape diets and access to nutritious food remain underfinanced. Drawing on lessons from climate finance, addressing this gap will require intermediaries that can bundle smaller deals, blended finance facilities that can absorb higher risk, and technical assistance to build pipelines of investable opportunities, so that emerging nutrition taxonomies and KPIs translate into real outcomes for vulnerable populations.

Capital market instruments for nutrition finance

Capital markets have increasingly embraced sustainable finance instruments, with nutrition-focused investments gaining momentum alongside broader ESG strategies. However, examination reveals significant gaps between financial innovation and actual nutrition outcomes, particularly concerning whether instruments genuinely advance nutritional goals or simply provide alternative funding channels for established players. A similar pattern can be seen in climate finance: The introduction of taxonomies, disclosure frameworks and KPIs has helped drive large volumes of capital into labelled products, yet allocation remains highly uneven. The Climate Policy Initiative indicates that around 84 percent of global climate finance is concentrated in East Asia and the Pacific, Western Europe and North America, while least developed countries receive less than 3 percent and Africa around 3 percent.¹⁰³ This experience shows that taxonomies and KPIs are necessary but not sufficient to ensure equitable allocation of capital to vulnerable populations. This is a risk that nutrition finance must confront explicitly if it is to benefit those most affected by malnutrition.

At present, there also is a structural disconnect between tools that help investors and multinational companies label products and portfolios as aligned with nutrition and programmes that deliver concrete improvements in diets in LMICs, which are still largely funded by public and philanthropic finance. Without stronger collaboration and co-design between corporate issuers, development actors and country platforms, there is a risk that nutrition finance scales as a labelling exercise in global markets while underfunding persists where malnutrition is most severe.

Blue bonds demonstrate how capital markets can engage with nutrition-relevant sectors through innovative financing mechanisms. These debt instruments finance marine- and ocean-based projects with positive environmental benefits, including sustainable fisheries that contribute significantly to global nutrition.¹⁰⁴ Research demonstrates that fisheries are crucial in global food security (providing 15 percent of animal proteins and 6 percent of total worldwide proteins),¹⁰⁵ while the fisheries and aquaculture sector is vital to food security and nutrition for millions of African people.¹⁰⁶ However, most labelled blue bonds and market guidance set KPIs around ocean health and conservation, not nutrition access or affordability. For example, the Seychelles sovereign blue bond channels proceeds to marine protection and fisheries management,¹⁰⁷ and leading guidance from International Capital Market Association (ICMA), the United Nations Environment Programme Finance Initiative, ADB¹⁰⁸ and International Finance Corporation¹⁰⁹ frames eligible uses/KPIs largely in environmental terms. This creates a market gap that could be an opportunity: Adding nutrition KPIs (such as reduced post-harvest fish loss, increased availability/affordability of nutrient-dense fish in low-income markets, or verified improvements in diet diversity) would let blue bonds support nutrition-relevant infrastructure and systems while retaining their environmental objectives.

103 SEED (2024). SEED Climate Finance Flagship Report. <https://seed.uno/articles/reports/climate-finance-report>

104 Climate Policy Initiative (2023). Global Landscape of Climate Finance 2023. <https://www.climatepolicyinitiative.org/wp-content/uploads/2023/11/Executive-Summary-I-Global-Landscape-of-Climate-Finance-2023.pdf>

105 Thompson, B. S. (2022). Blue Bonds for Marine Conservation and a Sustainable Ocean Economy: Status, Trends, and Insights from Green Bonds. *Marine Policy* Volume 144. <https://doi.org/10.1016/j.marpol.2022.105219>

106 FAO (2024). The State of World Fisheries and Aquaculture 2024 – Blue Transformation in action. Rome. <https://doi.org/10.4060/cd0683en>

107 World Economic Forum (2019). Blue Bonds: What they are, and how they can help the oceans. <https://www.weforum.org/stories/2019/06/world-oceans-day-blue-bonds-can-help-guarantee-the-oceans-wealth/>

108 World Bank (2018). Seychelles: Introducing the World's First Sovereign Blue Bond - Mobilizing Private Sector Investment to Support the Ocean Economy. <https://thedocs.worldbank.org/en/doc/242151559930961454-0340022019/original/CasestudyBlueBondSeychellesfinal672019.pdf>

109 International Capital Market Association, UNEP, IFC, Asian Development Bank (2023). Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide. <https://www.adb.org/publications/bonds-finance-sustainable-blue-economy-practitioners-guide>

Part II

Case studies of nutrition-related financial products



Part II: Case studies of nutrition-related financial products

Blended finance: Nutritious Foods Finance Facility, sub-Saharan Africa

The N3F is a pioneering blended finance vehicle launched by GAIN and Incofin Investment Management in December 2023 to increase access to safe, nutritious and locally produced foods through SME investment. It has the goal of generating more than 514 million servings of nutritious food to benefit more than 7 million lower-income people over a decade.¹¹⁰ The fund has committed to financing 60 nutritious food SMEs across over 15 countries in sub-Saharan Africa.¹¹¹ It combines commercial capital with catalytic capital, paired with technical assistance and nutrition impact measurement tools. Each company selected by the N3F receives debt financing between \$500,000 and \$1 million to scale up production.

The N3F is built on three components that combine financing with targeted support and learning to accelerate the growth and impact of nutrition-focused SMEs.

The N3F Fund

Managed by Incofin Investment Management, the N3F Fund is an impact-first blended finance vehicle. It provides debt financing to SMEs that produce or distribute safe, nutritious and affordable foods for local consumers across sub-Saharan Africa. The fund is designed to unlock private capital by de-risking investments while embedding nutrition outcomes at the core of its investment strategy. GAIN provides technical leadership on nutrition criteria and impact measurement.

Technical assistance

Managed by GAIN, the technical assistance facility offers tailored support to SMEs receiving financing from the N3F Fund. This component helps SMEs become more efficient, resilient and impactful in meeting the dietary needs of low-income consumers. It focuses on two key areas:

- business performance – strengthening SME operations through improved management practices, business planning and strategy development; and
- impact enhancement – supporting product reformulation, labelling, food safety and supply chain upgrades to maximize nutrition impact, promote gender equity and improve environmental performance.

Monitoring, evaluation and learning

Also led by GAIN, the monitoring, evaluation and learning component focuses on developing and validating metrics and tools for identifying and assessing nutrition-sensitive investments, tracking performance and social impact. It includes evidence generation, knowledge-sharing and convening stakeholders to promote best practices and influence broader investment trends in the nutrition finance space.

¹¹⁰ International Finance Corporation (2025). Guidelines for Blue Finance. <https://www.ifc.org/en/insights-reports/2025/guidelines-for-blue-finance>

¹¹¹ Incofin (2024). Nutritious Foods Financing Facility (N3F). <https://incofin.com/nutritious-foods-financing-facility/>

Featured investment: Shalem Investment Ltd

The first beneficiary supported by the N3F, Shalem Investment Ltd, is a woman-founded and -led agribusiness based in Meru County, Kenya. Shalem operates across the grain value chain, from contract farming with smallholder farmers to milling and distributing nutrient-rich food products, including fortified flour and pre-cooked beans. With the N3F investment, Shalem is expanding its production of fortified food, improving post-harvest storage and reaching low-income consumers with affordable, healthy options. Ahead of N3F investment, Shalem was already supporting more than 40,000 smallholder farms in 2021, with 74 percent of those selling produce to Shalem being women, and boosting their incomes by an average of \$240 annually.¹¹² The result has been price stability for these smallholders through linkage to larger markets and the provision of affordable and nutritious food for vulnerable people in the region. With N3F financing, Shalem can scale and reach more farms and achieve increased impacts on livelihoods and the availability of nutritious foods.

Mechanics of the instrument

The N3F is a practical example of how a blended finance facility can be leveraged to mobilize capital into underinvested areas – in this case, nutrition-sensitive SMEs in sub-Saharan Africa. Blended finance itself is the strategic use of concessional finance to de-risk investments and attract private-sector participation in sectors or regions that are typically seen as high risk or low return.

The OECD defines blended finance as “the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries”, with the phrase “additional finance” referring to commercial finance.¹¹³

Blended finance itself is not a new funding instrument but rather a structuring approach designed to bridge investment gaps in areas such as health, climate, biodiversity and, more recently, nutrition.

Blended finance enables capital providers with different risk–return expectations to invest side-by-side through a structured capital stack. In the N3F, blended finance plays a key role in bridging the financing gap for SMEs producing and distributing safe, nutritious and affordable foods, which often fall outside the mandate of traditional commercial lenders. The structure of capital tranches are as follows:

Tranche	Capital provider	Risk level	Return expectation	Function
Junior/First-Loss	Public donors	Highest	Concessional or 0%	Absorbs first losses to protect senior investors and attract private capital
Mezzanine	Impact-oriented investors	Moderate	Below market or moderate	Balances risk and return, often linked to performance
Senior	Institutional and commercial investors	Lowest	Market rate	Receives repayment first; low-risk exposure but impact focused

¹¹² GAIN (n.d.). Nutrition Investing. <https://www.gainhealth.org/impact/programmes/thriving-nutrition-enterprise/nutrition-investing>

¹¹³ Common Fund (2022). Supporting Kenyan Smallholders to Thrive. <https://common-fund.org/supporting-kenyan-smallholders-thrive>



Public and donor concessional capital, such as the \$1 million from the United States Agency for International Development to the N3F,¹¹⁴ is used to absorb early losses in the first-loss tranche, providing essential risk coverage and signalling public commitment to the fund’s mission. The mezzanine layer, when included, allows for further risk-sharing and potential upside participation. The senior tranches attract commercial investors who prioritize financial returns but are open to aligned social impact.

General benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Unlocks private investment into nutrition-focused SMEs • De-risks high-impact but underserved sectors through capital layering • Provides tailored technical assistance to enhance SME performance • Aligns financial returns with measurable social outcomes • Enables scalable, replicable financing models for development 	<ul style="list-style-type: none"> • Enables SMEs to scale the production of fortified and nutrient-dense foods • Improves the affordability and distribution of nutritious foods for low-income consumers • Screens and monitors investments using nutrition-specific metrics • Strengthens the capabilities of SMEs to deliver sustained nutrition impact across value chains

Trust fund: Global Financing Facility multi-stakeholder country platform for nutrition and health

The GFF is a country-led, catalytic financing platform launched in 2015 to close the \$33 billion annual gap in financing for reproductive, maternal, newborn, child and adolescent health and nutrition in low-income countries (LICs) and LMICs.¹¹⁵ Hosted by the World Bank, the GFF supports governments in developing investment cases and aligns domestic budgets, donor contributions and private-sector resources to scale high-impact, nutrition-sensitive health services, with a strong emphasis on results-based financing and universal health coverage.¹¹⁶ An additional \$14 million was allocated to technical assistance and capacity-building for nutrition. This blended financing approach enables governments to lead and sustain multisectoral investments that strengthen health systems and address key bottlenecks affecting maternal and child nutrition.

