

Food Security and Nutrition: the FSP Customer Perspective

Matteo Marinelli

freelance consultant

Ian Best

Entrepreneurs du Monde

Pranav Sridhar

60 Decibels

Hans Ramm

freelance consultant



EUROPEAN
MICROFINANCE WEEK
connecting the inclusive finance world

“Hunger makes a thief of any man”. Pearl S. Buck.

828 million people are hungry or starving every day

Food insecurity affecting 10% of the global population

3.1 billion people unable to afford a
healthy diet in 2020 alone

29.3% of the world's population, 2.3 billion people, were moderately or severely food insecure in 2021.

345 million people face acute food insecurity (from
135million back in 2019)

49 million people on the edge of famine



EUROPEAN
MICROFINANCE WEEK
connecting the inclusive finance world

40% of all adults and 20% of all children are now

Overweight or Obese



EUROPEAN
MICROFINANCE WEEK
connecting the inclusive finance world

670 million people are predicted to still be coping
with hunger by 2030 (8% of global population)

49 million people on the edge of famine

14 billion \$

/yearly until 2030 on top of current spending (12 billion \$ per year)

49 million people on the edge of famine

4 Dimensions of Food Security:

Availability:

sufficient and nutritionally appropriate food is available

Access:

people can afford to buy and produce the kinds of quantities they need

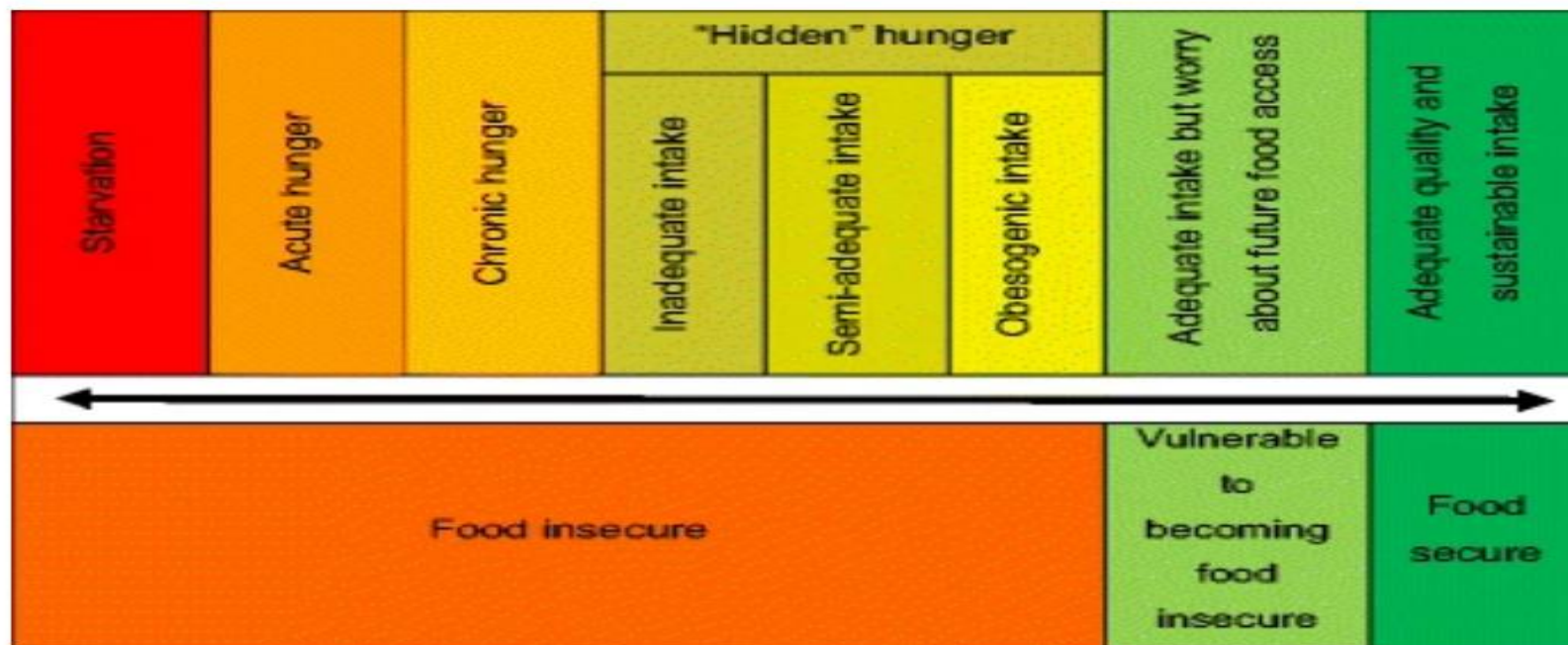
Utilisation:

people have the knowledge and ability to consume and absorb nutritious food

Stability:

nutritious food is available year-round and long term

Food Security Continuum:



Causes for Food Insecurity and Malnutrition:

Macro level: govnt policies, agricultural sector incentives, intl trade and transportation infrastructure investment, population growth

+

Micro level: people's food behaviors are influenced by income level, education, cultural and social norms, which foods are affordable and available locally

=

Behaviors of all actors in the food system, including small-scale and industrial farms, offtaking companies, consolidators, processors, distributors, transport services, marketing, packaging, storage facilities, importers, exporters, food companies, supermarkets, vendors.

+

Climate, what can be cultivated, how much, where, when.

60 Decibels Microfinance Index 2023

The Microfinance Index provides high-quality, comparable social impact data, driven entirely by client voices. In 2023, this annual initiative has grown to cover 114 microfinance institutions serving more than 84 million customers, represented by more than 1 million unique data points.

My income has now in

I can pay all the

I now have

Who We Listened To

32,271

Clients

114

Financial
Service
Providers

92

Languages

32

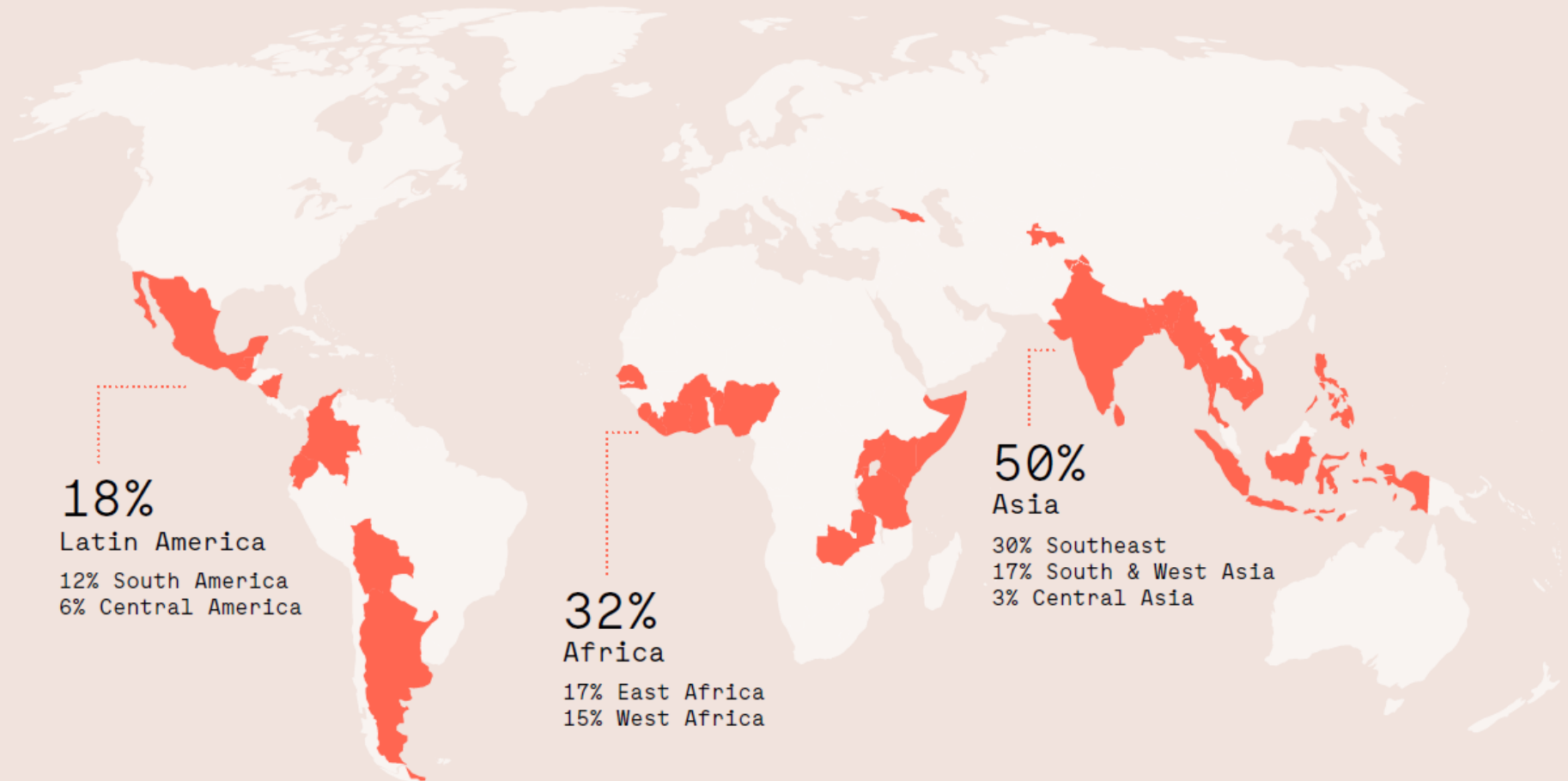
Countries

21

Minutes, average
phone interview

54%

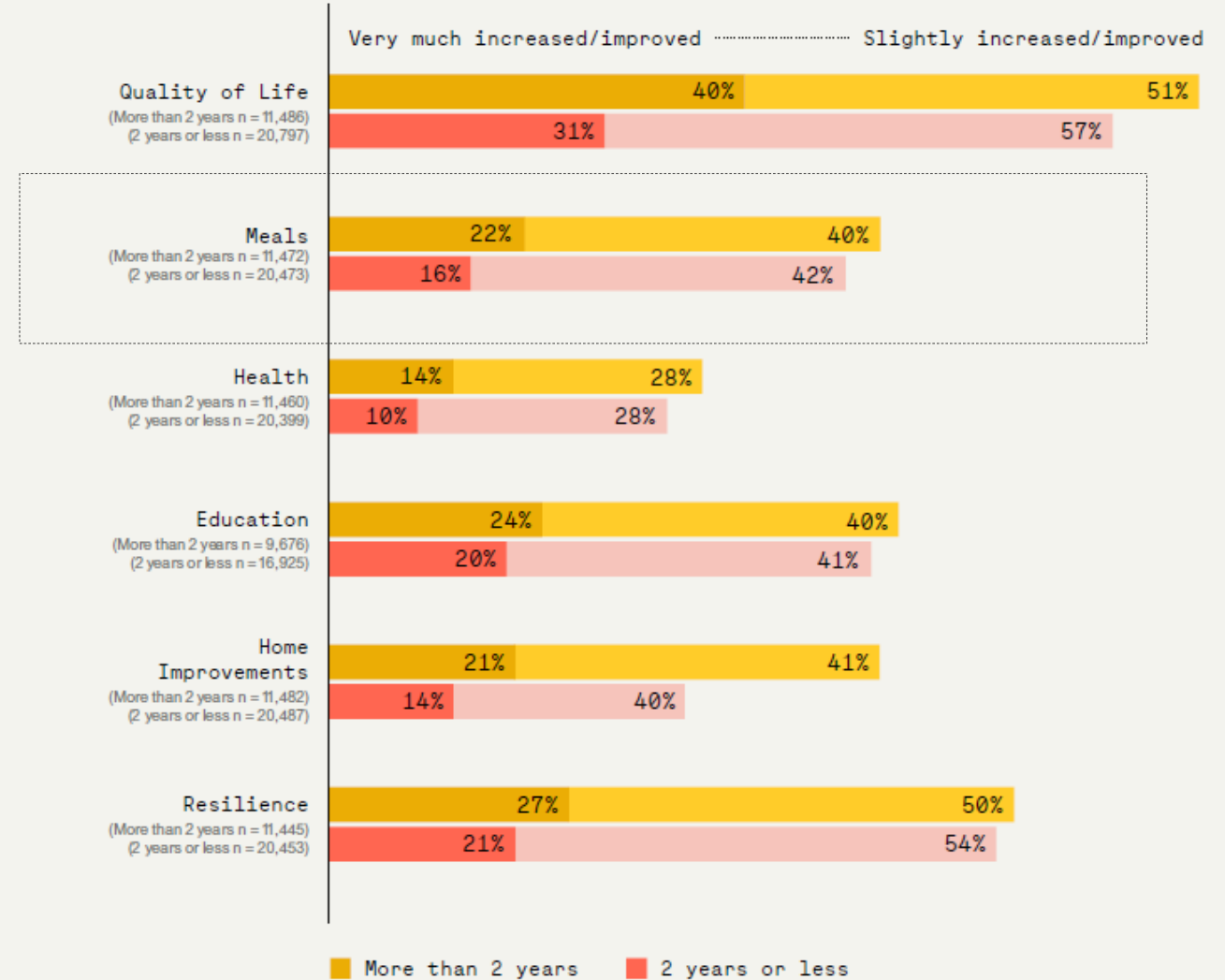
Response rate



Longevity with FSP = More Impact

Longevity matters for deeper impact. Clients who have been with their financial service provider longer are more likely to say their lives and household welfare have 'very much improved'.

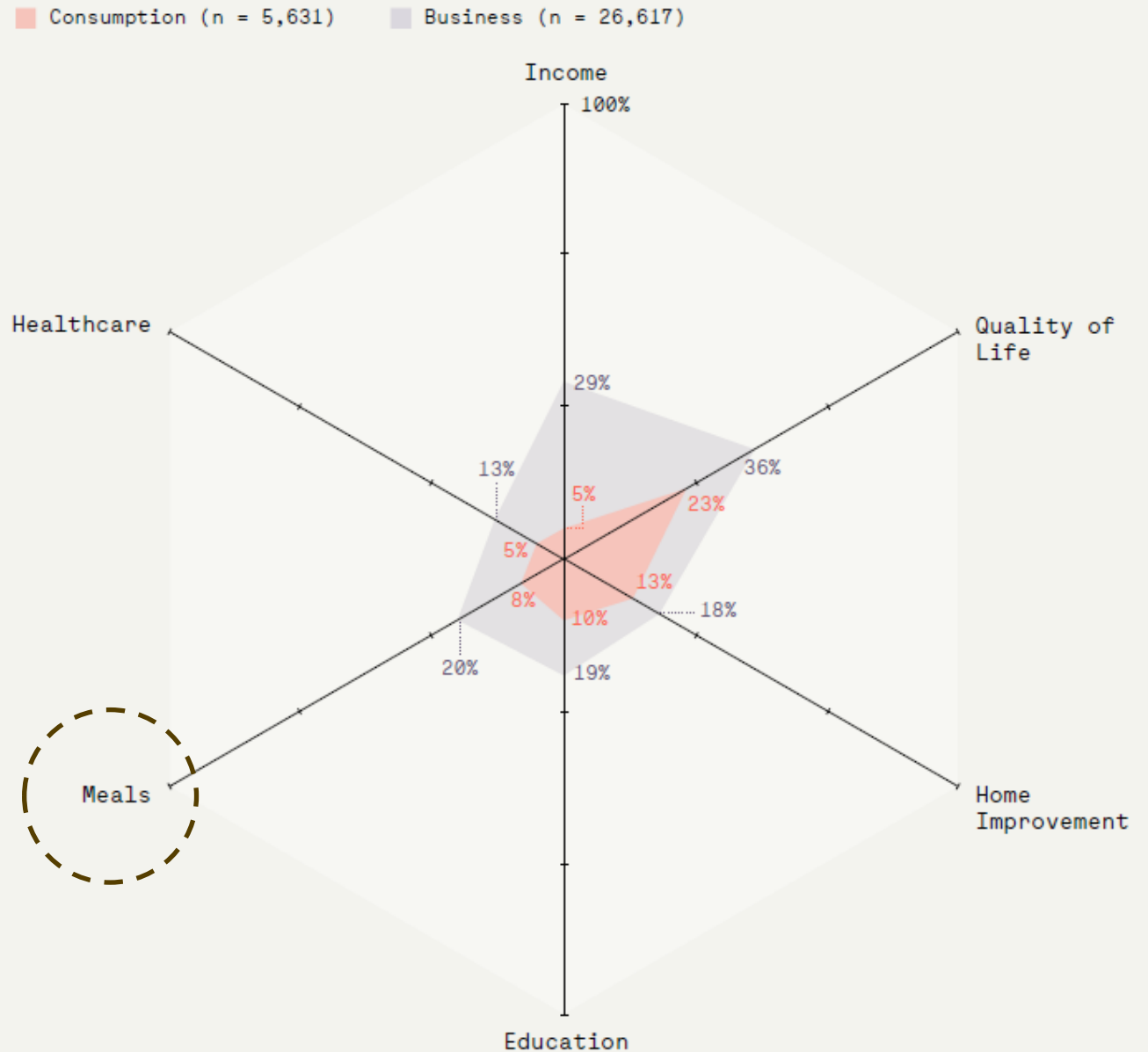
Impact on Individual, Business, and Household Outcomes by Tenure



