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TOPIC NOTE

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www.fao.org/fsnforum/activities/discussions/NSVC



How can value chains be shaped to improve nutrition?

In the context of Agenda 2030, food security, nutrition and sustainable agriculture are essential not only for achieving Sustainable Development Goal (SDG) 2, but also for the broad set of SDGs.

A healthy diet is key to preventing malnutrition in all its forms. However, diverse nutritious foods are not always available and affordable for all, especially in low income settings. Furthermore, rapid urbanization and changing lifestyles have led to a shift in dietary patterns, partly due to changes in the food systems and its effects on the availability, affordability and desirability of healthy, as well as less healthy foods.

Improving nutritional outcomes requires consideration not only of the way food is produced, but also how it is processed, distributed, marketed and consumed, a process that is usually referred to as 'value chain'.

Value chains are one of the core elements of a food system. In addition to including all food value chains required to feed a population, food systems include – among other elements – a diverse set of drivers (e.g. political, economic, socio-cultural and environmental drivers) that affect all VC actors, including consumers. Nutrition-sensitive approaches to value chain (VC) development have emerged as a promising way to shape food systems for improved food security and nutrition outcomes.

Building on our existing understanding of how food systems influence dietary patterns and nutrition, this consultation seeks a more in-depth exploration of the role of value chains, as a useful framework to unpack the complexity of food systems.



Nutrition-sensitive value chain - A food value chain consists of all the stakeholders who participate in the coordinated production and value-adding activities that are needed to make food products (FAO, 2014)¹. Though the traditional focus has been on economic value, nutrition-sensitive value chains leverage opportunities to enhance supply and/or demand for nutritious food, as well as opportunities to add nutritional value (and/or minimize food and nutrient loss) at each step of the chain, thereby improving the availability, affordability, quality and acceptability of nutritious food. For lasting impacts on nutrition, this approach must be placed in a sustainability context as well.

The Rome-based Agencies (RBAs)—including FAO, IFAD and WFP, along with Bioversity International and IFPRI—have identified nutrition-sensitive value chains (NSVC) as a key area where their collaboration can be strengthened, along with that of governments, private sector, civil society and academia, to enhance progress towards ending malnutrition in all its forms. In this context, an RBA Working Group was set up on the topic. Drawing on existing VC for nutrition approaches², the RBA WG has developed a joint nutrition-sensitive value chain (NSVC) framework, which was the object of a **Discussion Paper** (www.fao.org/3/a-mr587e.pdf) presented at a Special Event during the Committee on World Food Security Plenary Meeting in October 2016.

The NSVC framework is a practical approach to navigate the complexity of food systems and identify investment and policy opportunities to ensure that food value chains contribute to improved food security and nutrition. Opportunities to enhance nutrition outcomes arise at all stages of the value chain, from production to consumption. Adopting a NSVC approach allows for analyzing the roles and incentives of different actors along the chain, and to consider what may be the impact on cross cutting issues such as gender and climate change, as well as what policy and regulatory environment is conducive for VC to contribute to nutrition.

Although VC development holds great potential to contribute to nutrition, there are also a number of tensions and trade-offs that arise when combining the objectives of developing economically viable value chains, and improving food and nutrition security. Identifying and addressing these challenges while searching for opportunities for convergence and multi-stakeholder partnerships are an integral part of the NSVC framework.

Objectives of the consultation

The RBAs invite the participants of the FSN Forum to read the discussion paper on 'Inclusive value chains for sustainable agriculture and scaled up food security and nutrition outcomes', and engage in a stimulating discussion that will contribute to identifying a broader set of challenges and opportunities related to NSVC development, collaboration among partners, as well as identifying good practices and lessons learned from past or on-going NSVC experiences on the ground.

¹ FAO. 2014. Developing sustainable food value chains – Guiding principles. Rome

² Gelli, A., Hawkes, C., Donovan, J., Harris, J., Allen, S. L., De Brauw, A., Henson, S., Johnson, N., Garrett, J. & Ryckembusch, D. 2015. Value chains and nutrition: A framework to support the identification, design, and evaluation of interventions. *Documento de debate 01413 del IFPRI*. Washington DC: IFPRI; y De la Peña, I., Garrett, J. y Gelli, A. (Próxima publicación) Nutrition-sensitive value chain from a smallholder perspective: A framework for project design. Roma: FIDA.

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In particular, we encourage participants to explore the following questions:

1. What challenges and opportunities arise when developing VC to be more nutrition-sensitive?
2. What examples of nutrition-sensitive value chain approaches can you share and what lessons can be learned from them? Examples can come from:
 - 2.1 Governments: policies, regulatory frameworks, etc.
 - 2.2 Development actors: development projects, public-private partnerships, etc.
 - 2.3 Private sector: nutritious products for the bottom of the pyramid, marketplace for nutrition, etc.
3. Does the framework as presented in the discussion paper help you identify barriers and opportunities for nutrition-sensitive value chain development? What would be needed to render the framework more operational?
4. What would you consider as the main barriers to and enabling factors for scaling up through replication, adaptation, and expansion of these models of interventions?

The outputs of this consultation will be an important input for the RBAs to refine their approach to nutrition-sensitive value chain development, and to move from Principles to Action, bringing this approach to on-going operations in the field. Given the vast nature of the topic, we particularly welcome comments that can lead to practical recommendations.

We thank in advance all the contributors for sharing their views and experiences in this innovative field.