The overall goal of the GFF is directly aligned with the United Nations SDG targets for:

reducing the maternal mortality ratio to less than 70 per 100,000 live births

- reducing the under-5 mortality rate to at least as low as 25 per 1,000 live births
- reducing the neonatal mortality rate to at least as low as 12 per 1,000 live births
- ensuring universal access to sexual and reproductive health services
- achieving universal health coverage
- achieving internationally agreed targets for stunting and wasting

¹¹⁴ OECD (2018). OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals. https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/12/oecd-dac-blended-finance-principles_898d3549/dc66bd9c-en.pdf

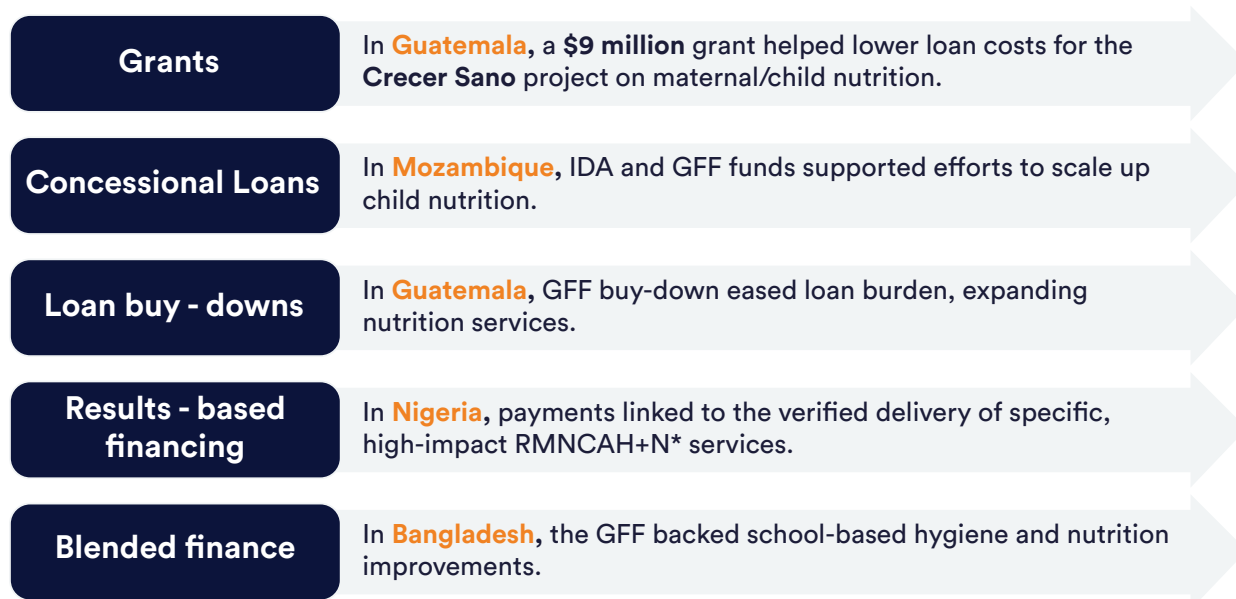
¹¹⁵ Bove, R. (2022). The Nutritious Foods Financing Facility (N3F): Pioneering Nutrition Financing. <https://nutritionconnect.org/news-events/nutritious-foods-financing-facility-n3f-pioneering-nutrition-financing>

¹¹⁶ Global Financing Facility (n.d.). Frequently Asked Questions. https://www.globalfinancingfacility.org/sites/gff_new/files/FAQs_EN_Web.pdf

Mechanics of the facility

The GFF itself is a partnership that supports and acts as a catalyst to mobilize the necessary financial resources from partners, ranging from international development organizations, the public sector, the private sector and philanthropies. Meanwhile, the GFF Trust Fund is the monetary arm of the GFF that provides financing to countries for their nutrition investment needs, linked to projects funded by the International Development Association (IDA) or the International Bank for Reconstruction and Development (IBRD). The GFF Trust Fund leverages the World Bank Group's expertise to efficiently support countries in achieving results in reproductive, maternal, newborn, child and adolescent health and nutrition.

The GFF disbursement hand operates via several interventions:^{117 118}



*Reproductive, Maternal, Newborn, Child, Adolescent Health and Nutrition

The facility's mechanism of resource mobilization combines donor grants, concessional loans, domestic funding and aligned development assistance. Through the GFF Trust Fund, donor contributions are used to unlock larger volumes of IDA/IBRD co-financing – typically at a 1:6 ratio. Countries are also supported in increasing domestic health spending, expected to mobilize over \$18 billion by 2030. In parallel, the GFF coordinates partner funding, bringing in nearly \$39 billion in aligned assistance. Together, these efforts are projected to reduce the financing gap in reproductive, maternal, newborn, child and adolescent health and nutrition from \$33.3 billion in 2015 to \$7.4 billion by 2030.¹¹⁹

Impact and use of proceeds¹²⁰

The GFF delivers measurable impact by channelling funds into country-led nutrition strategies that strengthen health systems and expand access to services. GFF monitoring and reporting are anchored in a four-tier measurement framework aligning with its 2021–2025 strategy.¹²¹ At the core of the model is country-led monitoring through an investment case, defining priorities and results frameworks tailored to national contexts. The GFF then tracks a set of standardized core indicators across all countries, covering impact, outcomes and strategic performance, which are then compiled into annual progress assessments. These are visualized in the public GFF Data Portal.¹²² The GFF supports real-time data use through initiatives that enhance country capacities for data collection, rapid-cycle analytics and evidence-based decision-making. KPIs are then used to assess how GFF activities contribute to its strategic directions, which track implementation stages and are reviewed regularly.

117 GFF (2024). Annual Report 2023-2024. <https://www.globalfinancingfacility.org/sites/default/files/GFF-annual-report-2023-2024-final-digital.pdf>

118 Global Financing Facility (n.d.). Resource Mobilization Presentation. https://www.globalfinancingfacility.org/sites/gff_new/files/documents/Resource%20Mobilization_EN.pdf

119 Global Financing Facility (n.d.). Fact Sheet Nutrition.

https://www.globalfinancingfacility.org/sites/gff_new/GFF-Annual-report/pdf/GFF-CreativeBrief_Nutrition_EN_Final_Web.pdf

120 Global Financing Facility (n.d.). Country Profile: Nigeria. <https://data.gffportal.org/country/nigeria#3364>

121 Global Financing Facility (2016). Frequently Asked Questions. https://www.globalfinancingfacility.org/sites/gff_new/files/documents/GFF%20FAQ.pdf

122 Global Financing Facility (2021). Global Financing Facility for Women, Children and Adolescents (GFF). https://jcie.org/wp-content/uploads/2021/12/GFF_Nutrition_full_ENG.pdf

The following examples from Cambodia, Indonesia and Rwanda show how proceeds have improved maternal and child nutrition outcomes:

- **Cambodia – Cambodia Nutrition Project.** Launched in 2019, the Cambodia Nutrition Project is supported by a \$10 million GFF grant and co-financed by the World Bank, KfW and the governments of Australia and Cambodia. The programme focuses on maternal and child undernutrition, integrating nutrition into primary health systems. Between 2018 and 2020, child growth monitoring increased by 26 percent, and micronutrient supplementation among pregnant women rose from 80 percent to 89 percent. From 2010 to 2014, stunting dropped from 39.9 percent to 32.4 percent, and wasting fell from 10.9 percent to 9.6 percent. The GFF supported policy coordination, supply chain strengthening and community-based delivery improvements.
- **Indonesia – Investing in Nutrition and Early Years.** The StraNas stunting programme in Indonesia, backed by the GFF with \$20 million linked to a \$400 million World Bank project, scaled a multisectoral national strategy to combat undernutrition. Between 2018 and 2019, stunting fell from 30.8 percent to 27.7 percent, while moderate to severe wasting dropped from 10.2 percent to 7.4 percent. The GFF supported decentralized implementation via national “stunting summits” and strengthened coordination across sectors. Village-level nutrition package coverage rose from 25 percent to 45 percent, and budget incentives were used to improve subnational delivery and the tracking of results.
- **Rwanda – Stunting Prevention & Resilience Strengthening.** The GFF co-financed the Stunting Prevention and Reduction Project in Rwanda with a \$10 million grant, alongside World Bank and The Power of Nutrition support. Between 2014 and 2019, stunting dropped from 37.9 percent to 33.1 percent. The GFF also contributed \$8 million to the Strengthening Social Protection Project, incorporating innovations in health, nutrition and civil registration. Community malnutrition screening coverage rose from 79 percent in 2019 to 86 percent in 2020, while early breastfeeding within one hour of birth improved by 15 percent, and fortified food access rose by 3.3 percent. Cash transfers and performance-based financing were used to protect gains during COVID-19 disruptions.



Benefits	Key nutrition impacts ¹²³
<ul style="list-style-type: none"> • Aligns domestic, external and private financing behind country-led priorities • Catalyses up to seven times more financing by linking grants to IDA/IBRD investments • Supports investment cases with performance-based financing and strong accountability • Provides catalytic grants and technical support to strengthen national capacity • Promotes the efficient use of domestic resources and reduces fragmentation • Facilitates donor coordination and alignment around shared goals 	<ul style="list-style-type: none"> • Scales up the delivery of high-impact nutrition services • Expands access to nutrition for women, children and adolescents in underserved areas • Integrates nutrition into universal health coverage and maternal-child health platforms • Helps reduce stunting, wasting and anaemia through targeted country investment cases • Funds nutrition-specific tools: micronutrients, therapeutic foods and growth monitoring

Bond: IFAD Nutrition Bond

In 2023, IFAD, in partnership with Zenkyoren (Japan National Mutual Insurance Federation of Agricultural Cooperatives), launched the first-ever \$50 million Nutrition Bond, a pioneering debt instrument aimed at mobilizing finance to improve food security and nutrition through investments in small-scale farmers and rural food systems.

Structured as a sustainable development bond, the Nutrition Bond marks a significant innovation in how nutrition outcomes can be financed, tapping into global capital markets to support the food nutrition nexus.



¹²³ Global Financing Facility, International Bank for Reconstruction and Development, The World Bank (2021-2025) (2024). Global Financing Facility Measurement Framework (2021-2025). <https://www.globalfinancingfacility.org/sites/default/files/GFF-Measurement-Framework-V4.pdf>



“Nutrition is one of IFAD’s four cross-cutting thematic commitments, as a ‘nutrition lens’ is applied to design and implementation of investments in agriculture, supporting rural people to improve their diets by growing and consuming diverse, nutritious, safe and affordable foods.”¹²⁴—IFAD

Funds from the bond will be used to integrate nutrition into IFAD-funded programmes and scale nutrition in alignment with IFAD’s 2025–2027 Sustainable Development Finance Framework (SDFF). The primary objectives of the bond include:

- **Integrating nutrition into agricultural investments**, ensuring that bond proceeds are used for addressing malnutrition in at least 60 percent of IFAD financed agriculture developments projects¹²⁵
- **Addressing malnutrition holistically**, tackling the underlying causes of malnutrition such as inadequate health care, suboptimal feeding practices and poor sanitation
- **Strengthening local food systems**, supporting small-scale farmers in producing diverse, nutritious and safe foods, thereby improving dietary diversity and food security
- **Empowering vulnerable groups**, focusing on initiatives that benefit women and youth in rural areas, enhancing their roles in nutrition-sensitive agricultural value chains

Mechanics of the instrument

The Nutrition Bond operates as a \$50 million fixed-income security under the SDFF, with IFAD issuing to Zenkyoren. IFAD issues bonds in compliance with the ICMA Sustainability Bond Guidelines and, across its issuances, targets 16 out of the 17 SDGs.¹²⁶ The SDFF’s alignment with the ICMA guidance is based on the components pertaining to bond issuance of:¹²⁷

- 1) use of proceeds
- 2) process for project evaluation and selection
- 3) management of proceeds
- 4) reporting

¹²⁴ GFF (2025). Monitoring Results for Impact. <https://data.gffportal.org/>

¹²⁵ Global Financing Facility (n.d.). GFF Facts. https://www.globalfinancingfacility.org/sites/gff_new/files/documents/Nutrition_GFFfacts.pdf

¹²⁶ Food Business Middle East & Africa (2024). IFAD, Zenkyoren partner in USD\$50M nutrition bond to enhance nutrition, food security. <https://www.foodbusinessafrica.com/ifad-zenkyoren-partner-in-us50m-nutrition-bond-to-enhance-nutrition-food-security/>

¹²⁷ Food Business Middle East & Africa (2024). IFAD, Zenkyoren partner in USD\$50M nutrition bond to enhance nutrition, food security. <https://www.foodbusinessafrica.com/ifad-zenkyoren-partner-in-us50m-nutrition-bond-to-enhance-nutrition-food-security/>

This is to ensure that the desired impact outcomes are achieved through transparency and accountability across the issuance process. For the Nutrition Bond, the proceeds are earmarked for projects that have explicit nutrition objectives. This structure aligns with thematic bonds such as green and social bonds, similarly, directing investments towards specific sustainable development outcomes.

Benefits	Challenges
<ul style="list-style-type: none"> • Innovative financing mechanism: The Nutrition Bond represents a novel approach to funding nutrition initiatives, potentially serving as a model for other DFIs • Mobilization of private capital, leveraging it for public good and expanding the resources available for development projects • Alignment with global goals through targeting SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-being), and SDG 13 (Climate Action) 	<ul style="list-style-type: none"> • Impact measurement is complex, and establishing robust metrics to assess the direct impact of funded projects on nutrition outcomes remains a challenge • Scaling up: The replication and expansion of the Nutrition Bond model requires building investor confidence and demonstrating tangible results, reinforcing the importance of effective impact measurement • Market awareness: As this is a relatively new financial instrument, it is necessary to raise understanding among potential investors about the benefits and structure of nutrition bonds

Debt swap: Mozambique school feeding programme

In 2017, Mozambique and the Russian Federation entered into a debt-for-development swap agreement, which converted \$40 million of debt owed by Mozambique into funding for nutrition in the form of school meals for children.¹²⁸ This innovative financial arrangement, facilitated by the WFP, represents one of the largest debt swaps in the organization’s history.

