

## **Opportunities to Use Procurements to Create Nutrition-Sensitive Development Projects**

### **Executive Summary**

U.S. leadership in foreign assistance is in danger of being compromised by misguided attempts to balance the federal budget by reducing or doing away with aid programs. In this budgetary climate, the need to “do more with less” requires U.S. aid programs to show real, cost-effective results. One area where this is especially true is nutrition, which is a cornerstone of all international development. Unfortunately, the evidence indicates a substantial disconnect between U.S. policy on nutrition in development and the implementation of nutrition programs on the ground. Despite the recent emergence of policy frameworks designed to facilitate the integration and expansion of nutrition interventions in the developing world, U.S.-funded nutrition programs continue to be less efficient, effective and economical than they could be. One way for the U.S. government to advance its policy priorities and to better align and integrate development projects in general – and specifically in the area of nutrition – would be to alter the requirements for food security-related grants and contracts in such a way that they also function as a more effective policy implementation tool.

### **Introduction**

For well over half a century, the United States has been leading the world as a provider of both humanitarian aid and long-term development assistance. The benefits of this leadership, both to recipient nations and to the United States, are myriad and well-documented. U.S. humanitarian aid has saved countless lives in the wake of conflicts and disasters over the decades, while long-term development assistance has been the impetus

behind the growth of some of the world's strongest economies. Assistance has also been good for the U.S. economy. In 2010, eleven of the fifteen largest importers of American goods and services were once recipients of U.S. foreign aid.<sup>1</sup> This includes European nations that received aid through the Marshall Plan as well as some of the "Asian Tigers" like South Korea and Taiwan.

But as the song says, "the times they are a-changin'." The fallout from the global financial crisis and the spiraling U.S. budget deficit have made foreign assistance a target for fiscal conservatives and deficit hawks both in the U.S. Congress and the general public. Despite the fact that foreign assistance constitutes less than one percent of the federal budget, it is consistently cited as an area where the government needs to "do more with less."<sup>2</sup> Recent efforts to dramatically reduce, and in some cases eliminate, funding for foreign assistance programs demonstrate the need for such programs to show results that are both real **and** cost-effective. Without that, these programs are in danger of being decimated; putting millions of lives and the stability of many countries at grave risk.

The first link in the chain from U.S. government policy to program delivery on the ground is the procurement process. Request for Proposal (RFP) and Request for Application (RFA) documents<sup>3</sup> released by agencies like USAID and USDA are a direct manifestation of U.S. policy and as such should articulate and seek to operationalize the goals and priorities of that policy. Given the "more with less" climate that surrounds foreign assistance programs, procurement documents should, to the greatest extent possible, aim to create projects that are efficient, effective, and economical – with as little waste and duplication of effort and resources as possible. One way this can be done is by soliciting projects that are integrated and multi-sectoral. Such programs can eliminate

costly duplication of administrative costs and encourage synergies among sectors that can make a positive impact on both the project's bottom line and on the benefits to the target population.

An area where this is especially true is with regard to nutrition. Nutrition is in many ways the foundation of international development. In this environment of diminishing resources, nutrition is unique in the range of positive effects that can be produced with minimal investment. Improvements in the nutritional status of people in developing countries have been shown to reduce poverty, improve health and lower the disease burden, increase educational achievement, enhance economic output, advance the status of women and girls, and contribute to the development of community resources and human capital. As a 2002 UN report states, "It is the numerous benefits to be derived from nutrition investments combined with the ease of making them that makes nutrition such a powerful means to the end we all seek: a better life for all."<sup>4</sup>

And yet despite these facts, nutrition programs have – until recently – often gotten short shrift both from the U.S. Government and from the international donor community. An analysis of global funding streams for nutrition programs from 2004-2007 conducted by the international relief agency Doctors Without Borders (or Médecins Sans Frontières – MSF) describes funding in those years as "flat and insufficient,"<sup>5</sup> having not increased or improved significantly since 2000. In the U.S. as recently as 2010, nutrition-specific programs received a little more than 2% of funding appropriated for food security, with the vast majority going to agricultural development and emergency/humanitarian aid.<sup>6</sup> Make no mistake; all of these programs are important. In the wake of the success of the "Green Revolution" of the 1960s and '70s, agricultural development was effectively

abandoned for most of the last three decades. So, the renewed attention – and resources – dedicated to agriculture in the last few years are a welcome change. But, in the fight against hunger and malnutrition, more food – while necessary – is not sufficient to solve the problem.

