

LANDSCAPE: NUTRITION FINANCING TRENDS IN FRAGILE CONTEXTS 2022

WHY IT IS IMPORTANT TO
INVEST IN NUTRITION IN
CONTEXTS OF FRAGILITY

ACKNOWLEDGEMENTS



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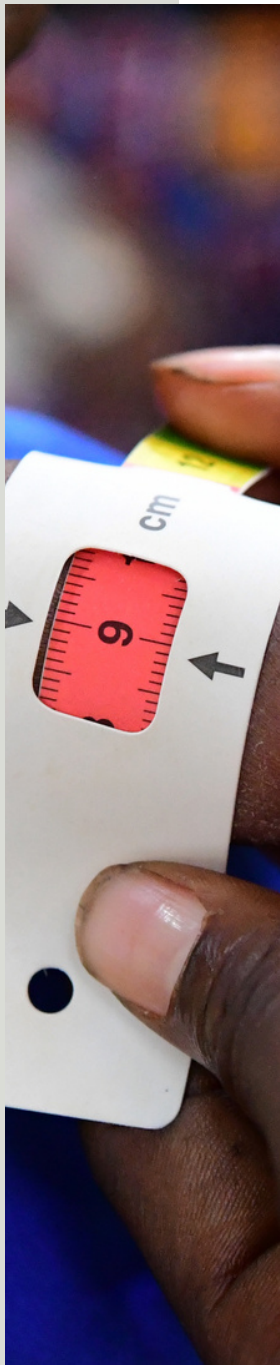
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INTRODUCTION

Some countries have seen an increase in child wasting by 40 percent or higher since 2016.



Unacceptable levels of malnutrition persist and global progress to tackle it remains too slow, despite concerted efforts in past years. Today, the world is off track to achieve the nutrition targets and with only a few years left to reach them, we need to accelerate progress and scale up nutrition action and financing.¹

People living in settings affected by emergencies and in particular children, are often more vulnerable to malnutrition and illness due to limited access to food, health, safe water and sanitation services and inadequate care practices. As a result, the cycle of illness and malnutrition persists in fragile settings with subsequent shocks resulting in longer recovery. Funding for nutrition interventions in fragile settings ensures that children have access to lifesaving malnutrition prevention and treatment interventions.

Despite laudable progress over the last decade, nutritional risks in children under five have continued to rise due predominantly to the combined effects of conflict, climate change, economic shocks, impacts of the COVID-19 pandemic, and the effect of the Ukraine war on fuel and food prices.

¹ 2025 WHA Nutrition targets and 2030 SDGs

Some countries have seen an increase in child wasting by 40 percent or higher since 2016. In the Horn of Africa alone, the historic drought is leading to catastrophic levels of food insecurity and quickly rising rates of malnutrition; nearly 7.1 million children are acutely malnourished, including 2 million with severe acute malnutrition.

Areas affected by fragility and conflict are home to 60 percent of the world's hungriest people. Despite escalating levels of need, funding appeals fall far short of targets, and only around 50 percent of funding requirements are met.² To achieve the 2030 goal of ending malnutrition in all its forms, leaving no one behind, urgent investments and commitments in nutrition must benefit the most vulnerable groups (youngest of the young, poorest of the poor, women, elderly) in fragile and conflict-affected contexts.



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METHODOLOGY

The report is based on secondary data, including information available in the [Financial Tracking Service](#) (FTS), a centralised source of curated, continuously updated data on humanitarian funding flows managed by the United Nations Office for the Coordination of Humanitarian Affairs ([OCHA](#)). Data on nutrition needs is based on the UNICEF/WHO/WB Joint Malnutrition Estimates and the State of Food Insecurity (SOFI) reports. It is recognized and acknowledged that at the time of this report, new data has become available but was not included in this analysis and did not affect the main conclusions and recommendations presented here.

Limitations:

- **Data collection:** Data collection in 2020 was limited due to physical distancing measures and data does not fully account the impact of COVID 19. In addition, it is important to remember that global nutrition trends will likely be further exacerbated by the recent and ongoing global crises, whose effects have not been fully understood.
- **Quality of data:** Main sources include the Global Nutrition Cluster (GNC) country reporting and FTS but there are gaps in information given that reporting to FTS is voluntary.
- **Sense of evolution of funding:** Despite limitations in data collection and data, the report aims to provide a general overview of funding trends for nutrition in contexts of fragility to contribute to further research and decision-making for the effective strengthening of nutrition systems in fragile contexts.