The debt swap worked to firstly alleviate the debt burden of Mozambique to the Russian Federation, freeing up resources for critical development projects. Funds were then used to expand the National School Feeding Programme (Programa Nacional de Alimentação Escolar), providing nutritious meals to schoolchildren across Mozambique. This form of nutrition-focused spending further acts as an investment in human capital by improving health and education outcomes, thereby contributing to broader socioeconomic development. Programme outcomes included:

- Approximately 150,000 schoolchildren received daily nutritious meals over a five-year period.¹²⁹
- Educational outcomes were enhanced, with regular school meals contributing to improved attendance, concentration and overall academic performance among students.
- Community engagement through the involvement of local communities in food preparation and distribution, fostering ownership and sustainability

¹²⁸ IFAD (2024). Investors. <https://www.ifad.org/en/web/guest/investors>

¹²⁹ IFAD (2023). IFAD’s Sustainable Development Finance Framework. <https://www.ifad.org/documents/d/guest/ifad-sustainable-development-finance-framework-2023>



Access to regular and balanced meals addresses issues of malnutrition and micronutrient deficiencies among school-aged children.

Mechanics of the instrument

The debt-for-development swap saw the Russian Federation agree to waive \$40 million of public debt owed by Mozambique in return for a commitment to allocating an equivalent amount of local money for funding local development projects, specifically targeting nutrition and education through the school feeding programme. Such mechanisms provide an avenue for increased development spending without incurring additional national debt burdens or increasing taxes.

The WFP collaborated with the Government of Mozambique to design and implement the expanded programme, ensuring the effective use of funds. The \$40 million was earmarked for a five-year period, during which \$8 million was transferred annually to WFP. Subsequently, it was planned that the government gain the capacity to fund and manage the programme independently after the conclusion of the period.¹³⁰

Negotiations on the swap began in 2013, with the initial notion of the Russian Federation waiving Mozambican debt in exchange for a commitment to invest in development, which led to the Russian Federation and the WFP moving forward with a debt swap plan the next year. Project design and implementation negotiations began in 2015 and spanned two years, with WFP acting as facilitator for discussions. Ensuring effective impact without inefficiency and corruption factors undermining results was a key challenge of the negotiation process, and the existing operations of the food programme, along with its supply chain, were contributing factors to addressing it. This highlights the importance of project selection for such financing mechanisms to achieve the desired outcomes.

¹³⁰ WFP (2017). Russia Debt-For-Development Initiative to Support School Meals in Mozambique. Reliefweb. <https://reliefweb.int/report/mozambique/russia-debt-development-initiative-support-school-meals-mozambique>

Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • The swap provided Mozambique with financial relief, resulting in sufficient fiscal space to invest in social programmes without increasing its debt burden • Sustainable development outcomes through nutrition and education investment resulted in human capital development that contributes to long-term economic growth • The initiative’s success as an innovative financing model can be explored by other countries seeking alternative mechanisms to fund development projects 	<ul style="list-style-type: none"> • Improved child nutrition through regular and balanced meals, addressing malnutrition and micronutrient deficiency issues among school-aged children • Long-term health benefits are achieved through better childhood nutrition

Bond: Cameroon Kangaroo Mother Care development impact bond

In 2018, Cameroon launched one of the world’s first health-focused development impact bonds (DIBs) aimed at reducing neonatal mortality. The Kangaroo Mother Care (KMC) DIB was designed to scale up a proven, low-cost intervention (Kangaroo Mother Care) for premature and low-birthweight babies. The programme ran from 2019 to 2021 and was implemented across 10 hospitals in five regions of Cameroon.¹³¹

The bond was launched by the Cameroon Ministry of Public Health; the GFF for Women, Children and Adolescents; the World Bank; Grand Challenges Canada; Nutrition International and the Fondation Kangourou Cameroun, with support from the Fundación Canguro Colombia. The bond functioned on a “pay-for-success” basis, where the government and Nutrition International were to reimburse Grand Challenges Canada’s investor costs (plus a return) only if independently verified outcomes were achieved. The programme’s aims, linked to outcome payments, were focused on the following three areas:¹³²

Indicator	Result
The number of hospitals appropriately equipped and trained to deliver quality KMC	10 hospitals achieved this
The number of babies receiving quality KMC	1,221 babies (28% above the target of 951)
The number of KMC babies with appropriate nutrition and weight gain at 40 weeks gestational age	80% of babies had appropriate weight gain

Each metric was independently verified quarterly, and all targets for repayment were met, triggering a full repayment of investment – plus a performance bonus to the service provider.

Mechanics of the instrument

Unlike traditional grants, the DIB allowed:

- Adaptive delivery models tailored to local contexts (such as engaging fathers and aunts in KMC to support mothers, especially in conservative regions)

¹³¹ Gotev, G. (2017). Club of Mozambique. Russia and Mozambique agree big debt-for-development swap. <https://clubofmozambique.com/news/russia-and-mozambique-agree-big-debt-for-development-swap>

¹³² Jerving, S. (2017). WFP Plans to Expand Debt-For-Development Swaps. <https://www.devex.com/news/wfp-plans-to-expand-debt-for-development-swaps-91519>

- Real-time performance management using data from outcome verification
- Adjustments during the COVID-19 pandemic (remote verification, hospital-level adaptations)

In all, \$3.1 million un programme outcomes were delivered, and \$2.43 million in outcomes funding was paid by the Ministry of Public Health and Nutrition International, reaching the maximum outcomes payment cap. This resulted in a full repayment of the CAD\$1 million investment,¹³³ plus risk premium, to Grand Challenges Canada, while Fondation Kangourou Cameroun also received a performance basis.



Source: Global Financing Facility (2021). Cameroon KMC Development Impact Bond 2018-2021: End of Programme Report. <https://www.globalfinancingfacility.org/sites/default/files/cameroon-kmc-development-impact-bond-report.pdf>

The parties involved had the following roles in the issuance and implementation process:

Actor	Role
Grand Challenges Canada (investor)	Provided upfront capital to fund programme delivery and bore financial risk
Fondation Kangourou Cameroun (service provider)	Delivered KMC training, capacity-building, hospital upgrades and direct service provision
Ministry of Public Health, Nutrition International, GFF (outcome funders)	Reimbursed the investor (with return) only upon achievement of the predefined outcomes
Social Finance UK (performance management adviser)	Designed the DIB contract, managed adaptive delivery and oversaw real-time data collection and use
Institute for Research, Socio-Economic Development and Communication (IRESO) (outcome evaluator)	Verified the achievement of payment-linked outcomes quarterly

133 University of Oxford (2022). Cameroon Kangaroo Mother Care Development Impact Bond. <https://golab.bsg.ox.ac.uk/knowledge-bank/case-studies/kangaroo-mothercare-dib/>





Capital flow in the KMC DIB



IRESKO's verification of results for triggering outcome-based payments consisted of the following elements:¹³⁴

Metric	Method
Hospital capacity for KMC services	Evaluation of hospitals using purpose-developed grid
Number of newborns eligible	Checking hospital reported KMC enrolments
Quality of KMC service	Surveying through phone interviews with mothers/ babysitters
KMC-enrolled newborns coming back for 40-week follow-up with appropriate weight and nutrition	Checking enrolment and recorded measurements
Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Value for money through government only paying for achieved results • Risk transfer from government as investor bore upfront financial risk • Systems change through embedded training and equipment into public hospital • Transparency through frequent outcome tracking, increasing accountability 	<ul style="list-style-type: none"> • Support exclusive breastfeeding, key to strong early childhood nutrition • Provided a low-cost alternative to incubator care, enabling more equitable neonatal nutrition outcomes • Promoted caregiver confidence, maternal-infant bonding and continuity of care

Trust fund: UNITLIFE

UNITLIFE is a United Nations inter-agency pooled fund dedicated to combating chronic childhood malnutrition through nutrition-sensitive, climate-smart and gender-responsive programmes. The fund, launched in 2020, aims to prevent stunting (which affects an estimated 149 million children),¹³⁵ impaired cognitive development and weakened immune systems in children by preventing chronic child malnutrition. It funds interventions across the food value chain that:¹³⁶

- position improved children nutrition as a primary outcome
- promote nutrition-sensitive and climate-smart agriculture
- place women at the centre

¹³⁴ Global Financing Facility (2021). Cameroon KMC Development Impact Bond 2018-2021: End of Programme Report. <https://www.globalfinancingfacility.org/sites/default/files/cameroon-kmc-development-impact-bond-report.pdf>

¹³⁵ University of Oxford (2022). Cameroon Kangaroo Mother Care Development Impact Bond. <https://golab.bsg.ox.ac.uk/knowledge-bank/case-studies/kangaroo-mothercare-dib/>

¹³⁶ Institute for Research, Socio-Economic Development and Communication (IRESKO) (2020). 2020 Annual Report.

The fund is hosted by UNCDF and administered through the United Nations Multi-Partner Trust Fund (MPTF) mechanism. With initial contributions of \$3.5 million from the United Arab Emirates, \$1.88 million from Mohammed bin Rashid Al Maktoum Global Initiatives, and \$15,000 from the Ecobank Foundation (totalling \$5,394,942),¹³⁷ UNITLIFE represents an emerging model for financing nutrition outcomes through blended and innovative finance mechanisms.

Mechanics of the instrument

As a pooled trust fund, UNITLIFE receives contributions from both sovereign donors and private philanthropic entities. These funds are allocated to projects via UNCDF and other United Nations and NGO implementing partners based on an impact, sustainability and community empowerment-focused strategic framework.

The fund uses various mechanisms to finance interventions, such as:

- grants for programmatic delivery via vetted partner organizations (e.g. GOAL Global, UN Women, Action Against Hunger);
- core funding for the UNITLIFE Secretariat to support advocacy, innovation, monitoring and scaling efforts; and
- innovative finance tools such as microdonations (OnlyOne), blockchain-powered transparency platforms (Aidonic), and fintech-based fundraising campaigns.

All allocations are approved by a steering committee and guided by UNITLIFE's evolving Operational Framework and Project Selection Matrix. Results are monitored through nutrition-specific indicators such as food consumption scores, financial inclusion rates for women and uptake of fortified foods. UNITLIFE's projects achieved a financial delivery rate of over 102 percent in 2023, underscoring the high absorption and execution capacity of implementing partners. This was based off a cumulative net funded amount of \$3,995,880 and cumulative expenditures from participating organizations at \$4,122,093.¹³⁸

Impact and use of proceeds

UNITLIFE-financed projects have reached over 65,000 direct beneficiaries to date, with tangible nutrition, agricultural productivity, women's financial inclusion and local food system resilience improvements made. Financial data and results are made publicly available via the MPTF Gateway, heightening transparency, while robust systems are in place for tracking expenditures, outputs and outcomes. The following are several key examples of projects within the portfolio:¹³⁹

Democratic Republic of the Congo: Establishing a biofortified cassava food chain to empower women in their communities

A UNITLIFE collaboration with UN Women focused on developing a biofortified cassava value chain to combat stunting and empower rural women. The \$500,000 project included training in cassava processing, recipe development and market engagement, with a focus on the first 1,000 days of child development.

Niger: Systems approach to resilient food and nutrition security in Zinder

A \$300,000 project in Zinder, with GOAL Global as project lead, enabled the distribution of 31 tons of improved seeds, with millet yields increasing up to 278 percent, groundnuts up to 235 percent, and climate-adapted cowpeas up to 257 percent. The project reached 24,118 people as of the 2023 annual report, exceeding the target of 20,355. More than 1,279,440 meals were generated during the second phase alone. Women's access to financial services jumped from 0 percent to 81 percent. The third phase was launched in 2024, expanding the programme to 40,000 beneficiaries, introducing fortified crops and Zai water-harvesting techniques.

https://iresco-cm.org/IMG/pdf/annual_report_iresco_2020-2.pdf

¹³⁷ World Health Organization (2024). Malnutrition. <https://www.who.int/news-room/questions-and-answers/item/malnutrition>

¹³⁸ UNITLIFE (2023). 2023 Annual Report. https://mptf.undp.org/sites/default/files/documents/2024-05/2023_narrative_report_unitlife.pdf

¹³⁹ UN Multi-Partner Trust Fund Office (2025). UNITLIFE Trust Fund. <https://mptf.undp.org/fund/utl00>

Senegal: Food and Nutritional Resilience Support Integrated Project

The Food and Nutritional Resilience Support Integrated Project, led by Action Against Hunger with support from UNITLIFE, advanced to the second stage, with a \$595,000 budget. The project supported the revitalization of 25 health gardens, training in agroecology, and the rehabilitation of dairy units, resulting in the production of 24,675 kg of vegetables. It provided infrastructure improvements in the form of boreholes with solar watering systems and support for dairy processing units, in addition to seed distribution and agricultural training to boost production. Women’s empowerment was promoted through village savings and loan associations, which also improved nutritious food access.

Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Mobilized blended finance for nutrition through pooled United Nations trust fund structure • Leveraged private-sector, philanthropic and digital microdonations for increased resource flows • Achieved high delivery efficiency, with over 100 percent fund utilization and transparent reporting via the MPTF Gateway • Supported innovation by integrating fintech, blockchain and startup partnerships into programme delivery 	<ul style="list-style-type: none"> • Increased the availability and consumption of diverse and nutrient-rich foods through climate-smart agriculture • Improved dietary diversity and reduced the risk of stunting among target populations • Empowered women to household nutrition through access to finance, land and training • Enhanced the resilience of food systems to climate shocks in vulnerable communities

Blended finance: California FreshWorks Fund

The California FreshWorks Fund is a public–private financing initiative launched in 2011 to increase access to healthy food in underserved communities across California. Managed by Capital Impact Partners and supported by a coalition of investors led by The California Endowment, FreshWorks provides loans and grants to grocery stores, mobile markets, farmers’ markets and food business incubators that serve food deserts and promote community health.

With over \$273 million in total commitments, the fund has financed innovative retail and distribution models, spurred over 1,284 jobs and improved food access for more than 800,000 Californians within its first five years.¹⁴⁰ FreshWorks has leveraged a variety of financing tools – including new markets tax credits, subordinated debt and flexible grant capital – to support conventional and innovative enterprises. It also has pioneered impact-based loan selection criteria, emphasizing job creation, community engagement and the promotion of healthy food practices.

Mechanics of the fund

The fund was administered by Capital Impact Partners, a mission-driven community development financial institution, while Emerging Markets Inc. was responsible for sourcing investment opportunities and providing borrower support. Capital was sourced from a mix of private banks, including from JP Morgan Chase, Citi and Bank of America, in addition to philanthropic foundations such as The California Endowment and the Kellogg Foundation and federal initiatives such as the Healthy Food Financing Initiative.

Fund structure and capital pools:¹⁴¹

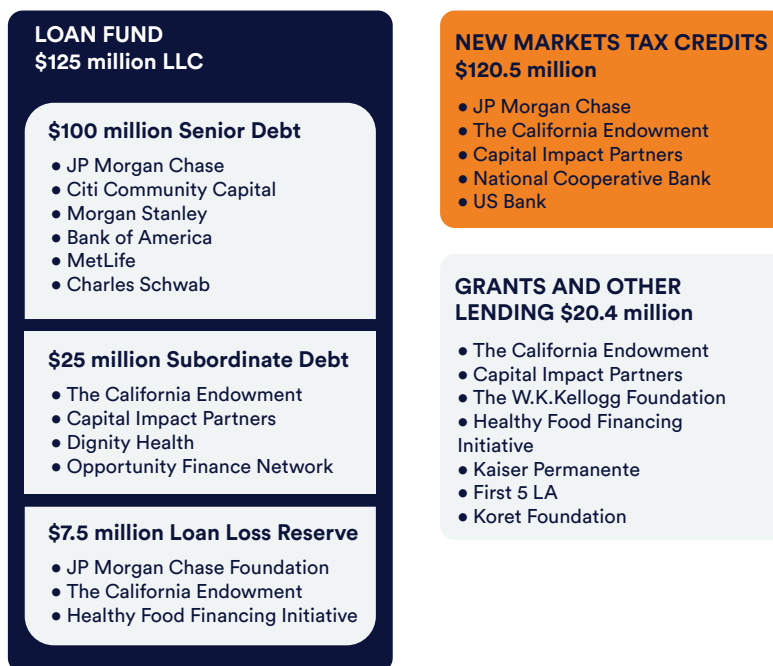
- \$125 million limited liability company (LLC) loan fund, including \$100 million in senior debt and \$25 million in subordinated debt
- \$120.5 million in new markets tax credits for co-investment in eligible projects
- \$20.4 million in flexible debt and grant funding, supporting innovative or high-risk food access models
- \$7.5 million loan loss reserve to mitigate investment risk and attract commercial lenders

¹⁴⁰ MPTF (2023). 2023 Financial Report UNITLIFE. https://mptf.undp.org/sites/default/files/documents/2024-05/2023_financial_report_unitlife.pdf

¹⁴¹ UNITLIFE (2023). 2023 Annual Report. https://mptf.undp.org/sites/default/files/documents/2024-05/2023_narrative_report_unitlife.pdf



Capital structure of the fund



Source: The California Endowment (2016). California Fresh Works, A Case Study Examining the Development and Implementation of FreshWorks. <https://missioninvestors.org/sites/default/files/resources/FreshWorks%20Case%20Study.pdf>

FreshWorks was launched in 2011 through a intersectoral partnership led by The California Endowment and managed by Capital Impact Partners, with Emerging Markets Inc. supporting pipeline development and borrower assistance. The fund was modelled after the Pennsylvania Fresh Food Financing Initiative and aligned with the national Healthy Food Financing Initiative.

The fund targeted so-called “food opportunity areas”, which are primarily low-income neighbourhoods with limited access to nutritious food, and financed a range of retail formats including supermarkets, mobile markets and food business incubators.¹⁴² Applicants were evaluated using a structured rubric prioritizing job creation, support for local food systems, healthy product offerings and community engagement.

The qualification required projects to demonstrate health-promoting business practices, community support and economic impact potential. Borrowers benefited from flexible loan products, technical assistance and, where applicable, new markets tax credit co-financing.

Although the LLC was wound down in 2015 due to underutilization and capital misalignment, Capital Impact Partners continued lending from its own balance sheet and introduced the Food Enterprise Microlending Intermediary programme to better serve small and emerging food enterprises.

FreshWorks exemplifies a nutrition-sensitive investment vehicle that combines public purpose with private capital, leveraging financial innovation to expand healthy food access, generate employment and revitalize underserved communities.

¹⁴² Capital Impact Partners (n.d.). California FreshWorks Fund. <https://www.capitalimpact.org/mission-driven-financing/california-fresh-works-fund/>

Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Mobilizes blended capital (public, private, philanthropic) for food access • Supports economic development and job creation in low-income communities • De-risks investments through flexible terms and loan loss reserves • Encourages innovation in food retail, distribution and small enterprise models • Builds capacity through technical assistance and grants • Promotes equitable investment in historically underserved communities 	<ul style="list-style-type: none"> • Increases access to fresh and healthy foods in underserved areas • Contributes to improved dietary intakes and nutrition outcomes • Reduces barriers to healthy food retail and distribution • Targets food deserts and nutritionally vulnerable populations • Supports nutrition-sensitive infrastructure and community health • Helps prevent nutrition-related chronic diseases

Applicability to developing country contexts

While FreshWorks was designed for a high-income country context with well-developed capital markets and regulatory frameworks, it presents several features that could be adapted to developing countries. The blended capital structure, which combines donor-sourced concessional funds, senior commercial lender debt and risk-sharing reserves, could be replicated using local development banks, microfinance institutions and international DFIs. Rather than relying on new markets tax credits, a similar tax or credit enhancement could be provided through targeted government incentives or donor-backed guarantees.

Mobile markets, small-scale food retailers and community-based distribution models financed under FreshWorks hold strong relevance for developing country contexts with low formal retail penetration. Successful adaptation would require strong local intermediaries (such as community development financial institution-equivalent entities or impact funds) capable of sourcing, structuring and monitoring details, supported by policy alignment to encourage nutrition-sensitive investments. Financing models should also look to integrate capacity-building components to strengthen small enterprise business viability and ensure sustained nutrition outcomes over time.

Blended finance: The Power of Nutrition

The Power of Nutrition is a charitable fund launched in 2015 to mobilize \$1 billion in funding to combat child undernutrition in the world's poorest countries.¹⁴³ It was founded through a coalition of development and philanthropic actors, including the FCDO (from the United Kingdom of Great Britain and Northern Ireland), CIFF, the UBS Optimus Foundation, UNICEF and the World Bank. Initially focused on reducing stunting, The Power of Nutrition has expanded to address wasting, micronutrient deficiencies and maternal anaemia in high-burden countries across sub-Saharan Africa and South Asia.

The Power of Nutrition's model centres on providing matching grants that unlock additional funding from MDBs and national governments. Through co-financing arrangements, a single donor dollar can be multiplied by up to six times, dramatically scaling the resources available for nutrition. Programmes are aligned with national priorities and focus on the first 1,000 days of life to maximize long-term health and human capital outcomes.¹⁴⁴

As of 2023, The Power of Nutrition had mobilized over \$488 million in nutrition programming through its partnership with the World Bank alone.¹⁴⁵ Supported programmes have reached 64 million women and children, including 43 million children and 21 million women, saving an estimated 35,000-plus lives and averting more than 450,000 cases of maternal anaemia. The fund typically achieves a 4x–6x leverage ratio, operates in at least eight countries, and continues to expand through multisectoral investments that integrate nutrition with education, WASH and social protection. Its catalytic financing model positions it as a global leader in scaling proven nutrition interventions.

¹⁴³ The California Endowment (2016). California Fresh Works, A Case Study Examining the Development and Implementation of FreshWorks. <https://missioninvestors.org/sites/default/files/resources/FreshWorks%20Case%20Study.pdf>

¹⁴⁴ The California Endowment (2012). California FreshWorks Fund. https://shea.senate.ca.gov/sites/shea.senate.ca.gov/files/CFWF_FactSHT_9.pdf

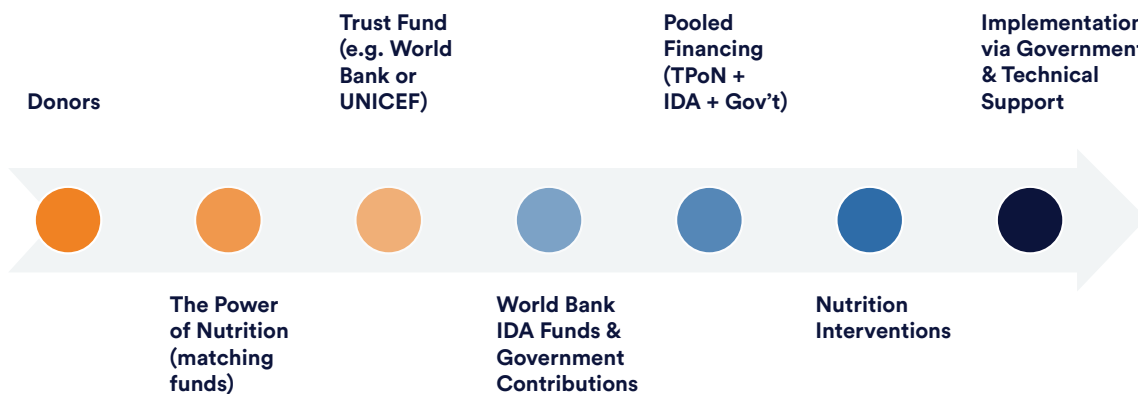
¹⁴⁵ SUN Movement (2015). Senior Leaders Reveal the Power of Nutrition. <https://scalingupnutrition.org/news/senior-leaders-reveal-power-nutrition>



Mechanics of the fund

The Power of Nutrition functions primarily as a matching fund and blended finance mechanism for nutrition. It raises grant funding from bilateral donors, philanthropies and the private sector and commits to matching these contributions with its own capital (from its founding investors). This pooled donor money is then used to co-finance large-scale nutrition projects alongside MDBs. For example, a dollar from a new donor can be matched by a dollar from The Power of Nutrition’s pooled fund, and this \$2 can then unlock several additional dollars from an MDB (often via IDA concessional resources). The typical result is a multiplier effect leading to The Power of Nutrition’s original model, which achieved leverage of roughly 6:1, turning each \$1 of donor grant into about \$6 for nutrition programmes through co-financing.¹⁴⁶

Flows of the funds



The fund is governed by an independent board and works through partnership agreements with such organizations as the World Bank and UNICEF. The World Bank partnership enables The Power of Nutrition to leverage IDA resources and country systems, while UNICEF’s involvement provides on-the-ground implementation capacity. In practice, when a country is selected for an investment, The Power of Nutrition, the host government and the implementing agency agree on a results-focused programme. Funds from The Power of Nutrition and other donors are typically conditioned on the implementation of evidence-based nutrition interventions and the commitment of domestic resources, aligning all parties’ incentives. (Notably, while the model involves matching and co-financing, it is not a revenue-generating instrument – funds are grants or highly concessional loans, and there is no repayment or return to the original donors.)

Once the financing package is assembled, funds flow into programme budgets to procure goods (e.g. micronutrient supplements, therapeutic foods) and services (e.g. training, health care delivery). Disbursement is often in tranches and linked to agreed milestones or implementation progress, overseen by the multilateral partner’s fiduciary systems. This ensures accountability for the use of funds. The Power of Nutrition monitors the programmes and their outcomes (such as reductions in stunting or child

¹⁴⁶ World Bank Group (2015). New fund targets billion dollars for children’s nutrition. <https://www.worldbank.org/en/news/press-release/2015/04/16/new-fund-targets-billion-dollars>

mortality) as part of its impact framework. Successful outcomes in turn help attract additional investors by demonstrating “value for money”.

Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Multiplies each donor dollar through co-financing arrangements • Attracts larger investments from institutions like such as the World Bank and AfDB • Directs resources into national nutrition plans with measurable targets • Reduces programme costs by combining grants with concessional loans • Encourages domestic government co-investment and sustainability • Aligns public, private, and philanthropic partners for shared outcomes • Improves efficiency and accountability through joint monitoring frameworks • Builds institutional capacity and systems for long-term nutrition delivery 	<ul style="list-style-type: none"> • More than 180 million women and children reached with nutrition services ¹⁴⁷ • Expanded access to ready-to-use therapeutic food, supplements, fortified foods and maternal care • Over \$639 million leveraged for high-impact nutrition programmes ¹⁴⁸ • Averted 723,000 cases of maternal anaemia and 870,000 cases of stunting and prevented 24,000 deaths among children younger than 5 ¹⁴⁹ • Improved nutrition coverage across 26 national programmes in 17 countries • Supported the integration of nutrition into broader health, WASH and education systems • Accelerated progress towards SDG 2 and WHA nutrition targets

Blended finance: Global Agriculture and Food Security Program

The Global Agriculture and Food Security Program (GAFSP) is a multilateral financing platform established by the Group of 20 in 2010 in response to the global food crisis. It channels investments into agriculture and food systems in LICs to improve productivity, reduce poverty and strengthen nutrition outcomes. GAFSP operates through a broad coalition of donors, MDBs, United Nations agencies, civil society and the private sector, making it one of the largest funds dedicated to nutrition-sensitive agricultural development.¹⁵⁰

With contributions exceeding \$2.3 billion from over a dozen donors, GAFSP supports projects through public-sector grants, private-sector blended finance and producer organization funding. It explicitly integrates nutrition into its mandate, funding interventions such as crop diversification, biofortification, school feeding and fortification. GAFSP’s focus on smallholder farmers and women has resulted in wide-reaching impacts on food security and nutrition resilience.

As of 2023, GAFSP had financed more than 320 projects in upward of 60 countries, approving \$2.44 billion in total financing. Public-sector investments reached 21.4 million people, and private-sector investments reached another \$10.5 million. Roughly 42 percent of beneficiaries were women. Key nutrition gains include improved dietary diversity for 1.6 million people and support for 6.3 million women. GAFSP funding has also responded to crises, including a \$60 million COVID-19 response in 2020. Its co-financing approach with institutions such as the World Bank and IFAD, combined with long-term investments in local food systems, makes GAFSP a leading example of blended finance for sustainable, nutrition-sensitive agriculture.¹⁵¹

¹⁴⁷ Scaling Up Nutrition (n.d.). Financing mechanisms for nutrition. <https://www.powerofnutrition.org/the-power-of-nutrition-and-the-world-bank>

¹⁴⁸ The Power of Nutrition (2023). Maximising resources for nutrition - How might innovative finance catalyse hundreds of millions into the global nutrition sector? https://www.powerofnutrition.org/uploads/general/Innovative_finance.pdf

¹⁴⁹ The Power of Nutrition. (n.d.). The Power of Nutrition. <https://www.powerofnutrition.org/>

¹⁵⁰ The Power of Nutrition (2023). 2023 Impact Report. https://www.powerofnutrition.org/uploads/general/TPoN-2023-Impact-Report_web.pdf

¹⁵¹ The Power of Nutrition (n.d.). Our Work. <https://www.powerofnutrition.org/our-work>



Mechanics of the instrument

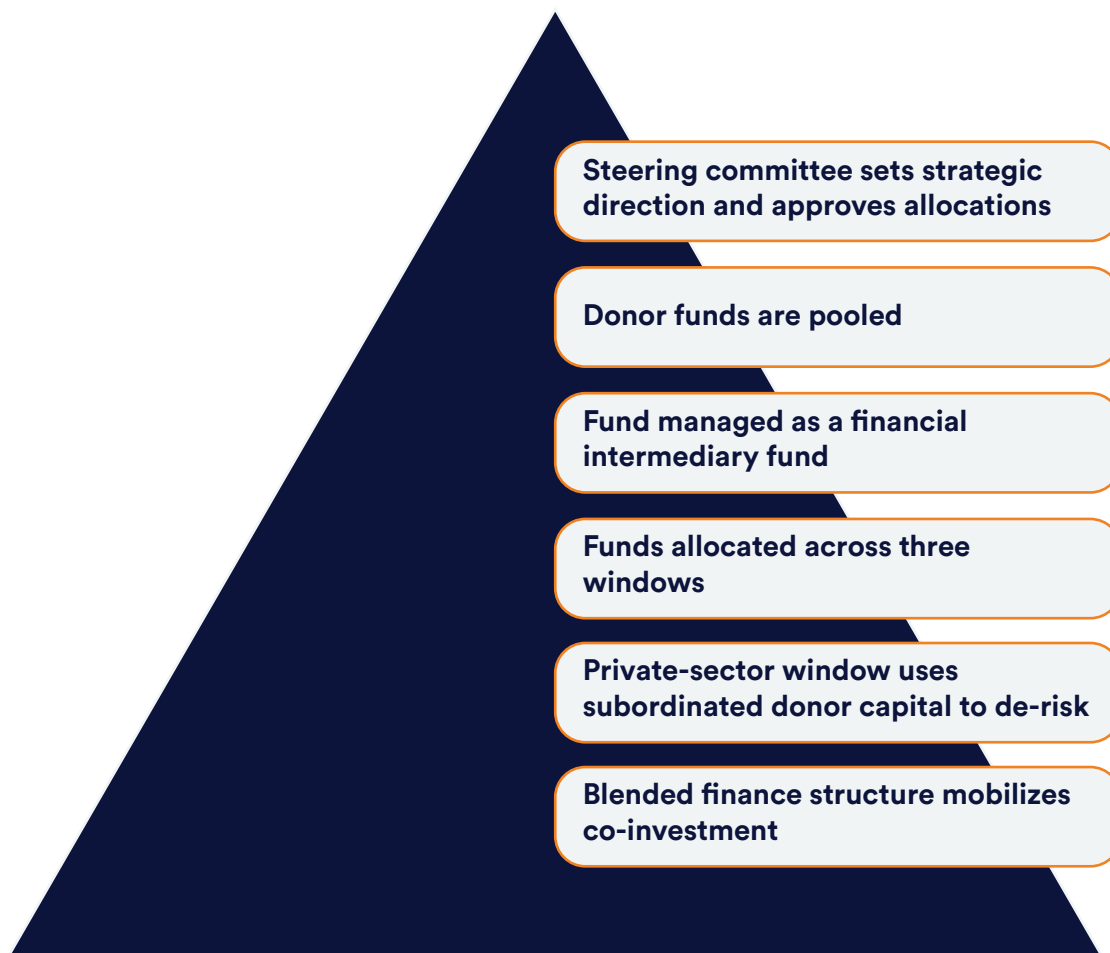
The largest component of GAFSP provides grant financing to LIC governments for agricultural and food security projects. Countries submit proposals that are assessed competitively. Approved funds are then channelled through supervising entities (MDBs or United Nations agencies chosen by the country, such as the World Bank, AfDB, IFAD, etc.) that implement the projects in partnership with the government. These projects often involve improving rural infrastructure, expanding agricultural extension services, enhancing value chains for nutritious crops and bolstering resilience against climate shocks. The grants are pure concessional funds (no repayment), but governments usually commit co-financing from their budgets or other loans. This window directly supports government-led efforts to boost food production and nutrition – for example, a GAFSP grant might fund a programme to introduce biofortified crops and nutrition education in farming communities, with the World Bank overseeing execution and the national agricultural ministry implementing on the ground.¹⁵²

GAFSP also includes a private-sector window, originally managed by the International Finance Corporation. This window uses blended finance instruments – combining donor funds with commercial financing – to support private agribusinesses and financial intermediaries in developing countries. Donor contributions here act as catalytic capital (for instance, as junior equity, concessional loans or risk guarantees) to de-risk investments that the International Finance Corporation or other investors make in agricultural SMEs, cooperatives, agritech companies and microfinance for farmers. By taking on a portion of the risk or providing partial subsidy, GAFSP's private-sector funds help attract additional private capital into projects that increase smallholders' market access and supply of nutritious foods.¹⁵³ This approach leverages public funds to stimulate market-driven solutions in the food system.

In recent years, GAFSP introduced a dedicated window for producer organizations (specifically farmers' associations and cooperatives). This provides smaller grants directly to such organizations to support community-level projects – for instance, improving storage facilities, processing nutritious crops or strengthening cooperative-owned enterprises. These grants empower farmer groups to implement solutions they identify and come with technical assistance. This window acknowledges that local organizations often need seed funding to scale up activities that complement larger public-sector projects. The producer organization window is also competitively awarded and supervised by partners such as IFAD.

¹⁵² GAFSP Fund (2025). Abouts us. <https://www.gafspfund.org/about>

¹⁵³ GAFSP Fund (n.d.). Nutrition. https://www.gafspfund.org/sites/default/files/2022-09/00817%20Nutrition_Final-LR1.pdf



Public-sector grants under GAFSP are disbursed over multi-year project life cycles, typically three to five years, with tranches released as implementation progresses. There is no revenue returned to GAFSP from these grants; they are essentially one-way transfers to recipients, justified by development outcomes. In the private-sector investments, there may be returns (loan repayments, equity exits) that are either reinvested in future projects nor used to cover any guarantee payouts, thereby revolving the catalytic capital. However, donors to GAFSP do not receive financial returns; their “return” is the development impact achieved. GAFSP projects often blend finance from multiple sources; for example, a country grant might be accompanied by an IDA credit from the World Bank and by domestic funding. This layering reduces duplication and ensures a unified approach in each country. From an institutional flow perspective, the World Bank as trustee receives donor funds and then transfers funds to implementing partners (MDBs/United Nations agencies) under grant agreements, and those partners then disburse to executing entities in-country (ministries, NGOs, etc.). The private-sector funds flow through the International Finance Corporation or similar, which administers loans/equity to companies and manages repayments. GAFSP carefully monitors results across all its investments, using a comprehensive monitoring and evaluation framework to track outputs such as farmers reached, hectares under improved cultivation and improvements in dietary diversity or child nutrition status.¹⁵⁴

¹⁵⁴ InterAction (2023). GAFSP - Use of Funds. <https://www.interaction.org/choose-to-invest-fy-2023/development/global-agriculture-and-food-security-program/>

GAFSP Operational Model

Demand-driven

Governments, smallholders, producer organizations, and small food system businesses in low-income countries

Implementing Partners

AfDB, ADB, IADB, WB/IFC, IFAD, FAO, WFP

CSO Leadership

Regional: ROPPA, AFA, ActionAid, local CSOs, local producer organizations

Donor Leadership

Australia, Bill & Melinda Gates Foundation, Canada, Germany, Ireland, Japan, Korea, Netherlands, Norway, Spain, United Kingdom, United States



Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Mobilizes large-scale grant and loan financing across multiple sectors • Aligns investments with country-owned agriculture and nutrition plans • Supports projects that address both food security and malnutrition • Encourages governments and MDBs to prioritize nutrition-sensitive spending • Catalyses private investment into nutritious food supply chains • Builds capacity in farmer organizations and cooperatives • Incentivizes multisectoral collaboration among the food, health and education actors • Scales community-level solutions with national-level financing support 	<ul style="list-style-type: none"> • Improved dietary diversity and reduced stunting in participating regions • Decreased undernutrition rates among children younger than 2 in multiple countries • Supported the delivery of nutrition education, WASH and micronutrient programmes • Increased availability and consumption of nutrient-rich foods among smallholders • Empowered women and farmer cooperatives to engage in nutrition-sensitive farming • Enhanced community-level resilience to food and nutrition insecurity



Guarantee: MedAccess and DSM-Firmenich vitamin A fortification

Launched in 2025, the MedAccess vitamin A volume guarantee is a first-of-its-kind nutrition finance mechanism aimed at stabilizing the supply and lowering the price of vitamin A for food fortification in LMICs. Led by MedAccess — a United Kingdom-backed social finance organization with a \$200 million capital base — and developed in partnership with DSM-Firmenich, the initiative addresses market volatility that has historically hindered affordable access to vitamin A.¹⁵⁵

The guarantee ensures that vitamin A prices remain capped at \$59/kg (or \$43.30/kg for vitamin A+D3 blends), making fortification viable for edible oil producers in LMICs. In return for agreeing to these price caps, MedAccess commits to covering potential revenue shortfalls if demand falls below agreed levels, de-risking supply for the manufacturer and unlocking broader market access. This deal targets vitamin A deficiency in more than 500 million people globally, a major cause of child blindness and mortality, and supports national fortification mandates across dozens of countries in Africa and Asia.

