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Market-based approaches to nutrition improvement and food security and linkages to agriculture: *TechnoServe's Evolving Strategy*

Presented at: "Expanding Private Sector Investment and Public-Private Partnerships in African Agriculture and Nutrition"
Center for Strategic and International Studies

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PRELIMINARY

TechnoServe guiding philosophy for engaging in market-driven nutrition activities

We believe that sustained improvements in nutrition and health outcomes are best achieved through increased incomes and economic growth.

We recognize that there are many complementary, well-proven interventions that can catalyze and accelerate the nutrition and health impacts of economic growth.

TechnoServe, through strategic partnerships, strives to incorporate these critical nutrition and public health insights and programs into our work, to accelerate nutrition and health improvements as incomes grow.

Thrust 1: Explore opportunities to maximize nutrition impact of market-driven agricultural activities

- Prioritize efforts which are likely to result in sustained businesses (i.e., those facing consistent and growing market demand – especially for poor consumers)
- To the degree possible, launch programs around pre-existing networks (e.g., value chains, farmer groups, women's groups)
- Support complementary educational, environmental, and health-related activities to accelerate nutritional impacts of income growth
- Support necessary (less easily measured) efforts focused on social marketing and public sector institutional roles

Thrust 2: Improve the business environment

- Mobilize partners to shape strategic direction and align partner interests across sectors/initiatives (local and international public, community, private)
- Identify strategies for ensuring that foreign private sector activity does not hinder domestic business growth in production and processing of more nutritious foods (eg imports of subsidized foods, CSR programs)
- Work with other national governments to identify and modify policies and regulations that restrict the marketing of certain nutritional products (e.g., restrictions on marketing supplemental food for children under 24 months)

TechnoServe's evolving five point strategy

We are identifying opportunities and partners for large-scale comprehensive development initiatives, with public and private partners, that combine:

1. Conduct/review assessments of key nutritional challenges, identify (potential) markets for nutritious foods = “homework”, as basis for design of initiatives
2. Catalyze community-based and large-scale fortification
3. Commercialize nutritious produce / processed products for base of the pyramid markets/sources of demand
4. Push crop diversification/diversification of food sources
5. Support local businesses to become local “hubs” for delivery of services that address nutrition and food security issues

Fortification/nutritious products: General Mills, USAID and the African Alliance for Improved Food Processing

Objectives

- Improve capabilities and commercial viability of small and medium-sized food processing companies to increase production and improve quality and availability of nutritious and safe processed foods (including for most vulnerable) through technical and knowledge transfer in
 - Food formulation
 - Process development
 - Plant design and asset creation
 - Food quality, safety systems & certification
 - ‘Go-to-market’ operations, and business planning



Scope

- Currently working with 6 processors In Tanzania
- Expectation to work with ~ 15 Tanzanian firms over 2 years
- Scoping for opportunities done in Kenya, Zambia, Ethiopia, and Malawi in progress
- Processor support starts in Kenya, Zambia, Malawi in 2011

Other partners

- Partners in Food Solutions, platform for scale (being launched in 2011) with other partners including Root Capital and Insta-Pro
- Local entities to be equipped to take leadership role in transforming the food processing sector



Local “hubs”: Mozambique Millennium Maize Mills: DSM and USDA

Objectives

- Grow regional network of successful women-owned village grain mills providing nutritionally fortified food products, grain storage and marketing—that meet women’s needs for improved family health, nutrition, food security and income

Scope

- Pilot to test business model for hulling and milling services from efficient, properly sized technologies
- Fortification in milling process - blending of maize with oilseed cakes for human and animal consumption
- Storage, trading
- Expansion into mills as hubs for an array of private/public services (e.g., input distribution, extension services, market access)
- Leverage for educational programming (e.g., MCH, hand washing, irrigation)
- Mozambique active, scoping in Tanzania

Other partners

- DSM Nutritional Products Ltd
- Local entrepreneurs
- NGOs focused on small scale fortification, nutritional education, messaging etc

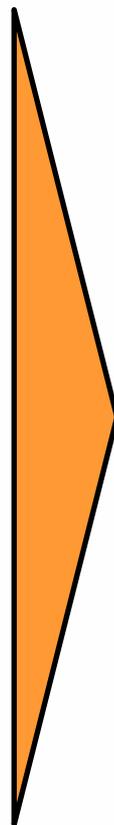


TECHNO SERVE
Business Solutions to Rural Poverty

Suggestions for USG attention

Perspectives from Private Sector

- A lack of willingness on part of AID to share their strategy for fear of being perceived to favor one company over another
- Dealing with USAID is very complex – e.g., procurement regulations, and conflict of interest concerns are barriers to effective cooperation
- In general, USAID staff don't seem to understand the private sector and what the private sector needs to help make an impact



Suggestions

- Invite the private sector to engage openly and transparently on evolving strategy
- Facilitate private sector engagement through transparent pricing (of subsidies), more homework on USAID side as to how to meet private sector needs
- Assign USAID staff as interns to private sector and vice versa
- Hire more private sector experienced staff and keep them incentivized