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OVERVIEW OF NUTRITION NEEDS AND INVESTMENTS IN CONTEXTS OF FRAGILITY



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GLOBAL PREVALENCE OF MALNUTRITION

Globally, in 2020, 149.2 million (22 percent) children under 5 years of age were stunted and 45.4 million (6.7 percent) were wasted (see Figure 1) – with Africa and Asia home to the most children suffering from malnutrition. If progress continues at the current pace, the number of stunted children is estimated to be 131 million by 2025, which is over 28 million more than the expected 40 percent reduction (or 100 million children under 5 years globally). The prevalence of wasting is also anticipated to remain well above the 5 percent target.³

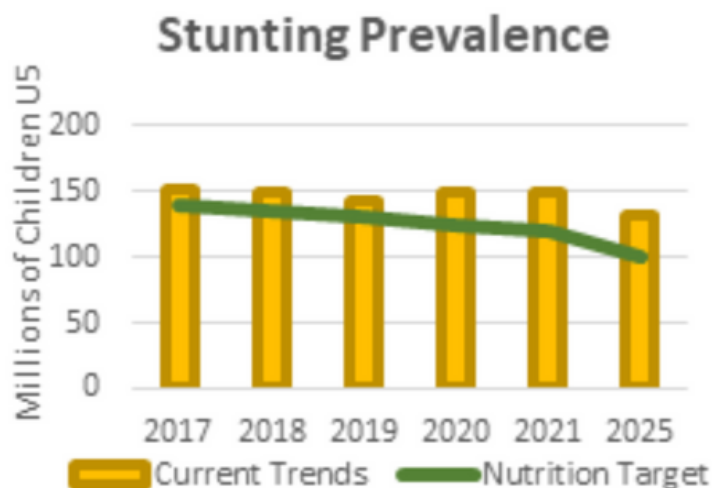
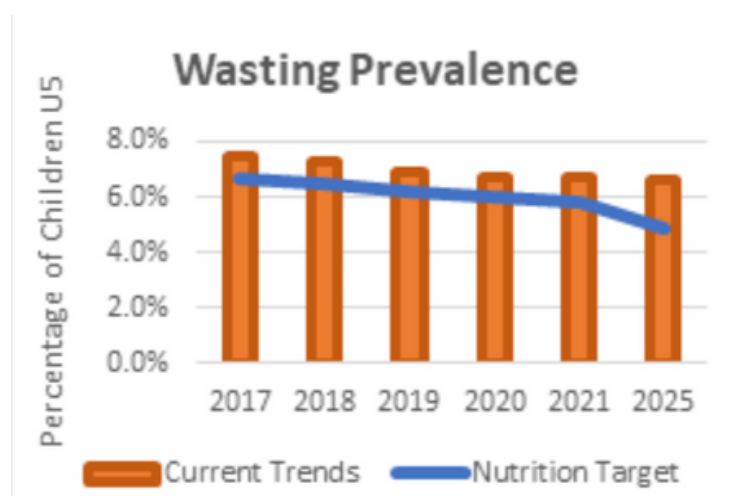


Figure 1 – Current and must-have progress to reach the global nutrition targets by 2025. *Gaps in data (source: UNICEF/WHO/WB Joint Child Malnutrition Estimates)

³ 2021 Global Nutrition Report

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NUTRITIONAL NEEDS IN CONTEXTS OF FRAGILITY

Nutritional needs in contexts of fragility have spiked in recent years, along with increasing humanitarian needs. As demonstrated in Figure 2, the number of people in need (PiN) targeted collectively by the GNC and cluster partners is below the actual PiN of nutrition support. This is due to numerous factors, from spread out and hard to reach communities and local NGO networks that oversee nutrition interventions to inadequate funding and often low technical capacity of cluster partners. As shown, the number of PiN of nutrition support in contexts of fragility has nearly doubled from 37 million in 2017 to 73 million in 2021. The number of people receiving support from the GNC during the same period has risen by 80 percent. The wider gap in needs peaked in 2020, when just 36 percent of the people in need were reached by the GNC.