Over a multi-year term, the volume guarantee is expected to help avert an estimated 1.21 million cases of vitamin A deficiency and 1.14 million cases of childhood anaemia, based on modelling projections. Its financial risk exposure remains modest – for example, a \$2.5 million contingent liability could secure tens of millions of doses. Governments and producers benefit from price stability, with projected savings of \$1.1 million per 100 metric tons procured. By addressing a critical nutrition market failure, this mechanism demonstrates the high-leverage potential of innovative finance for public health impact.

Mechanics of the instrument

The vitamin A volume guarantee is structured as a contractual agreement between a guarantor (MedAccess) and a supplier (DSM-Firmenich) that ensures a minimum volume of vitamin A will be purchased for fortification purposes.¹⁵⁶

The volume guarantee operates as a risk-sharing instrument that stabilizes prices and ensures a reliable supply of vitamin A for edible oil fortification in LMICs. Under the agreement, as noted above, DSM-Firmenich commits to capping the price at \$59/kg for pure vitamin A and \$43.30/kg for a vitamin A+D3 premix – prices significantly lower than historical market highs.

To enable this reduced pricing, MedAccess provides a contingent volume guarantee. If DSM-Firmenich sells the agreed minimum quantity of vitamin A over a multi-year period (typically three to five years), MedAccess pays nothing. If actual demand falls short, MedAccess compensates the supplier for the margin on the unsold volume, up to a predefined cap. This protects the supplier from revenue loss and encourages stable pricing.

- MedAccess does not purchase or take delivery of vitamin A; it acts as a guarantor only.
- There is no upfront disbursement; payments are made only if sales volumes are lower than the guaranteed threshold.
- Funds are drawn from MedAccess's own balance sheet, backed by United Kingdom public capital.
- DSM-Firmenich agrees to maintain sufficient supply and forgo potential higher profits in exchange for revenue security.

This structure breaks the “high price–low volume” trap by lowering financial risk for the supplier, which in turn lowers the cost barrier for fortifiers and supports government fortification mandates. Over time, the model aims to stimulate demand, grow the market and reduce the need for ongoing guarantees.

Volume tracking is conducted jointly by MedAccess and DSM-Firmenich, often on an annual basis. If, for example, only 80 percent of the guaranteed volume is sold, MedAccess pays the margin shortfall on the remaining 20 percent. This flexible design ensures immediate benefits for LMIC oil producers, who receive discounted prices from the outset.

¹⁵⁵ An example might be GAFSP co-investing in a local grain fortification business – the GAFSP funds could be a grant or first-loss guarantee that allows an International Finance Corporation loan to proceed on affordable terms. As the business grows and repays, any returns would revolve back into the fund.

¹⁵⁶ AfDB (2025). Global Agriculture and Food Security Program. <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/global-agriculture-food-security-program-gafsp>

- If the market grows as expected, no MedAccess funds are spent, but nutrition goals are still achieved.
- If demand remains weak, MedAccess covers the shortfall, ensuring the supplier is not penalized for holding prices low.

Though not a direct feature of the instrument, the guarantee may be paired with technical assistance or forecasting support from partners such as UNICEF or GAIN, helping countries estimate needs and meet fortification standards. This further enhances uptake and maximizes the guarantee’s effectiveness in reducing vitamin A deficiency at scale.

Benefits ¹⁵⁷	Key nutrition impacts
<ul style="list-style-type: none"> • Lowers vitamin A premix prices by guaranteeing demand volumes • Stabilizes input costs for fortified food producers in LMICs • Reduces volatility in global vitamin A markets • Ensures a consistent supply of essential micronutrient inputs • Supports long-term planning by both suppliers and buyers • Encourages food companies to initiate or expand fortification programmes • Helps governments and NGOs maintain national fortification mandates • Fosters collaboration between private suppliers and global health financiers 	<ul style="list-style-type: none"> • Addressed 1.21 million cases of vitamin A deficiency in children younger than 5 • Helped prevent 1.14 million cases of anaemia among young children • Improved access to fortified cooking oil in LICs • Reduced the risks of childhood blindness, measles complications and diarrheal-related deaths • Supported national fortification mandates across Africa and Asia • Increased micronutrient intake among women of reproductive age



¹⁵⁷ MedAccess (2025). History. <https://medaccess.org/about/history/>

Guarantee: UNICEF Nutrition Match Fund and Child Nutrition Fund

Launched in 2021, the UNICEF Nutrition Match Fund is an innovative co-financing mechanism that offers a one-to-one match for domestic government investments in nutrition supplies such as ready-to-use therapeutic food, micronutrient supplements and fortified foods. Originally focused on child wasting, it evolved into the Child Nutrition Fund (CNF) by 2023, with an expanded mandate to support broader maternal and child nutrition goals, including stunting, anaemia and the prevention of micronutrient deficiencies.¹⁵⁸

The Match Fund was seeded by the Government of the United Kingdom and CIFF, with \$10 million from the Gates Foundation, and rapidly catalysed new domestic spending across countries such as Mauritania, Nigeria, Senegal and Uganda. By doubling country allocations for nutrition, the fund addresses the chronic underfunding of malnutrition interventions and creates powerful incentives for governments to prioritize these services in their national budgets.¹⁵⁹ With strong early results, the CNF now aims to mobilize \$2 billion by 2030, reaching 320 million women and children annually with life-saving interventions.

The CNF is a cost-effective and scalable mechanism that strengthens both service delivery and domestic financing for nutrition. Every \$1 invested by a donor can result in \$4 of programme funding, making it one of the highest-leverage tools in global nutrition finance. Its structure positions UNICEF to directly procure and distribute supplies while enabling governments to institutionalize nutrition spending as a long-term budgetary priority.

Mechanics of the guarantee

The CNF operates as a one-to-one matching grant facility to double domestic investments in high-impact nutrition interventions. Its structure is simple yet powerful: For every eligible dollar a government spends on approved nutrition programmes or commodities, the CNF provides a matching contribution, effectively doubling the available resources.

Donor resources from governments and philanthropic organizations (e.g. the United Kingdom, CIFF, Gates Foundation) are pooled into a central UNICEF-managed fund.

- Funds are earmarked for matching purposes only, disbursed only when domestic expenditures trigger the match.
- UNICEF acts as trustee and administrator, ensuring that disbursements follow strict guidelines and impact objectives.

One-to-one match mechanism

- For each dollar a country allocates to qualifying nutrition activities (e.g. purchasing ready-to-use therapeutic food), the CNF provides an equivalent in value, often via in-kind supply procurement.
- Example: If country X budgets \$1 million for ready-to-use therapeutic food, UNICEF matches with \$1 million more, effectively doubling the treatment capacity (e.g. from 50,000 to 100,000 children).
- Matching funds are typically not given as cash but rather used by UNICEF to procure supplies through its global supply chain and deliver them to national programmes.

While CNF was initially focused on wasting treatment commodities (ready-to-use therapeutic food, therapeutic milks), the CNF now includes:

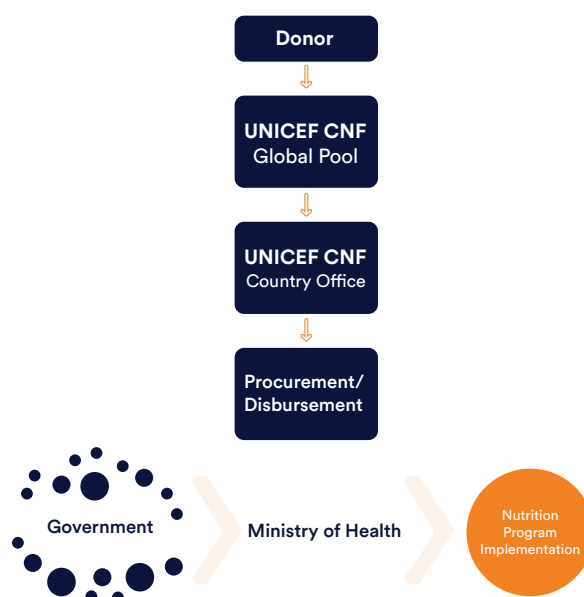
- preventive nutrition: micronutrient powders, fortified maternal foods, deworming tablets
- delivery-related costs: training, storage, logistics, outreach

Governments must spend on pre-approved interventions to qualify, ensuring evidence-based and high-impact use of funds.

¹⁵⁸ MedAccess (2025). MedAccess and dsm-firmenich partner to secure vitamin A pricing for edible oil fortification in low- and middle-income countries. <https://medaccess.org/medaccess-and-dsm-firmenich-partner-to-secure-vitamin-a-pricing-for-edible-oil-fortification-in-low-and-middle-income-countries/>

¹⁵⁹ MedAccess (2023). How do advance market commitments and volume guarantees shape healthcare markets?. <https://medaccess.org/how-do-advance-market-commitments-and-volume-guarantees-shape-healthcare-markets/>

Cash and institutional flow



In some cases, the match may split responsibilities (e.g. UNICEF covers commodities and the government covers logistics and staffing), as long as values are equivalent.

Government contributions to the CNF are verified through documented procurement records or payment confirmations. Once verified, UNICEF country offices confirm compliance and trigger the release of matching funds from the CNF. These arrangements are typically governed by formal agreements or memorandums of understanding, which define the matching criteria, implementation timelines and reporting obligations.

At the global level, oversight is provided by a governance structure that includes major donors such as the United Kingdom, CIFF and the Gates Foundation. This body ensures strategic alignment, transparency and accountability in how funds are matched and deployed.

In 2025, the Bezos family announced a landmark pledge of up to \$500 million to match all new donor contributions to the CNF.¹⁶⁰ This introduced a two-tiered match mechanism: First, Bezos matches donor funds dollar-for-dollar, and then the combined donor–Bezos total is matched again by participating governments. For example, a \$50 million donor contribution becomes \$100 million with the Bezos match and, when matched by governments, results in \$200 million of total programme value. This innovative horizontal (donor–donor) and vertical (donor–country) leverage structure can quadruple the impact per dollar.

Time-bound through 2030 and aligned with the SDGs, the CNF is designed to accelerate and institutionalize domestic nutrition financing. It is a transparent and efficient mechanism that encourages sustainable public investment while rapidly expanding access to essential nutrition services for women and children in the world’s most vulnerable settings.

¹⁶⁰ UNICEF (2021). Joint statement on child wasting and the launch of the Nutrition Match Fund. <https://www.unicef.org/press-releases/joint-statement-child-wasting-and-launch-nutrition-match-fund>



Benefits	Key nutrition impacts
<ul style="list-style-type: none"> • Doubles government investments in nutrition commodities through matching • Creates financial incentives for governments to prioritize child wasting treatment • Expands supplies of ready-to-use therapeutic food, small-quantity lipid-based nutrient supplements (SQ-LNS), multiple micronutrient supplements (MMS) and other life-saving products • Aggregates demand, encouraging suppliers to scale production • Stabilizes procurement cycles for essential nutrition supplies • Encourages the transition from donor dependence to domestic ownership • Improves budget predictability for health ministries • Leverages philanthropic and bilateral contributions to accelerate global impact 	<ul style="list-style-type: none"> • Prevented 2.8 million instances of undernutrition in women and 2.1 million instances in children; also prevented 582,000 instances of child wasting¹⁶¹ • Supported national procurement of preventive nutrition supplies such as MMS and SQ-LNS • Encouraged domestic resource allocation for nutrition in 13-plus countries • Increased coverage of life-saving nutrition interventions at scale • Helped countries reduce child wasting, stunting and maternal anaemia rates

¹⁶¹ Child Nutrition Fund (n.d.). Home. <https://www.childnutritionfund.org/>

Recommendations and next steps



Part III: Recommendations and next steps

Throughout this book, we have seen that the tools and evidence to finance better nutrition exist but need to be strengthened – especially the definitions and metrics for the practice of investing in nutrition. From innovative bond structures and debt swaps to guarantees, taxes and blended capital platforms, the range of mechanisms is expanding. Case studies across geographies demonstrate that nutrition-focused investments can be structured to deliver measurable social outcomes while simultaneously generating financial returns or de-risking public expenditure. While we are seeing these advancements, the scale, alignment and coordination of financing remain well below what is required to meet global nutrition targets.

Malnutrition in all its forms continues to impose profound economic, social and human costs. Undernutrition, micronutrient deficiencies and overnutrition-related diseases are collectively responsible for trillions of dollars in lost productivity, rising health care burdens and deepening inequality. Whether sourced from donors, domestic budgets or the private sector, financing flows are fragmented and often reactive, while being overall insufficient to address the complexity of the challenge.

If the coming decade is to be one of genuine progress, a new direction is needed in the nutrition finance landscape. That new direction hinges on treating nutrition as an investable opportunity, where solving a material social challenge aligns with building resilient portfolios, growing new markets and strengthening long-term value creation. The road forward is not solely about mobilizing more funds but about reshaping the environment in which nutrition finance is designed, deployed and governed.

This final chapter will look at technical and partnerships-related recommendations for overcoming the gaps in nutrition finance discussed.