The balance of this paper will describe more fully nutrition’s pivotal role as the foundation for both human and economic development. It will discuss the development of recent policy frameworks that have attempted to place nutrition within the overall humanitarian/development scheme and how these can be used to elevate nutrition within that scheme. It will then demonstrate the disconnect between these frameworks and the programs described and contracted for through US government procurements and why this results in programs that are less efficient, effective and economical than they could be. Finally, it will examine some options for correcting this disconnect and integrating nutrition into most U.S. humanitarian and development assistance projects.

### **A Persistent Gap between Policy and Practice**

In September 2009 President Obama made a speech before the UN General Assembly in which he stated that the United States had, “fully embraced the Millennium Development Goals.” If that is true, then the U.S. has effectively committed itself to dramatically improve the nutritional status of the world’s poor and vulnerable.

Proper nutrition has a fundamental role to play in at least six of the eight MDGs. Obviously, nutrition is central to MDG1, to eradicate extreme poverty and hunger. It can also have a major impact on MDG2, to achieve universal primary education. Much recent evidence indicates that poor nutrition in the 1,000 days from conception to age two results in irreversible damage to a child’s physical and cognitive development.<sup>7</sup> In

addition, school feeding programs in much of the developing world constitute a major incentive for families to send their children to school, creating an education opportunity that might not otherwise exist. In relation to MDG3 – Promote Gender Equality and Empower Women – a 2002 report indicates that,

Incorporating gender-sensitive nutrition components into policies and programs that aim to improve women's status will enhance both the expected short-term and long-term results of the programming efforts. Improvements in nutrition status of female infants and children will translate into the improved human capital of their adolescence, the empowerment of their adulthood, and the development of their communities.<sup>8</sup>

The positive impact of good nutrition on MDG4 (reducing child mortality) and MDG5 (improving maternal health) is self-evident, while proper nutrition is critical to the functioning of the immune system – a major factor in the successful achievement of MDG6 (combating HIV/AIDS, malaria and other diseases).

In addition to these specific impacts on the Millennium Development Goals, improper nutrition has been shown to have global economic consequences as well. According to some estimates, the effect of malnutrition on human development can reduce a nation's annual GDP by up to 3%.<sup>9</sup> Add to that the health care-related costs of chronic disease related to malnutrition and the figure can rise to about 5%.<sup>10</sup> At the community level, communities that are well-nourished are more likely to access available resources and to use them for activities that will further develop their communities. They are also less likely to be involved in conflicts that could disrupt their lives and livelihoods.<sup>11</sup>

The point to be made here is not simply that malnutrition has grave consequences, though that is certainly true. The larger point is that investments in nutrition present an enormous opportunity to create human, social and economic growth by simply providing a basic necessity. In the last few years, a couple of policy frameworks have emerged with the expressed goal of doing exactly that.

In 2009 President Obama announced the United States' global food security initiative, now called Feed the Future (FTF), which has as its primary objectives 1) accelerating improved agricultural sector growth and 2) improving nutritional status. As part of this initiative, the U.S. government intends to provide direct nutrition interventions to 25 million children. They estimate these interventions will reduce the number of stunted children by 10 million and the number of underweight children by 4 million.<sup>12</sup>

The Scaling Up Nutrition (SUN) Movement began as a collaborative effort in 2009 that produced the *Road Map for Scaling Up Nutrition* in the summer of 2010. The SUN Movement was a response to the persistent high levels of undernutrition in the developing world and specifically to setbacks in the progress toward realization of the first MDG – halving hunger and poverty by 2015 – caused by the food price crisis of 2007-8. Based in large part on the groundbreaking series on Maternal and Child Undernutrition published in 2008 by the British medical journal The Lancet, the *Road Map* is a set of principles and guidelines for governments, donors and civil society organizations to generate political support and mobilize resources to help high-burden countries combat undernutrition at the country level. In addition to direct nutritional interventions, the *Road Map* stresses the need for **nutrition-sensitive development**,

“which seeks to promote adequate nutrition as the goal of national development policies in agriculture, food security, social protection, health and education programmes.”<sup>13</sup>

Both of these policy frameworks have embraced the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008, an update and agenda for advancing the Paris principles),<sup>14</sup> as well as the Five Rome Principles for Sustainable Global Food Security.<sup>15</sup> They are based on the premise that countries must be in charge of their own development and that donors and implementers need to align behind these country-led plans in order to provide the necessary coordination and accountability to ensure maximum positive results. Unfortunately, both analytical and anecdotal evidence indicates that these policy principles are not yet being translated into action.

