

Investment Framework for Nutrition 2024



Main Messages

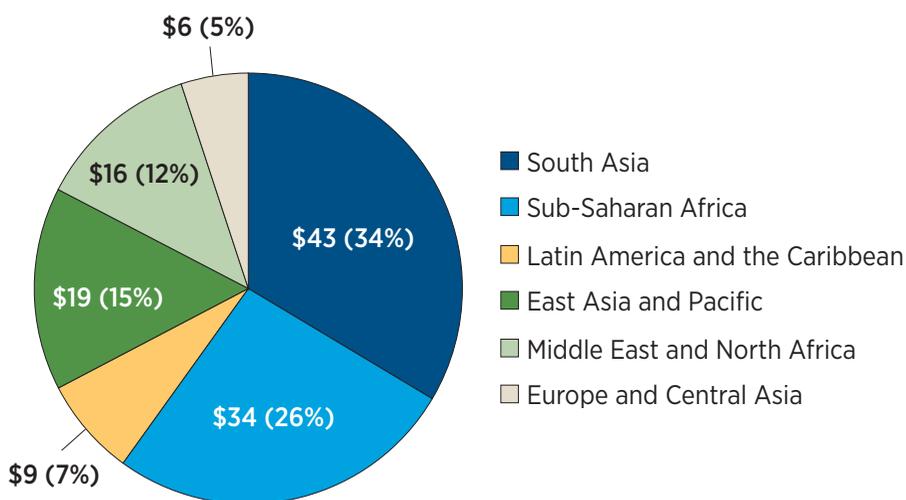
Background

Despite a commendable 44 percent decrease in child stunting rates between 1990 and 2022, a staggering 148 million children worldwide are still stunted. Wasting and low birthweight (LBW) remain stubbornly high, with 45 million children wasting in 2022 and 1 in 7 children born with LBW in 2020. Anemia rates are increasing, affecting 3 in 10 women globally. Concurrently, obesity rates are also increasing. In 2022, approximately 45 percent of adults were overweight or obese; more than 70 percent of those individuals live in low- and middle-income countries (LMICs).

1. ***Scaling up a discrete set of evidence-based nutrition interventions to 90 percent coverage will require an additional \$128 billion (discounted) for the 10-year period from 2025–34*** (approximately an additional \$13 billion per year), or \$13 per pregnant woman and \$17 per child younger than age five per annum.
2. ***Financing needs for obesity prevention policies are significantly lower, albeit harder to quantify.*** Case studies suggest that the costs for these policies are approximately \$3.4–\$3.6 per capita annually and that for each \$1 PPP invested, approximately \$4–\$5 will be returned in economic benefits on average each year from 2020–50, with large positive impacts on labor market productivity. Taxes on unhealthy foods have the potential to increase fiscal space in client countries.
3. ***These investments need to be complemented with a strategically designed package of policies to influence consumer preferences by modifying social and commercial determinants of health and dietary behaviors.*** Examples of such policies include Infant and Young Child Nutrition policies, the Baby Friendly Hospital Initiative, and the International Code of Marketing of Breast-Milk Substitutes.

4. *Fiscal policy measures such as nutrition-targeted health taxation reduce consumption of unhealthy products and simultaneously increase domestic revenues.* To date, these measures have focused primarily on sugar-sweetened beverages (SSBs) with more than 100 economies imposing national-level SSB tax policies, covering 57 percent of the world’s population. Some countries have further extended the policies to ultraprocessed and other unhealthy foods. These taxes need to be designed in the context of the broader policy environment, including production incentives, consumer subsidies, and price controls throughout food supply chains, as well as practices such as front-of-package labeling, marketing regulations, and mass media and digital communication campaigns.
5. *Of the required \$128 billion, \$98 billion (77 percent) is required for low- and lower-middle-income countries.* On a regional basis, \$43 billion is required for South Asia, \$34 billion for Sub-Saharan Africa, \$19 billion for East Asia and Pacific, \$16 billion for the Middle East and North Africa, reflecting the disproportionate burden of poor nutrition outcomes in these countries (figure 1).