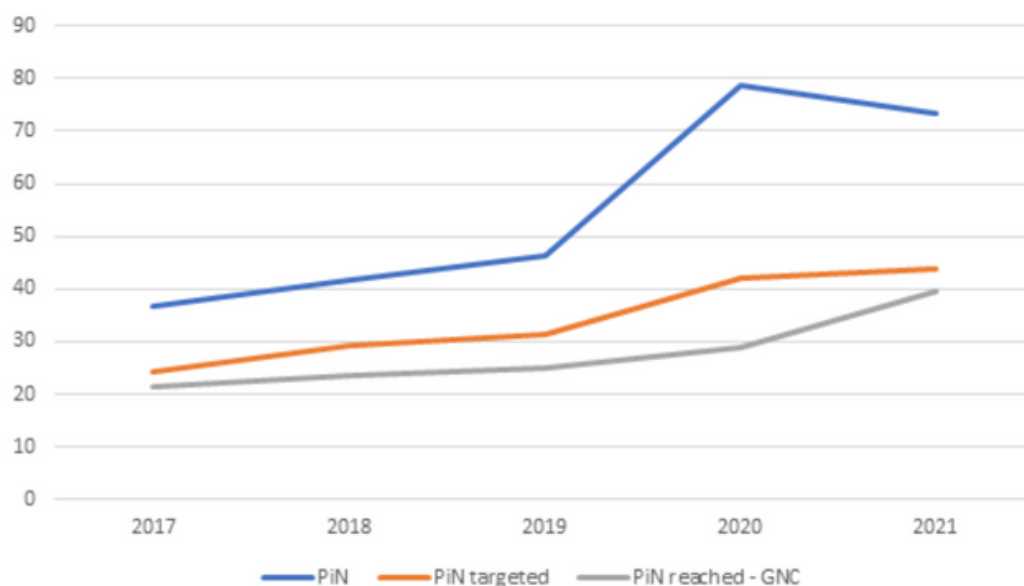


Figure 2– People in Need (PiN) globally (source: GNC Annual reports 2017-2021)

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NUTRITION SPENDING IN CONTEXTS OF FRAGILITY

During the same period, humanitarian financing increased by just 36 percent and today it remains insufficient to meet growing needs.⁴ In 2021, only US\$20 was available per person in need of humanitarian assistance, compared to US\$24 in 2017.⁵ This imbalance means that less money is available today for the growing number of people who need support. To further worsen the situation, rising food and raw material prices are directly impacting and increasing operational costs and reducing the reach of humanitarian assistance. For example, with a 16 percent increase in the price of Ready-to-Use Therapeutic Food (RUTF) – a critical treatment for children with severe acute malnutrition – humanitarian partners are forced to make difficult choices and make further cuts to its programmes in terms of people reached and geographic coverage.



Despite escalating levels of need, funding appeals continue to fall short of targets. During 2017-2021, the overall funds received for humanitarian assistance fell from 61.3 percent to a record low of 53.8 percent of the funds required.⁶

⁴ Derived from total humanitarian funding received in 2017 vs 2021 from fts.unocha.org data

⁵ Derived from total nutrition funding received (<https://fts.unocha.org> data) against PiN (GNC data) for the relevant years

⁶ [Humanitarian Action](#)

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QUALITY OF NUTRITION FINANCING

Unearmarked, timely and multi-year funding is increasingly being realised as a vital component to improving the flexibility and predictability of humanitarian responses.

Quality funding is critical to address the growing humanitarian needs. Unearmarked, timely and multi-year funding is increasingly being realised as a vital component to improving the flexibility and predictability of humanitarian responses.

Quality funding, coupled with increased leadership for local responders, is one of the two “enabling” priorities of the [Grand Bargain](#) — an agreement between some of the largest donors and aid providers to better serve people affected by crises.

Despite increased attention to enhanced quality funding, the extent to which progress is being made remains unclear due to significant information gaps and lack of clarity in reporting.

Un-earmarked funding

An un-earmarked contribution is one without any conditions or restrictions to its use, thus providing vital flexibility and predictability to humanitarian actors to determine how best to use funds to enhance responses.