An analysis by Save the Children of RFAs/RFPs issued by the U.S. government in the areas of food security, livelihoods and nutrition during fiscal years 2009 and 2010 indicates that while there has been increased attention and resources provided for these sectors since the advent of the Feed the Future initiative, these resources remain fragmented and uncoordinated.<sup>16</sup> Programs in these sectors are still almost entirely separate, with projects solicited and resources provided on a sectoral basis with little or no integration between or among the projects. The analysis did find that since early 2010 when FTF was introduced, many food security and agriculture projects have included an expectation that nutritional indicators will be a part of their results framework – which is consistent with the results framework developed for FTF. But, in most cases the exact indicators to be used are not specified and no resources are designated for interventions to achieve them.

In addition, the results of a recent survey sent to the country offices of many of the largest U.S. non-governmental development organizations indicate that food security, agriculture and nutrition projects remain stuck in their traditional “stovepipes” and that efforts on the ground to remedy this situation are often met with skepticism and resistance.<sup>17</sup> One example of this stovepiping comes from Nepal – a Feed the Future focus country – where Save the Children recently responded to an RFA for a large food security and agriculture project, while at the same time working on a separate proposal for a nutrition project. The geographical coverage areas of these two projects overlapped significantly, and yet because they were solicited separately each will ultimately have its own administration, logistics and supply chain. Reports from other country offices indicate that this is not an unusual occurrence. Clearly, the implementation of these programs has not caught up to the policy principles being expounded in their favor.

### **Procurements as Policy Tools**

So, how can the U.S. government use procurements as a way of advancing their policy priorities and better aligning the implementation of development projects – particularly with regard to nutrition – with the principles expressed in the policy frameworks of Feed the Future and the SUN Movement? Here are three possibilities:

1) Institutionalize what they have already begun and include *nutritional indicators* within the results framework for all food security, agriculture and health related procurements – on the premise that what gets reported is what gets worked on. This is the least prescriptive option, leaving the question of how to accomplish the nutritional goals and with what level of effort and resources up to the implementing organization.

2) Specify *a sum or percentage of funds* within each procurement to be dedicated to nutrition programming. This option quantifies the level of resources to be dedicated to accomplishing nutritional goals, but still leaves the method(s) up to the implementers. The question of what amount of project resources should be applied to nutrition interventions would be determined on a case-by-case basis, according to the nature of the project and the particular circumstances in the country or region involved.

3) Include *specific nutrition programming/interventions* in all food security, agriculture and health related procurements. This could be done with or without specifying the amount of resources to be dedicated to these interventions. This is the most prescriptive of the three options, though allowing for some potential flexibility in terms of the resources available for nutrition programming and the balance between nutrition and other interventions.

U.S. government agencies have already recognized the need to implement the first option. Clearly, if one of the primary objectives of Feed the Future is to improve people's nutritional status it is necessary to have some metrics by which to measure that status. And while the inclusion of such indicators gives development partners some motivation to incorporate nutrition interventions that will (hopefully) improve those metrics, it provides no guarantee that those interventions will be included in project plans. As such, option 1 is necessary – but not sufficient – to accomplishing the stated policy goals regarding nutrition.

The second option, by contrast, would provide some level of guarantee that nutrition programming would be a part of every project plan. It would be a substantive acknowledgement that nutrition, as a foundational element of all development activities,

needs to be accounted for across all relevant sectors. It does, however, leave open the question of which nutrition interventions would be included and whether those interventions are appropriate – both to the goals of the specific project and to the larger nutrition-related policy goals to which they are meant to contribute.

Another significant danger posed by this option is that of measuring success on the basis of inputs, rather than outcomes. This has been a major pitfall of many development projects over the years. It is one thing to be able to say (for example), “This project trained over 300 community members in the need for good hygiene practices.” It is demonstrably and substantively better to be able to say, “As a result of this training, food-borne illness within the community dropped by 60% over the life of the project.” Unless it is known at the beginning what is to be measured, it is much easier to simply report on the tasks that were performed, rather than the results of those activities.

Are we to conclude, then, that option 3 is the optimum solution? Not necessarily. For although it provides the ability to mandate specific nutrition interventions to be included within projects across sectors – allowing for the kinds of cost efficiencies and synergies that were discussed earlier, along with the opportunity to measure the impact of those interventions – their efficacy depends upon one additional, crucial factor: country context.

Some combination of any or all of the three options outlined here will be appropriate for each project. But that combination will be different for each country; potentially even for each region within a country. In order to best utilize the procurement process to advance nutrition policy goals, agencies must adhere to the country ownership principle embraced by both Feed the Future and the SUN Movement.