Technical recommendations

There are a number of technical approaches that may have the capacity to overcome the outlined gaps and facilitate the flow of capital into nutrition. These focus on discrete actions that can shape instruments and pathways to scale in the nutrition finance space. Approaches have upsides and trade-offs, but the intent behind the recommendations in this section is to help practitioners choose the combinations that fit their role and enable them to move now, in a space where evidence and tools are maturing.

- 1) A shared language for nutrition finance.** One promising avenue is to coalesce around a light taxonomy and a small, decision-useful KPI set. The appeal is practical: Common definitions lower diligence costs, make reporting comparable and give issuers clearer goalposts. The trade-off is that consensus takes time and will likely start imperfectly, so an iterative, “minimum viable” approach (pilot first, refine later) may work better than aiming for a grand, universal standard on day one.
- 2) Making nutrition outcomes matter in instruments.** Another path is to embed one or two nutrition KPIs within familiar structures (such as sustainability-linked loans/bonds or blue/green/social bonds), alongside climate metrics. This keeps market plumbing intact while signalling that diet quality, affordability or loss reduction are material to financing. The upside is pricing that rewards progress; the challenge is selecting KPIs that are measurable, verifiable and material across very different business models.
- 3) Establish impact funds that focus on larger food companies and investments.** Impact investment funds such as the N3F illustrate that debt investments in SMEs for nutrition can be unlocked. As the food industry consolidates in frontier and emerging markets, there also needs to be nutrition-sensitive financing available for larger food businesses that incentivizes the production, processing, marketing and distribution of healthier foods. Debt financing options for businesses of \$10 million and above would cut down transaction costs and likely attract more DFIs and larger investors to invest in nutrition. The funds must ensure KPIs are measurable, verifiable and material across different business models.
- 4) Using blended finance to unlock pipelines.** Given that many nutrition-relevant enterprises are SMEs in aggregation, safe processing/fortification, cold chain and last-mile retail, blended structures (first-loss, guarantees, technical assistance) could be a pragmatic way to crowd in commercial lenders. The benefit is risk-sharing where it is most binding; the caveat is that technical assistance and verification need funding too, or the pipeline never becomes repeatable at commercial terms. Blended structures

are most effective when paired with funded technical assistance, incubators and advisory support that help enterprises strengthen governance, financial management and nutrition impact, so that a thin pipeline can mature into a repeatable flow of investable deals.

5) Leveraging climate and food security allocations. For investors already active in climate adaptation, water or resilient agriculture, adding nutrition KPIs can turn existing theses into “dual-outcome” deals. This approach taps deeper pools of capital and strengthens the social component of ESG investing without inventing new vehicles. The design question is how to align climate and nutrition targets so one does not dilute the other, especially when measurement cycles differ.

6) Stewardship as a parallel route to outcomes. Shareholder engagement can complement financing by shifting product portfolios, marketing practices and disclosure at scale among large food and beverage companies. The attraction is speed and breadth; changes at a few multinationals can move whole categories. The limitation is that stewardship outcomes are often incremental and require sustained, coordinated engagement to stick.

7) A pragmatic MRV foundation. Whichever route is chosen, a lightweight MRV backbone helps everyone: a short list of KPIs mapped to recognized nutrition targets, simple data sources and clear calculation notes. The upside is portability, with results flowing into ratings, indices and future deals. The risk is overengineering; a lean starter set that improves with use is likely to travel farther than an exhaustive framework that few can operationalize.

8) Building an evidence loop. Finally, a small, time-bound set of pilots, spanning instruments, geographies and value chain nodes could create the proof points the market still lacks. Publishing structures, KPIs and results (wins and misses) would help others replicate quickly. The opportunity is collective learning, while the constraint is coordination and the willingness to share templates and data openly.



Partnership recommendations

This final section outlines four interconnected priorities that can guide the next generation of action:

- 1. Reposition nutrition within the sustainable finance landscape.**
- 2. Expand the nutrition ecosystem with fit-for-purpose capital.**
- 3. Integrate nutrition into the broader resilience agenda (including gender and climate).**
- 4. Built robust systems and institutions that enable scale and accountability.**

These actions target broader activities that stakeholders can undertake through partnerships and policy advocacy, catalysing the landscape for nutrition finance.

These goals are informed by lessons from practice and rooted in the barriers and opportunities highlighted throughout the book. To achieve substantial progress, nutrition finance must evolve from a fragmented set of transactions to a cohesive strategy embedded in how we plan, budget, invest and measure development progress.

1) Leverage current MRV development for taxonomy development

The road forward requires a coordinated effort to build market infrastructure that enables investors to distinguish between authentic nutrition outcomes and claims. Robust MRV should anchor a nutrition finance taxonomy that sets clear definitions of what qualifies as nutrition-aligned investment and how performance is judged. Drawing on the experience of climate taxonomies in the European Union and the Association of Southeast Asian Nations, a nutrition taxonomy would translate agreed indicators into consistent eligibility and thresholds across sectors, spanning both nutrition-specific and nutrition-sensitive activities. With that architecture in place, reported results become decision-useful for labelling, supervisory reporting and the design of nutrition-linked instruments. However, to avoid repeating climate finance's pattern of concentrated flows, taxonomy development should move hand-in-hand with efforts to build local pipelines, aggregation vehicles and country-led platforms that channel capital towards communities and enterprises most affected by malnutrition.

Standardizing nutrition-specific metrics across asset classes

A well-designed taxonomy would embed standardized metrics as eligibility criteria, with MRV providing the verification support. The adoption of ATNi's nutrition benchmarks by S&P Global's Corporate Sustainability Assessment marks an important moment in this evolution. However, achieving market-wide standardization requires expanding this approach across all major rating agencies and data providers. The pilot usage of ATNi indicators represents encouraging progress, but the ultimate goal must be the establishment of industry-wide nutrition measurement standards that are as rigorous and widely accepted as current financial reporting requirements.

For investors, this standardization creates several advantages. Portfolio construction becomes more sophisticated when nutrition impacts can be measured and compared across holdings. Risk management improves when nutrition-related risks (from regulatory exposure to reputational damage) can be quantified and monitored. Most importantly, standardized metrics within a taxonomy enable the development of nutrition-focused investment indices and benchmarks, providing institutional investors with the reference points necessary for large-scale allocation decisions.



Fostering market-led innovation in impact measurement

Market-led innovation can drive the development of more sophisticated, cost-effective and accurate measurement tools that exceed minimum regulatory requirements. Creating space for such innovation requires flexible regulatory frameworks that accommodate new measurement technologies while maintaining core standards for credibility and comparability.

Innovation incentives might include regulatory sandboxes in which new monitoring technologies can be tested without full compliance requirements, prizes for breakthrough developments in nutrition impact measurement, or preferential treatment for investments that employ cutting-edge verification methods. The goal is to create a dynamic ecosystem in which measurement capabilities continue to improve, ultimately enhancing both investor confidence and nutrition outcomes.

2) Expand the nutrition investment ecosystem

The current financing landscape is characterized by narrow pathways and limited structured investment mechanisms. While public-sector spending remains the dominant source of funding for nutrition-specific and nutrition-sensitive programmes, there are relatively few vehicles for engaging institutional investors, commercial lenders or domestic private sectors. This has created a bottleneck: While the evidence for investing in nutrition is strong, the infrastructure to channel investment at scale remains underdeveloped.

In addition to risk-sharing, many nutrition-relevant SMEs depend on technical assistance facilities, enterprise incubation, shared procurement or aggregation platforms, and last-mile distribution support to improve business quality and reduce operating costs. Without these enabling services, capital is likely to accumulate in labelled instruments while struggling to reach enterprises and communities where the marginal impact on nutrition is highest.

To overcome this hurdle, the nutrition investment ecosystem needs to expand – in terms of volume, not only, but also in the diversity of instruments, stakeholders and entry points. That means creating space for different kinds of capital to engage through strategies that reflect their respective risk appetites, mandates and capacity for impact.



This book highlights a growing range of financial instruments that can be deployed to support nutrition outcomes. While many are emerging or small in scale, they demonstrate the flexibility of financial tools to adapt to nutrition goals. The priority now is to scale what works, replicate successful models in new contexts and standardize key features to reduce transaction costs and attract co-investment. These features may impact metrics, pricing structures and reporting protocols, among others.

Addressing the concern that few investors or financial institutions view nutrition as a core investment theme will require:

- Building pipelines of bankable nutrition investments, most vitally those aligned with food systems transformation, maternal and child health, and inclusive agri-SME growth. This will also include developing nutrition venture capital and growth equity to support innovative companies developing nutrition solutions.
- Embedding nutrition considerations into mainstream ESG mandates would strengthen this scaling process, making nutrition outcomes a standard part of risk–return analyses rather than an add-on. This framing elevates nutrition from a niche impact theme to an investable priority recognized in global sustainability benchmarks.
- Engaging domestic financial institutions and pension funds, especially in middle-income countries, by developing de-risked vehicles and blended structures. This can be supported by the creation of regional nutrition funds in contexts where there is existing domestic institutional capital but a lack of nutrition-specific investment vehicles.
- Greater emphasis on mobilizing domestic capital, including banks, pension funds and insurance companies, will be essential for long-term sustainability. Structuring nutrition investments around local value addition and SME upgrading can support job creation and tax revenues, creating a virtuous circle among improved nutrition, economic growth and domestic fiscal capacity.
- Establishing nutrition-focused investment platforms managed by experienced fund managers who can identify, structure and manage portfolios of nutrition investments across different risk–return profiles.

The impact investment community also can be better brought into the nutrition space. They can help in building on Global Impact Investing Network work and developing nutrition impact investment standards to provide clear frameworks for measuring and reporting nutrition outcomes along financial returns. The creation of nutrition-focused accelerators and incubators can further support the pipeline development.

Philanthropic capital can complement these efforts by taking on higher-risk or more flexible positions than DFIs, for example by funding first-loss tranches, guarantees or technical assistance that make it possible for commercial investors to participate. DFIs and MDBs, including through guarantee providers such as the Multilateral Investment Guarantee Agency, remain critical for supplying larger-scale risk-sharing instruments that can crowd in institutional investors at the country and portfolio level.

3) Integrate nutrition into the broader resilience agenda

Nutrition finance should not be framed as competing with climate, health or broader development finance, but rather as a way to align and enhance these existing flows so that they deliver stronger long-term human capital outcomes. The challenges of climate change, health, gender inequality and food security are deeply interconnected, yet finance is often structured in silos. The climate–gender–food nexus requires financing mechanisms designed to account for climate vulnerabilities, gendered power dynamics and structural inequities. Leveraging the other dimensions of this to better address nutrition outcomes provides an avenue to build upon existing structures and strengthen nutrition’s integration in sustainable finance.

Climate–nutrition finance integration

Climate finance, as the more mainstream branch of sustainable finance, offers significant opportunities to target nutrition:

- **Climate adaptation investments** that prioritize nutrition-sensitive agriculture, drought-resistant crop varieties and climate-resilient food systems
- **Green bonds with nutrition co-benefits** that finance renewable energy for food processing, water infrastructure for nutrition-sensitive agriculture, or sustainable transport for food distribution
- **Blended climate–nutrition funds** that attract both climate-focused and nutrition-focused investors by delivering measurable outcomes across both domains

In practice, this means moving away from siloed project windows and towards integrated facilities and country platforms where climate, nutrition and development stakeholders jointly design pipelines, share data and align results frameworks.

Gender-responsive nutrition finance

Women’s empowerment and nutrition outcomes are closely linked, creating opportunities for integrated financing approaches such as:

- **Women-focused nutrition enterprises** supported through gender-lens investing that provides capital and technical assistance to women-led food and health businesses
- **Financial inclusion mechanisms** that provide women with access to credit, savings and insurance specifically designed to improve household nutrition outcomes
- **Care economy investments** that reduce women’s unpaid care burden, enabling greater participation in nutrition-positive economic activities

This approach mirrors the way climate finance has been mainstreamed through taxonomies and disclosure frameworks – by making the cross-cutting benefits visible to investors and aligning them with ESG-linked incentives. Applying the same discipline to nutrition will help embed it within broader sustainable finance flows.



4) Build market infrastructure and institutional capacity

Strengthening financial-sector engagement

To effectively mobilize capital towards nutrition outcomes, the financial sector should look to strengthen its institutional capacity and align internal practices with nutrition goals. Developing nutrition expertise within financial institutions is not only a matter of risk management but also stands as a pathway to capturing new market opportunities. Hiring specialists, training investment teams and creating internal nutrition investment guidelines can help embed nutrition considerations into decision-making and product design, opening routes to new client segments, innovative products and measurable impact.

In parallel, tailored risk assessment frameworks are needed to enable institutions to evaluate nutrition-related risks and opportunities across their portfolios. These tools would help identify how nutrition impacts financial performance, reputation or regulatory compliance.