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According to the [OECD](#), earmarked funding to international organisations has increased significantly over the past two decades. As of 2017, nearly 80 percent of all financial contributions were earmarked. Despite significant knowledge gaps on the rationale, qualities, and implication of earmarked contributions, [a recent study](#) found that earmarked funding has higher transaction costs for organisations, less predictable funding, seldom covers overhead costs, and increases competition for financing among humanitarian actors.

Timely funding

Timely funding is not just about speed it is, more importantly, about making sure that money is available at the right times. Humanitarian assistance often arrives too late to prevent avoidable deaths and suffering. A study of 10 crisis responses that took place between 2015 and 2019 found that only 41 percent of total response funding had been committed after six months and, of what was committed, only 64 percent was disbursed 18 months post-crisis.⁹ This slow reaction to both commit to and disburse funding is in large part due to the long lag time between funding proposal and award, administrative burdens, and disproportionate requirements – affecting the smallest and shortest-duration grants the most as requirements are often the same regardless of the size and duration of the grant, further hindering efficiencies.¹⁰ Improving technical efficiencies as well as anticipatory, contingency and increasing the practice of multi-year funding could boost timely funding. Disjointed reporting practices and limited functionalities in existing tracking platforms means that data on the timeliness of funding remains limited and further research on the matter would be recommended.

Securing funding in a timely manner would help to save lives and prevent avoidable suffering and further research and discussion on possible ways to overcome current barriers should be pursued.

⁹ [The Effects of Earmarked Funding in UNICEF and UNDP](#)

¹⁰ [Humanitarian Outcomes: Efficiency and Inefficiency in Humanitarian Financing](#)

Multi-Year funding

Multi-year funding has the potential to lead to more efficient responses that address immediate needs while implementing longer-term initiatives that build resilience and strengthen systems, and improve response time and predictability. In contrast, when funding needs to be renewed each year, the greater the risk of service interruption and the reliability and credibility of humanitarian actors is undermined, directly impacting beneficiaries and partners. While there is a clear argument in favour of multi-year funding in protracted and predictable rapid onset contexts to allow for longer term planning and operational savings, the same is also true in sudden onset events as humanitarian funding is often required for at least two or three years.

Donor allocations of multi-year humanitarian funding have grown year-on-year, both by volume and as a proportion since 2016 (Development Initiatives, 2020). In a recent report by Development Initiatives, an international development organisation in the UK that focuses on putting data-driven decision-making at the heart of poverty eradication, between 2016 and 2018, multi-year funding from 11 donors “grew to US\$4.8 billion, a 75 percent increase” from 2016. The report also indicates that “in 2018, multi-year funding accounted for 36 percent of total humanitarian assistance from these donors”. However, and despite this significant increase, the majority of multi-year humanitarian funding seems to be earmarked which has become a significant factor in limiting an “organisations ability to adapt to multi-year programs,” as many programmatic priorities are predefined and do not necessarily take into account humanitarian needs.¹¹

¹¹ [Multi-year humanitarian funding: Global baselines and trends](#)

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According to the same report, international responders are often the recipients of the majority of multi-year humanitarian funding from donors. In 2018, 45 percent of reported multi-year humanitarian funding was channelled to UN agencies, while just 19 percent was received by international NGOs. However, despite increasing since 2016, both multi-year and pooled funds collectively accounted for only 2 percent of the total reported contributions to local and national NGOs in 2018.

According to data in the FTS, Figure 3 below, multi-year funding for the nutrition sector represents less than 20 percent of all funding for nutrition in the context of fragility. Multi-year funding peaked in 2018 representing 19 percent of the response but remained around 10 percent in 2019 and 2020 to reach a record low in 2021 when it represented just 2.5 percent of the response.

