

GAIN – MARKETPLACE ON INNOVATIVE FINANCIAL SOLUTIONS FOR DEVELOPMENT



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Paris

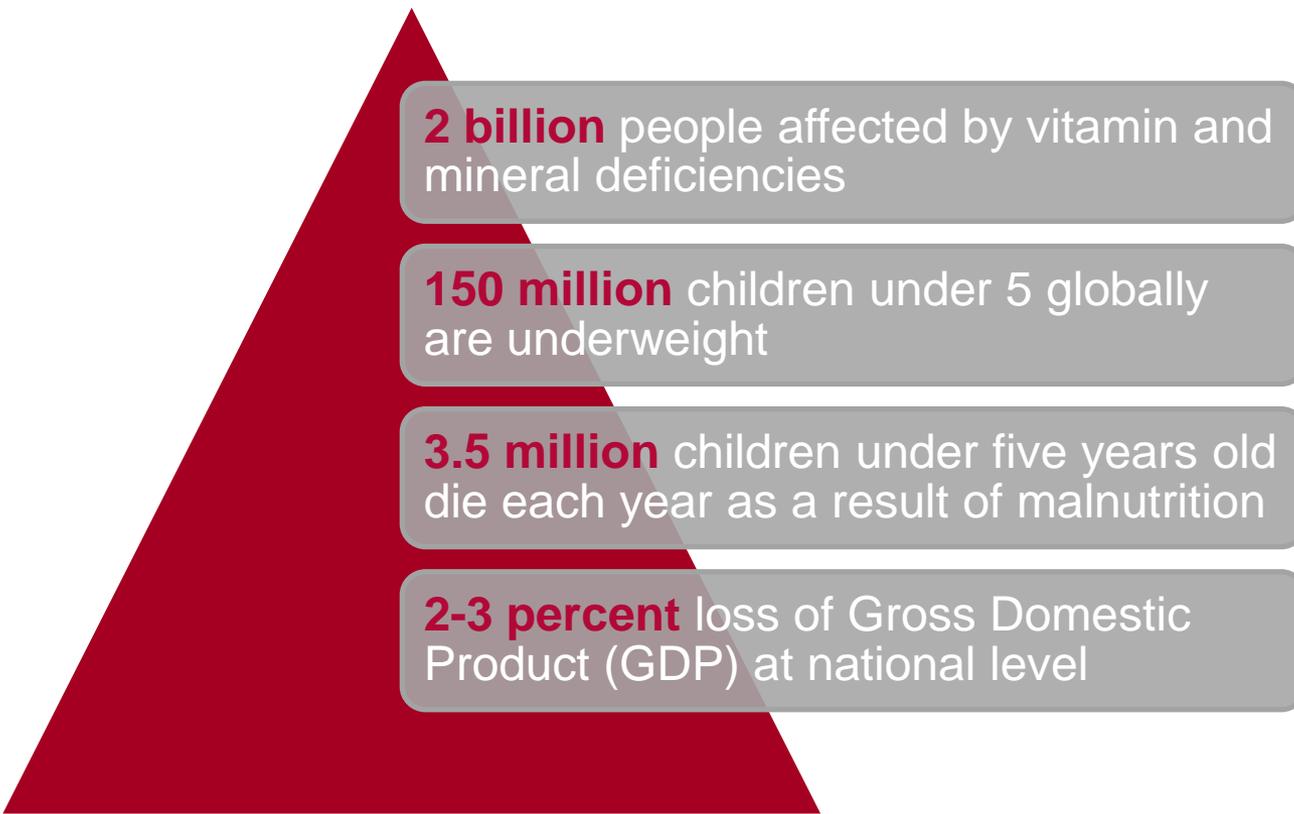
4 March 2010



INVESTING IN PARTNERSHIPS TO STOP MALNUTRITION

The Global Nutrition Challenge

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2 billion people affected by vitamin and mineral deficiencies

150 million children under 5 globally are underweight

3.5 million children under five years old die each year as a result of malnutrition

2-3 percent loss of Gross Domestic Product (GDP) at national level

The GAIN Vision, Mission, Goal

- Driven by the **vision** of a world without malnutrition
- GAIN's **mission** is to reduce global malnutrition through food fortification and other sustainable strategies aimed at improving the health and nutrition of populations at risk, particularly women and children
- Reach **1 billion** people with improved nutrition, including 500 million women and children