Policymakers and regulators also have a role to play. Regulatory incentives can encourage banks, insurers and investors to incorporate nutrition impacts into their lending and investment decisions. These could take the forms of guidance, disclosures or preferential treatment under ESG taxonomies. Together, these developments can create an enabling environment for nutrition finance to scale within the financial sector.

Creating liquidity and secondary markets

Institutional investors require liquidity and transparency to invest at scale, which necessitates the development of tradable, nutrition-linked financial instruments. One key step is establishing nutrition bond markets with standardized structures, regular issuances and clear performance metrics. This should aid in providing predictability and accountability for inclusion with institutional portfolios.

Secondary market infrastructure is also essential. By enabling the buying and selling of nutrition-linked investments, such infrastructure enhances liquidity, reduces perceived risk and makes nutrition finance more attractive to a broader range of investors.

Finally, the creation of nutrition-focused indices can support passive investment strategies and benchmarking. These indices would help track the performance of nutrition-aligned portfolios, much like existing green or social bond indices, and open the door to nutrition-focused exchange-traded funds and other scalable instruments.



Aligning policy and finance to support global private-sector engagement in localization

Effective nutrition finance also depends on aligning policy frameworks with private-sector investment to support localization, aggregation and enterprise upgrading in developing economies. Taxonomies and investment standards are most useful when embedded in country-led platforms that translate national nutrition priorities into concrete investment road maps. Integrating nutrition taxonomies into sector strategies, investment promotion policies and public–private dialogue helps ensure that global investors can navigate local regulatory contexts, understand pipeline needs and align capital with national nutrition targets. When linked to investment facilitation hubs, SME accelerators or value chain programmes, these platforms turn abstract standards into practical guidance for both public incentives and private decision-making.

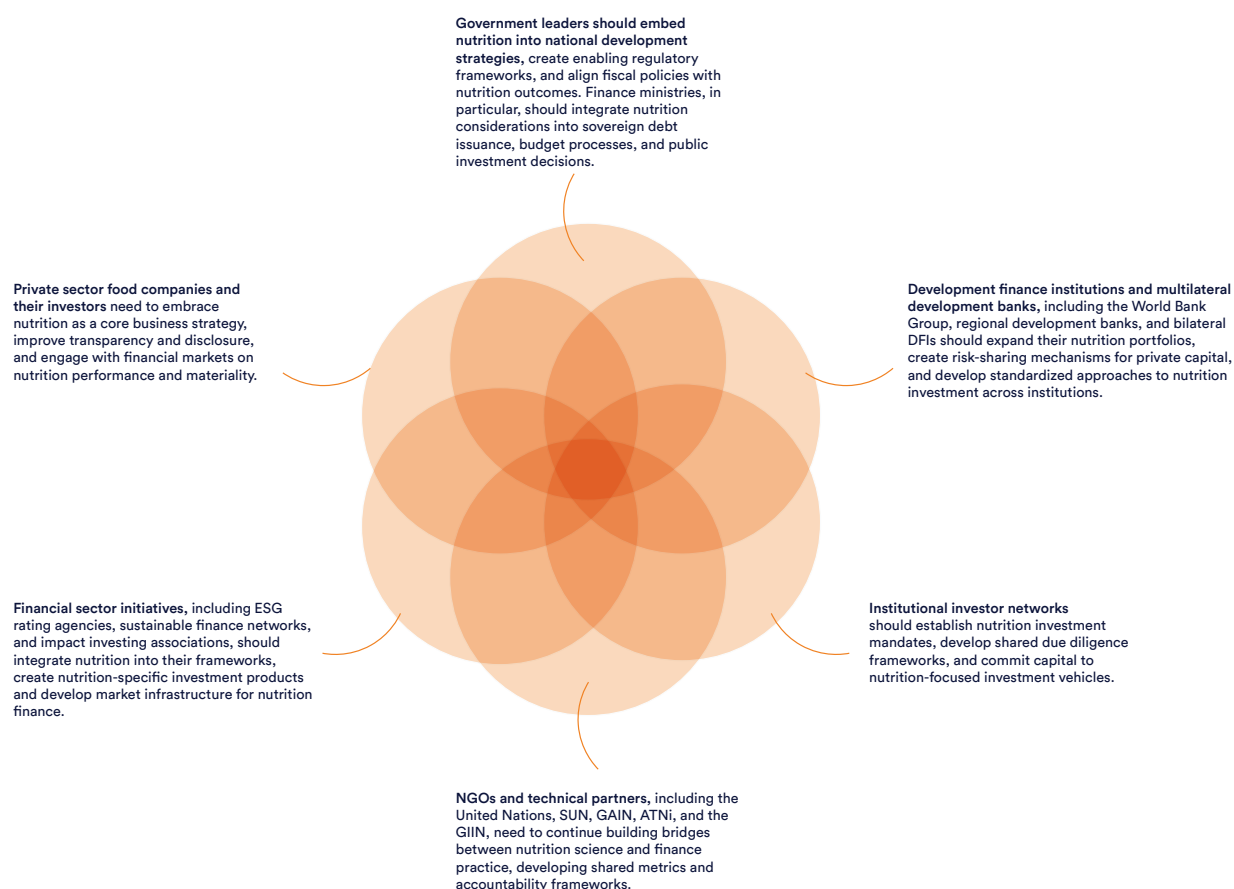
This alignment can also enable aggregation and local enterprise upgrading so that smaller firms can participate in nutrition-relevant markets. Country-led platforms can support pooled vehicles or structured pipelines that bundle SMEs into investable clusters, reduce transaction costs and generate deal sizes suitable for institutional investors, drawing on lessons from climate finance country platforms and blended facilities. Complementary public instruments such as matching grants, technical assistance and guarantees can help local enterprises meet quality, food safety and reporting requirements linked to nutrition taxonomies. Together, these measures expand the pipeline of bankable opportunities while keeping a clear focus on genuine nutrition outcomes.



The roles of stakeholders going forward

Realizing this vision depends on coordination that runs through country systems. SUN and national multi-stakeholder platforms provide the forum in which governments, development partners, business and civil society align behind one costed plan and connect subnational priorities to budgets and external finance. Where these platforms are visible, resourced and trusted, it is easier to mobilize and align funding and keep global conversations tied to country needs.¹⁶²

However, as recent research reports from World Vision¹⁶³ and the Center for Global Development¹⁶⁴ emphasize, fragmentation remains the defining challenge: Vertical funding streams create parallel delivery systems, external donor reliance undermines country ownership, and the absence of intersectoral coordination leaves nutrition chronically under-resourced despite its proven returns. Addressing these systemic barriers requires each stakeholder group to take on specific, complementary roles, as outlined in the figure below:



Furthermore, the development of a nutrition taxonomy offers a critical opportunity to provide the common standards and frameworks that enable this coordination. An internationally recognized organization with broad convening power within the United Nations system – such as IFAD, with its mandate spanning agriculture, rural development and nutrition – would be well positioned to steward this effort. Such a taxonomy would ensure that diverse financing streams align around clear definitions of nutrition impact and eligibility criteria that work across sectors and stakeholders.

The convergence of the growing awareness of nutrition’s economic importance, expanding sustainable finance markets and increasing institutional investor demand for impact-aligned investments creates an unprecedented opportunity. However, this moment will only translate into transformation if action is taken collectively, systematically and at scale.

¹⁶² UNICEF (2025). Bezos family announces an up to us 500 million challenge for UNICEF’s Child Nutrition Fund to address global child and maternal undernutrition. <https://www.unicef.org/press-releases/bezos-family-announces-us500-million-challenge-unicefs-child-nutrition-fund-address>

¹⁶³ Child Nutrition Fund (n.d.). Impact. <https://www.childnutritionfund.org/>

¹⁶⁴ World Vision (2025). Global Nutrition Financing Research Report. <https://www.wvi.org/sites/default/files/2025-03/Global%20Nutrition%20Financing%20Research%20Report.pdf>

Glossary

Term	Definition
Blended finance	The use of catalytic capital from public or philanthropic sources to increase private-sector investment in sustainable development. ¹⁶⁵
Budget tagging	A method for identifying and tracking budget allocations related to specific policy objectives, such as nutrition or climate, to improve transparency and accountability. ¹⁶⁶
Capital stack	The structure of financing in a project, arranged by risk and return, typically comprising equity, mezzanine and senior debt layers.
Catalytic capital	Flexible and risk-tolerant capital that takes a subordinated or concessional position in the capital stack to absorb more risk, improve the risk-return profile for other investors, and crowd in additional capital.
Concessional finance	Below-market-rate finance provided by major financial institutions to developing countries to accelerate development objectives. ¹⁶⁷
Credit enhancement	Financial tools such as guarantees, insurance or first-loss capital used to reduce investment risk and improve the creditworthiness of projects.
Debt swap	An agreement to redirect money from debt payments towards a development objective. ¹⁶⁸
Development impact bond	A type of financial security used to finance development programmes in low-resource countries by attracting private investors. ¹⁶⁹
Enabling environment	The legal, policy, institutional and regulatory conditions that support effective, inclusive and sustainable development financing.
First-loss capital	High-risk capital provided by a funder who agrees to take initial losses, thereby protecting other investors.
Fixed-income security	An investment that provides fixed, periodic interest payments and returns the principal amount at maturity. ¹⁷⁰
Guarantee	A financial commitment by a third party to cover loan repayments if the borrower defaults, reducing risk to investors.

¹⁶⁵ World Vision (2025). Global Nutrition Financing Research Report.

<https://www.wvi.org/sites/default/files/2025-03/Global%20Nutrition%20Financing%20Research%20Report.pdf>

¹⁶⁶ Keller, J. M., Eldridge, R. (2025). The Evolving Global Landscape for Nutrition-Specific Financing. Center for Global Development.

<https://www.cgdev.org/sites/default/files/evolving-global-landscape-nutrition-specific-financing-taking-stock-moving-forward.pdf>

¹⁶⁷ Convergence (n.d.). Blended Finance <https://www.convergence.finance/blended-finance>

¹⁶⁸ UNICEF (2021). Nutrition Budget Brief - Investing in children's wellbeing in Rwanda. <https://www.unicef.org/esa/media/8381/file/UNICEF-Rwanda-2020-2021-Nutrition-Brief.pdf>

¹⁶⁹ World Bank (2021). What You Need to Know About Concessional Finance for Climate Action. <https://www.worldbank.org/en/news/feature/2021/09/16/what-you-need-to-know-about-concessional-finance-for-climate-action>

¹⁷⁰ World Bank (2024). How are Countries Trading Debt for Development? A Close Look at Debt Swaps. <https://www.worldbank.org/en/topic/debt/brief/how-are-countries-trading-debt-for-development>

Mezzanine capital	A hybrid financial instrument combining elements of debt and equity, often with higher risk and return than traditional loans.
Outcome verification	The independent assessment of whether pre-agreed results or outcomes have been achieved, often a condition for disbursement.
Partial credit guarantee	A mechanism in which a third party guarantees repayment of a portion of the debt in case of borrower default.
Performance-linked disbursement	A payment system in which funds are released based on the achievement of predefined performance indicators or milestones.
Results-based financing	A funding model in which disbursement is contingent upon the delivery and verification of specific outputs or outcomes.
Subordinated debt	Debt that ranks below other loans and securities in terms of claims on assets or earnings in the event of default. ¹⁷¹
Sustainable development bond	Bonds issued to finance sustainable development projects and programmes designed to achieve positive social and environmental impact. ¹⁷²
Thematic bond	A bond that raises capital for a specific theme – such as gender, climate or nutrition – and includes measurable impact objectives.
Nutrition-sensitive investment	Investments in sectors such as agriculture, WASH or education that incorporate design features to improve nutrition outcomes.
Nutrition-specific investment	Direct investments targeting the immediate causes of malnutrition, such as supplementation, feeding practices or the treatment of wasting.
Convergence finance	Strategic alignment of public, private and philanthropic capital to jointly invest in development priorities.
Multisectoral approach	An integrated strategy involving multiple sectors (e.g. health, agriculture and education) to tackle complex challenges like malnutrition.

¹⁷¹ CFI (n.d.). Development Impact Bond. <https://corporatefinanceinstitute.com/resources/esg/development-impact-bond/>

¹⁷² Drew, M. (2025). Fixed-Income Security Definition, Types, and Examples. Investopedia. <https://www.investopedia.com/terms/f/fixed-incomesecurity.asp>

¹⁷³ Chen, J. (2024). Subordinated Debt: What It Is, How It Works, Risks. Investopedia. <https://www.investopedia.com/terms/s/subordinateddebt.asp>

¹⁷⁴ World Bank (n.d.). IBRD Funding Program | World Bank Bonds. <https://treasury.worldbank.org/en/about/unit/treasury/ibrd/ibrd-sustainable-development-bonds#2>





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