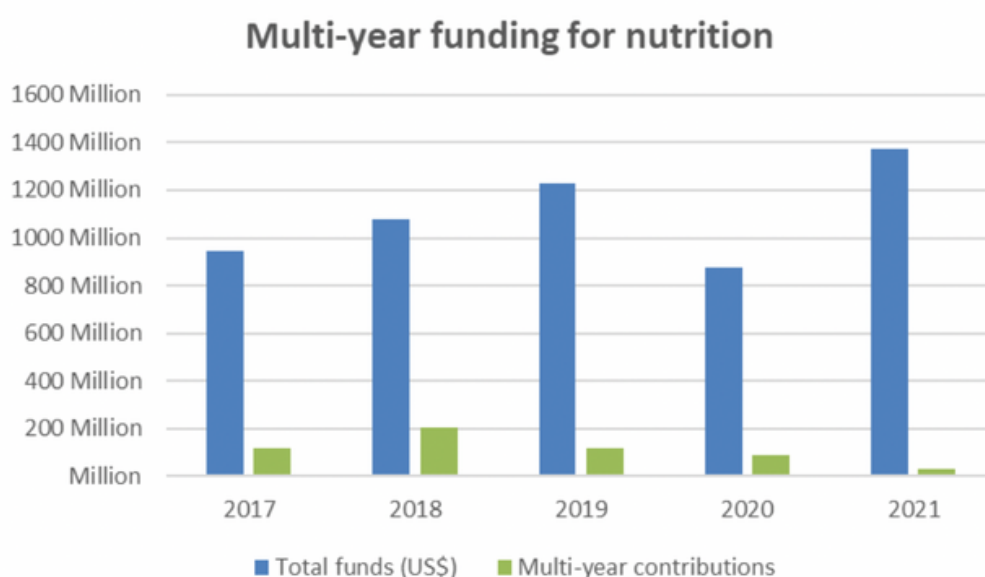


Figure 3 – Total and Multi-year funding for Nutrition (source: FTS)

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Localised funding

The second enabling priority of the Grand Bargain is to pass 25 percent of total humanitarian funding to local and national responders. It is also an explicit goal for some donors, including the US government.

In addition to enabling a more effective and efficient humanitarian response, the localisation of aid contributes to building long-term resilience of crisis-affected communities and to establish links with development activities across the humanitarian, development and peace nexus.

Direct funding to local actors

Overall, direct funding to local actors remained extremely low as a proportion of humanitarian funding – between a high of 3.3 percent (2018, 2020) during the COVID-19 crisis and a low of 1.2 percent in 2021.¹²

Similarly, direct funding for local actors for nutrition remained below 1.5 percent of the nutrition funding, with little variation between 2017 and 2021, as seen in the figure below, and still far from the 25 percent Grand Bargain commitment.¹³ Moreover, just around 200 organisations worldwide received direct nutrition funding in the last five years with little variation throughout the years.

¹² 2022 [The State of the Humanitarian System \(SOHS\)](#)

¹³ Ibid

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Other sources of funding for local actors

Beyond direct funding to local actors, Country-Based Pooled Funds (CBPFs) are a driver of flexible and localised aid. CBPFs continue to be the largest source of humanitarian funding given that local actors can have direct access, with over 70 percent of CBPFs allocated to local actors in any given year. However, allocations to CBPFs continue to represent a minor fraction of the overall humanitarian response. In 2021, US\$812m was allocated to CBPFs, representing less than 6 percent of humanitarian funding, without much variation between 2017 and 2021.¹⁴ It is important to note that tracking CBPFs is difficult due to poor reporting at the global level and while official figures may reflect low funding, country-based research suggests that figures may be higher than what is reported through FTS.