Figure 1. Financing Needs, by Region (Billion US\$, Discounted)



Source: Original figure for this publication.

6. *These investments could avert 6.2 million deaths among children younger than age five and 980,000 stillbirths between 2025–34.* They could have positive impacts on several nutrition outcomes, including averting 27 million stunting cases (over and above the current World Health Organization projections of 17.5 million fewer stunted children in 2034), 47 million episodes of wasting and 77 million cases of anemia

among children younger than age 5, nearly 7 million LBW cases, and 144 million cases of maternal anemia. Also, 85 million additional children could be exclusively breastfed.

7. ***The full scale-up of interventions to address undernutrition is estimated to generate \$2.4 trillion in economic benefits, with a benefit–cost ratio of 23.*** For every \$1 invested in addressing undernutrition, a return of \$23 is expected. These economic benefits far outweigh the costs of inaction, which run around \$41 trillion over 10 years, with \$21 trillion in economic productivity losses because of undernutrition and an estimated \$20 trillion worth of economic and social costs because of overweight and obesity.
8. ***Although it is imperative to support countries' efforts to step up and renew financial commitments at the 2025 Paris Nutrition for Growth Summit, traditional financing from both development assistance and domestic sources is unlikely to meet these needs.*** Thus, there is an urgent need to explore new and innovative sources of financing by including nutrition in universal health coverage and adaptive safety net programs, repurposing agrifood subsidies for healthy diets, and leveraging climate funds. Nontraditional and innovative sources, including sovereign wealth funds and environmental, social, and governance investing in the private sector, offer yet another new opportunity. Nutrition lags behind other sectors in catalyzing these sources, even though food systems provide 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 process. The world needs more money for nutrition, but it can also deliver more nutrition for the money that is available by increasing the efficiency of current spending.
9. ***Climate change, undernutrition, and obesity form a complex nexus that undermines health and development, disproportionately affecting the most vulnerable communities and countries globally.*** Drought conditions raise the likelihood of both wasting and underweight by almost 50 percent, and a high climate-change scenario is linked to a relative rise of 23 percent in severe stunting in Sub-Saharan Africa and 62 percent in South Asia by the 2050s. Climate change also exacerbates obesity through reduced availability and accessibility of fresh food products and a dietary shift to less expensive ultraprocessed foods (UPFs). Despite the significant contribution of the agrifood sector to greenhouse gas emissions and a recent surge in climate financing, only 4.3 percent of climate funds currently target the agrifood sector, and only 2.4 percent of the key multilateral climate fund investments

are child-responsive. Examples of climate–nutrition win–wins include imposing taxes on unhealthy foods with a significant carbon footprint, such as UPFs.

10. *Women are particularly vulnerable to climate change because of physiological differences from men, such as reduced heat dissipation through sweating, higher working metabolic rates, and thicker subcutaneous fat that impedes radiative cooling.* Women are also more exposed to climate hazards through their roles in agriculture and water collection, wherein they are forced to walk longer distances, often in extreme temperatures.

Call to Action

Increased investments in reducing undernutrition and obesity are crucial. These investments have an unparalleled potential to build human capital; drive economic growth and prosperity; and, when carefully designed, provide additional climate co-benefits. For every \$1 invested in addressing undernutrition, \$23 are returned, and an estimated \$2.4 trillion is generated in economic benefits. The economic benefits associated with these investments far outweigh the costs of inaction, which run around \$41 trillion over 10 years, including \$21 trillion in economic productivity losses due to undernutrition and micronutrient deficiencies and \$20 trillion in economic and social costs from overweight and obesity. Domestic and development assistance resources must rise to this challenge; however, given their economic constraints, it will be imperative to explore innovative financing sources, including from the private sector. The costs of inaction are far too high—trillions of dollars’ worth of lost human capital that will impinge on future economic productivity, as well as the lost ability to shape a more prosperous and equitable world on a livable planet for all.

All dollar amounts are US dollars unless otherwise indicated.