Each country, each region within a country, will present a unique set of circumstances. Each will require a specific set of interventions and indicators. By acknowledging that the people in the country are best positioned to determine what those circumstances are and then tailoring the type and level of interventions and indicators to those unique circumstances, U.S. government agencies can go a long way to maximizing the effectiveness, efficiency and economy of their investments in foreign assistance – and to accomplishing the policy goals that will maintain the United States’ leadership in that sphere.

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<sup>1</sup> “From Policy To Practice: Maximizing the Impact and Accountability of U.S. Global Development Efforts,” Modernizing Foreign Assistance Network, 2011

<sup>2</sup> “Ros-Lehtinen: My mission is to cut the State and foreign aid budgets,” The Cable, ForeignPolicy.com, [http://thecable.foreignpolicy.com/posts/2010/12/08/ros\\_lehtinen\\_my\\_mission\\_is\\_to\\_cut\\_the\\_state\\_and\\_for\\_eign\\_aid\\_budgets](http://thecable.foreignpolicy.com/posts/2010/12/08/ros_lehtinen_my_mission_is_to_cut_the_state_and_for_eign_aid_budgets), Dec. 8, 2010, reviewed June 7, 2011

<sup>3</sup> Most government procurements are issued through a Request for Proposal (RFP) or Request for Application (RFA). An RFP solicits bids for contracts while an RFA solicits applications for grants. The main difference between grants and contracts is that grants allow more creativity and freedom in a particular project. A contract will have a specific set of deliverables and very little room for flexibility.

<sup>4</sup> Barbara Macdonald, Lawrence Haddad, Rainer Gross, and Milla McLachlan, “Nutrition: Making the Case.” In Nutrition: A Foundation for Development, Geneva: ACC/SCN, 2002.

<sup>5</sup> “Malnutrition: how much is being spent? An analysis of nutrition funding flows 2004-2007,” Médecins Sans Frontières, November 2009, pg.1

<sup>6</sup> “U.S. Global Food Security Funding, FY2010-FY2012,” Congressional Research Service, April 2011

<sup>7</sup> “Maternal and Child Undernutrition Series”, The Lancet, January 16, 2008. <http://www.thelancet.com/series/maternal-and-child-undernutrition>

<sup>8</sup> Ruth Oniang’o and Edith Mukudi, “Nutrition and Gender.” In Nutrition: A Foundation for Development, Geneva: ACC/SCN, 2002.

<sup>9</sup> Susan Horton, “Opportunities for investments in nutrition in low-income Asia.” Asian Development Review 17, 1999, pg. 246–273.

<sup>10</sup> Barry M. Popkin, Sue Horton, and Soowon Kim, “The Nutritional Transition and Diet-Related Chronic Diseases in Asia: Implications for Prevention.” IFPRI, 2000

<sup>11</sup> Lawrence Haddad, “Nutrition and Poverty.” In Nutrition: A Foundation for Development, Geneva: ACC/SCN, 2002.

<sup>12</sup> *Feed the Future Guide*, USAID, May 2010

<sup>13</sup> *A Road Map for Scaling-Up Nutrition*, September 2010.

[http://www.unscn.org/files/Announcements/Other\\_announcements/FINAL\\_SUN\\_Road\\_Map\\_FINAL\\_dn.pdf](http://www.unscn.org/files/Announcements/Other_announcements/FINAL_SUN_Road_Map_FINAL_dn.pdf)

<sup>14</sup> [http://www.oecd.org/document/18/0,3343,en\\_2649\\_3236398\\_35401554\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html)

<sup>15</sup> *Declaration of the World Summit on Food Security*, Rome, November 2009.

[http://www.fao.org/fileadmin/templates/wsfs/Summit/Docs/Final\\_Declaration/WSFS09\\_Declaration.pdf](http://www.fao.org/fileadmin/templates/wsfs/Summit/Docs/Final_Declaration/WSFS09_Declaration.pdf)

<sup>16</sup> The analysis was done on 75 procurements issued during fiscal years 2009 and 2010 by USAID, USDA and the State Department and received by Save the Children. No distinction was made between those that Save the Children responded to and those they did not. The procurements from FY 09, though they pre-date Feed the Future, were included to determine what, if any, change had occurred in these sectors over the time period. A Save the Children policy brief based on this analysis is forthcoming.

<sup>17</sup> Survey conducted by InterAction in December 2010. Organizations surveyed include The Alliance to End Hunger, CARE Catholic Relief Services, The Hunger Project, Mercy Corps, and Save the Children.