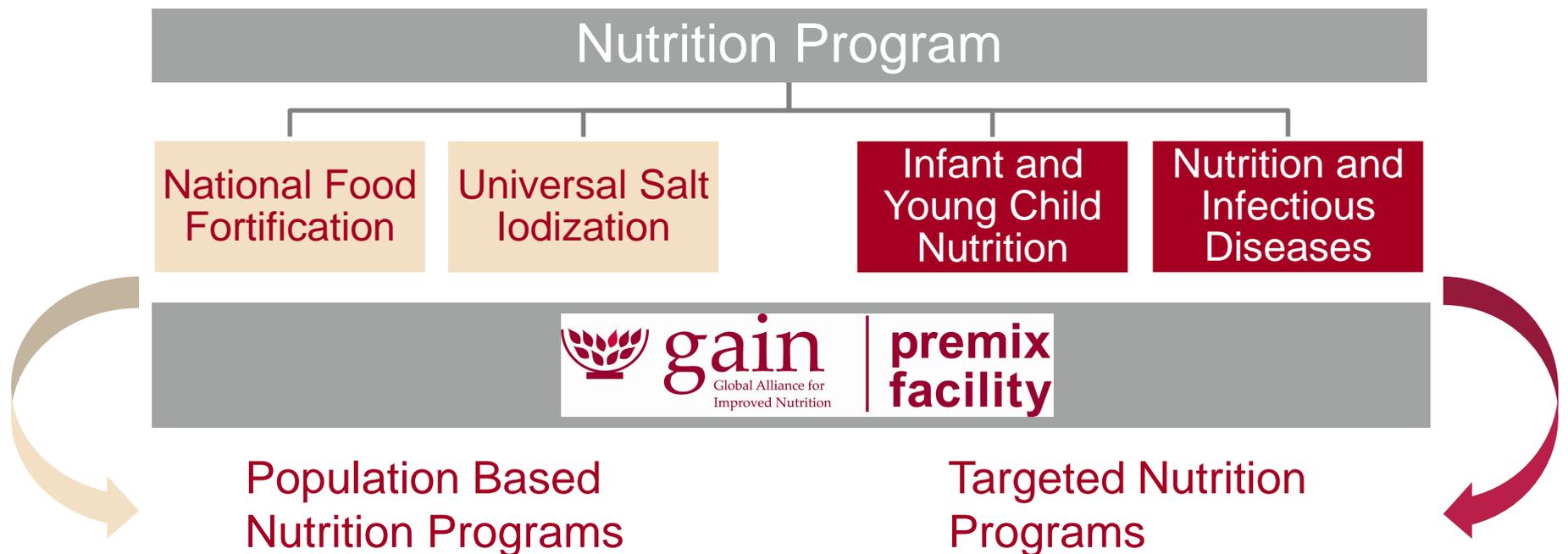
GAIN at a Glance

- Established under UN in 2002 during the **Special Session of the UN General Assembly on Children**
- Established as a **Swiss Foundation** in March 2003
- Headquarters in **Geneva, Switzerland**
- Regional offices in **Beijing, Cairo, New Delhi, Johannesburg**
- **Donors** from North America, Europe, Middle East

Nutrition Program

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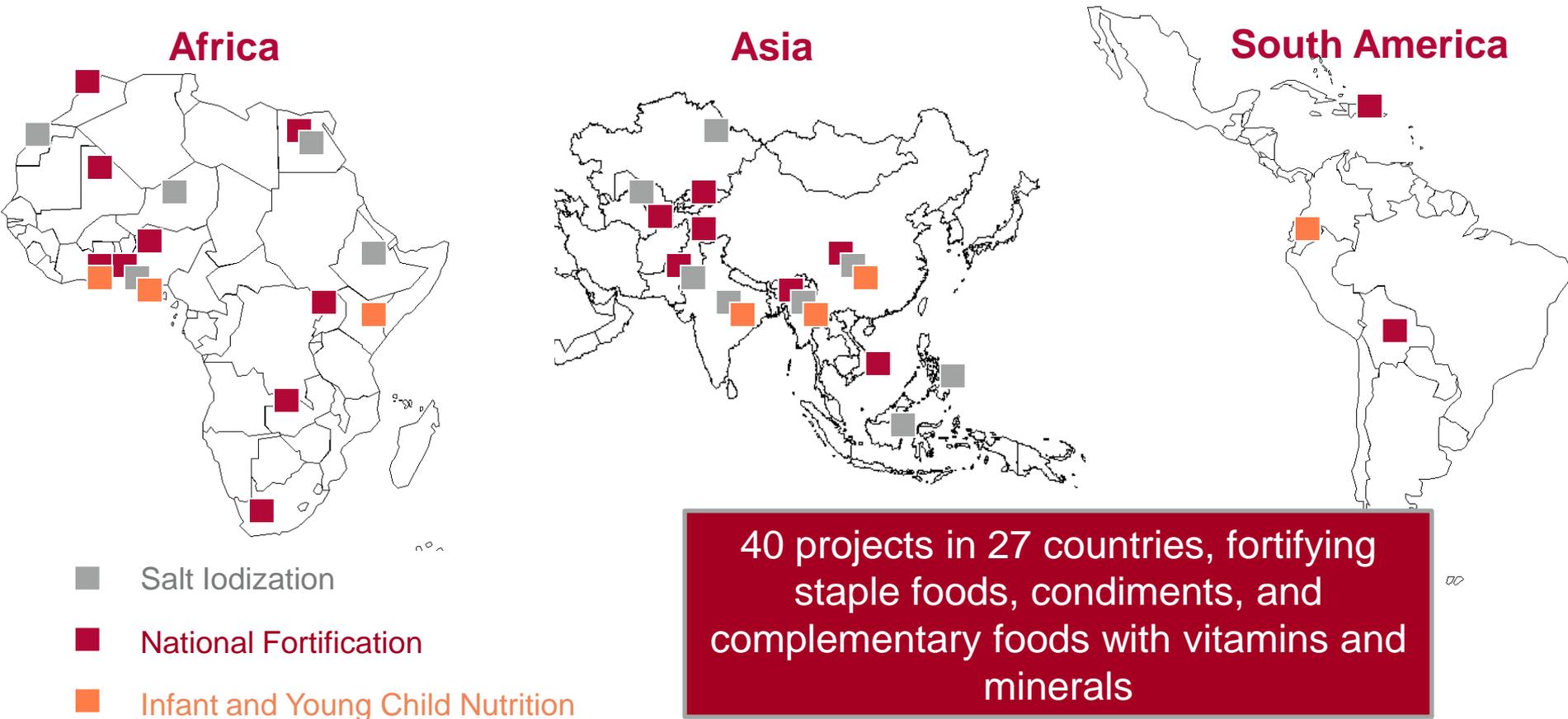
GAIN delivers high quality population based and targeted programs, all of which contribute to our target of reaching 1 billion people.