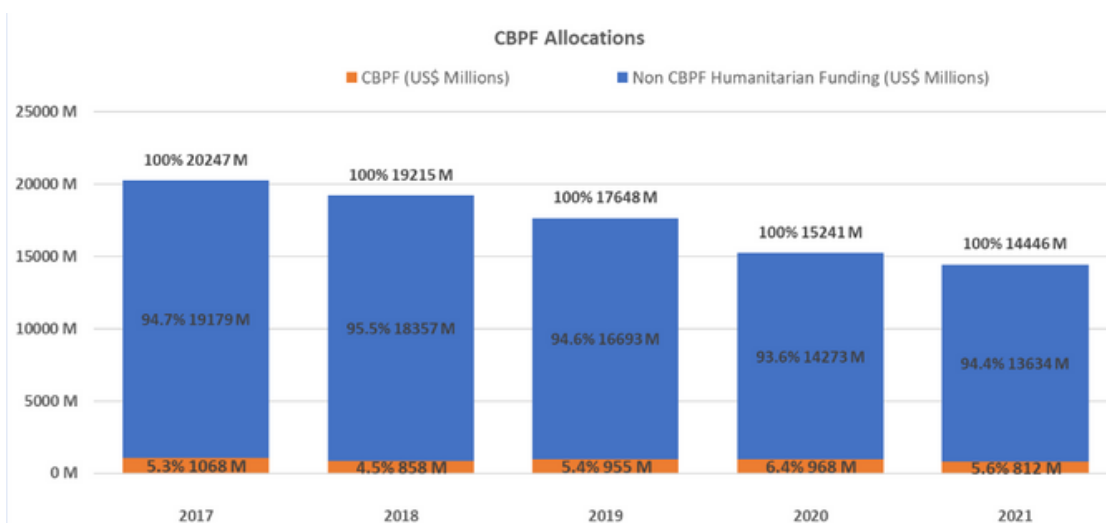


Figure 4 – CBPF Allocations (source: FTS)

14 [Financial Tracking Service](#)

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FUTURE NUTRITION FINANCING DEMANDS



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Unearmarked, timely and multi-year funding is increasingly being realised as a vital component to improving the flexibility and predictability of humanitarian responses.

The convergence of climate, economic, and conflict and displacement crises threaten progress toward the 2030 Sustainable Development Goals (SDGs). Extreme hunger has more than doubled since 2019, and rising food, fuel, and fertilizer prices exacerbate already low purchasing power and threaten future agricultural productivity. These crises come at a time when there are warnings of a global sovereign debt crisis – when countries can not pay their bills – among low and middle income countries; half of low-income countries (36 of 70 countries) were at high risk of debt distress or already in debt distress before the COVID-19 emergency.¹⁵ As country governments are increasingly squeezed by external debts, funding for essential services and social safety nets, such as nutrition programs or cash transfers to smooth basic consumption needs, is expected to decline.

The estimated cost of meeting the SDG nutrition targets for stunting, wasting, maternal anaemia and breastfeeding is now \$10.8 billion annually, up from the previous estimate of \$7 billion. Needs continue to outpace available funding, and it is anticipated that humanitarian actors will increasingly be asked to do more with fewer resources.

Holistic, longer-term funding to build resilience

Without addressing the underlying causes of these crises, the cycles of emergencies will continue. Therefore, there is a need to invest in longer-term nutrition programming to build resilience and reduce the need for humanitarian funding as well as increase the efficiency of humanitarian responses. The most effective tactic to reduce wasting is to prevent it - as such, it will be critical to dedicate funding for complementary and preventive interventions, in addition to life saving treatments like RUTF. These include maternal nutrition and breastfeeding support, infant and young child feed counselling, protection interventions for pregnant and lactating women, access to basic health, water, hygiene and sanitation services, etc.

At national levels, a nutrition financing strategy that articulates the role of development finance in addressing all forms of malnutrition, including funds for preparedness and surge mechanisms for responding to shocks, could be useful. Another opportunity is prioritizing high-impact, cost-effective interventions within nutrition financing strategies, so governments and the development community can maximize their investments in interventions that will accelerate progress towards reducing undernutrition. However, debt threatens such investments; sovereign debt forgiveness for lower and lower-middle income countries can free up domestic budgets for critical nutrition services. Therefore, at the macro-economic level, partners can advocate for system reforms that may support increased fiscal space for nutrition programming.

Innovative financing instruments like UNICEF's Child Nutrition Fund and the Power of Nutrition are working to leverage increased domestic funding of nutrition programming alongside humanitarian aid flows, but further work is needed to ensure that nutrition programming receives more development aid funding, linking emergency efforts into more sustainable long term development gains. Improved coordination between governments, international financial institutions and humanitarian actors is needed to support the nutrition prevention and response agenda in fragile and conflict-affected contexts where development aid has previously been scarce. A strong entry point for this work is to ensure the integration of nutrition programming into country investment cases under the World Bank's Global Financing Facility.