GAIN Country Presence

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All of GAIN's projects utilise premix, a blend of vitamins and minerals, which is added to food. In the past premix procurement was done by each project.



GAIN premix facility (GPF)

The GPF was implemented to respond to the challenges associated with premix procurement and leverage GAIN's global scale.

Challenges in Premix Procurement

Premix quality varies from project to project

Absence of global procurement strategy results in price variation between projects

Micronutrient costs represent 70-90% of ongoing project costs

Some projects struggle to finance purchases upfront

GPF Service Offering

Certification Facility
(Certification Agent: Intertek)

Procurement Facility
(Procurement Agent: Crown Agents)

Credit Facility

Grant Facility

Three Key Benefits

The GPF creates value for its customers by improving accessibility and affordability of quality premix from certified suppliers.



Results to Date

Since July, the GPF started delivering better cost and quality outcomes for our programmes. Key achievements to date include:

- Implementation of a procurement and certification process based on leading practices from the public and private sector.
- Framework agreements set up with a group of quality certified suppliers:

8 Premix
Blenders

8 Raw Material
Manufacturers

5 Suppliers who
are both
Blenders &
Manufacturers

Development targets
provided for 10 non
qualifying suppliers

Our first year target is to procure US\$5m of premix – so far, we have delivered US\$1.5m across 8 countries. This is estimated to reach more than 30 million consumers with certified quality premix at competitive costs.
First consignment stock financing in place in Ghana.

Future Opportunities

The core GPF activities are running – we are now looking to expand the scope of activities and seeking partners to support implementation.

1) Grant Facility Launch

Launch Grant Facility in 2010 to significantly expand the fortification of food aid distributed by major aid agencies.

2) Credit Facility Expansion

Expand the current Credit Facility offering to reach more food producers with innovative and flexible financing options.

3) Retail Testing Program

Implement a program to validate the efficacy of fortified food product reaching retail shelves in the countries we operate in.

1) Launch of the GPF Grant Facility

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The objective of the Grant Facility is to expand fortification of food aid distributed by our aid agency partners during humanitarian emergencies.

The Issue

Malnutrition is a major issue for people in emergency situations

Target Impact

Increase the availability of fortified food in the emergency food aid distribution

Our Approach

- GAIN premix facility supported the fortification costs of WFP food aid distribution in Haiti.
- GAIN is currently estimating the ongoing annual cost for the Grant facility.
- GAIN is seeking a convening donor to scale-up this essential initiative.

2) Expansion of the GPF Credit Facility

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Expansion of the Credit Facility will make financing more accessible for local food producers, improving sustainability of our projects.

The Issue

For food producers, financing premix purchases is a major challenge to sustainability.

Target Impact

Small and medium size businesses can access a flexible credit arrangement

Our Approach

- GAIN is in discussions with potential banking partners
- GAIN to expand its offer of consignment stock financing
- GAIN is seeking donor support the scale-up of the current credit offering.

3) Ensuring Efficacy of Fortified Products

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Beyond GAIN's project involvement, there is a need to have an effective, ongoing mechanism to ensure that fortified products consistently deliver intended benefits.

The Issue

Local compliance organisations are often ill equipped in terms of resources and expertise.

Target Impact

Develop a mechanism to ensure food safety and adequate fortification of food products

Our Approach

- GAIN is piloting a program to sample and analyse food products to evaluate food safety and measure fortification levels.
- To scale up, GAIN is seeking donor support for the setup of this program.

Thank you!



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