Early action for nutrition


Growing efforts to routinize anticipatory action and early response within the humanitarian community is a welcome development to addressing predictable and cyclical nutrition crises. OCHA's Anticipatory Action Initiative, which permits the release of CERF funds earlier into the escalation of an emergency based on pre-agreed trigger indicators, has shown early success in pilot countries like Bangladesh, Ethiopia, and Somalia. Increased donor commitment to early action mechanisms is needed to scale these approaches beyond pilots. Critically, investment in early action must be supported with similar investment in preparedness so that humanitarian actors can mobilize rapidly in contexts where supply chains may otherwise take weeks to deliver nutrition treatment stocks.

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CONCLUSIONS AND RECOMMENDATIONS



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In order to address the increase in current nutritional needs and the ones waiting around the corner, sustainable, quality funding is critical.



Conclusion

Global nutrition trends will likely be further exacerbated by the recent and ongoing global crises, whose effects have not been fully understood due to insufficient data and some nutritional outcomes that take longer to realise. The impacts from COVID-19, ongoing conflict, climate extremes, and the ripple effects from the war in Ukraine, including economic downturns and displacement, are expected to worsen all forms of malnutrition, with people living in fragile contexts hardest hit.¹⁶ In order to address the increase in current nutritional needs and the ones waiting around the corner, sustainable, quality funding is critical.

GNC partners have highlighted the challenge of securing predictable, multi-year funding to address the growing nutrition humanitarian needs in situations of fragility and during emergencies. Further, they have noted the lack of diversity amongst nutrition resource partners, and a heavy reliance on 'traditional' donors. This report detailed recent trends related to humanitarian nutrition financing and identified challenges and opportunities for donors and partners to improve and enhance the nutrition financial environment in a more sustainable and scalable manner.

Recommendations

Quality un-earmarked, timely and multi-year funding is increasingly being realised as a vital component to improving the flexibility and predictability of humanitarian responses. The flexibility of un-earmarked funds enables quick adjustments to address emerging challenges and provide the ability to adapt to changing circumstances – which is often the case during emergencies. Additionally, multi-year funding allows organizations to plan and implement comprehensive sustainable programs that span the crisis period and beyond, including prevention, intervention, capacity-strengthening, and resilience-building activities. Ensuring quality funding for nutrition in emergencies is vital for breaking the cycle of malnutrition and establishing a foundation for improved nutrition responses, before, during and after a crisis.

Aside from quality funding, domestic budget lines for nutrition services within national health budgets need to be carved out so that nutrition interventions are integrated into a larger suite of universal health care programmes and financial allocations are visible. Budgets and cash flows related to nutrition and supporting preventative interventions must be transparent and linked to costed plans in order to reduce fragmentation, opacity and inefficiency in sector investments.

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Lastly, donors and practitioners must also be more accountable for honoring and delivering upon their commitments. Just 42 percent of the funding commitments made at the 2017 Nutrition for Growth summit were maintained and this is unacceptable if change in the landscape of financing nutrition in emergencies is desired. A new Nutrition Accountability Framework will monitor progress against stated commitments across the sector and aims to improve the transparency of both results and financial flows and hold donors accountable.

While it is recognized that more recent data was not captured in this report, it does not have an impact on the recommendations set forth here. Regardless, quality funding, nutrition budget allocations and donor accountability are viable options to improve funding for nutrition emergencies, saving more lives and helping build more resilient country responses.

OTHER RESOURCES

[ALNAP \(2022\) The State of the Humanitarian System. ALNAP Study. London: ALNAP/ODI.](#)

[DSM: Nutrient Deficiency in Early Life: Addressing a Global Concern: 2021 nutrition effects on education Global Nutrition Report \(2022\).](#)

[Humanitarian Outcomes: Efficiency and Inefficiency in Humanitarian Financing.](#)

[International Monetary Fund: What is sovereign debt?](#)

[World Health Organization \(WHO\): Nutrition in emergencies: the importance of exclusive breastfeeding.](#)

[World Bank: Why investing in nutrition is smart](#)

[World Vision: Fragile contexts: The world's most dangerous places: definition of fragile environment](#)



Website:

<https://www.nutritioncluster.net/>

United Nations Children's Fund (UNICEF)
Office of Emergency Programme
UNICEF, Batiment BIT, Route des Morillons 4,
1211, Geneva 22

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