Impact of Loan Usage

How clients use loans matters — a lot. Household impact, financial resilience, and business impact are all higher for clients who report using loans for productive purposes.

'Very Much Improved' Business and Household Impact by Loan Use

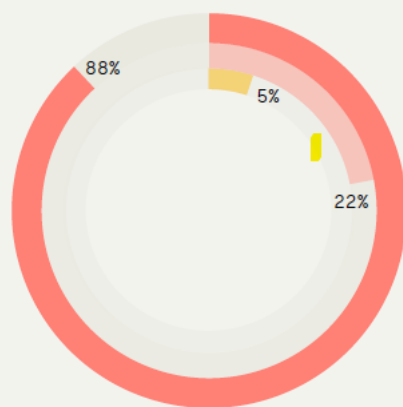


Loan Repayment Burden Affects Individuals & Households

Loan repayment burden is strongly linked to clients' worry about finances and their household food consumption.

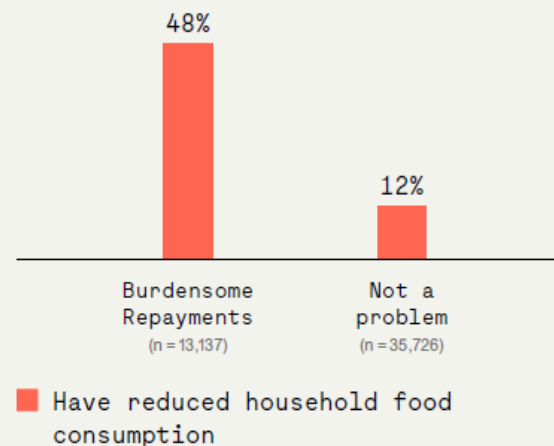
Clients' Loan Repayment Methods and Consumption Cutback Frequency

(n = 3,940 to 45,722)

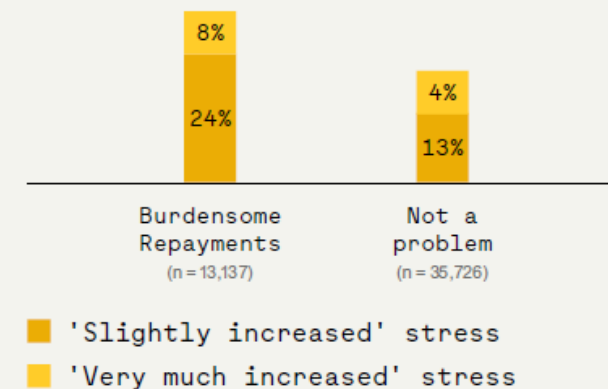


- Makes repayments only with income / wages and no other sources
- Reduce households food consumption for repayment
- Spend less on household expenses for repayment

Impact of Repayment Burden on Household Consumption



Impact of Repayment Burden on Financial worry





**EUROPEAN
MICROFINANCE WEEK**
connecting the inclusive finance world

Hans Ramm, freelance consultant

Six main approaches to strengthen food security and healthy nutrition (1)

- 1) **Blended finance for inclusive financial service providers (financial inclusion plus !)**
 - ➔ offering low-income people (women as family caretakers!) financial services to save, invest, smoothen consumption, mitigating shocks with complementary support (financial literacy training; agri extension) thereby enhancing clients/members' ability to afford and access - or grow - sufficient healthy food
 - ➔
 - ➔
- 2) **Blended finance for inclusive agricultural/food SMEs (transacting with smallholder farmers !)**
 - strengthening market positioning of smallholder farmers
 - supporting smaller farmers to enhance productivity, adopt agro-ecological practices,...

Why and when 1) + 2) work mostly well:

- If reaching women (low-income people + smallholder farmers) through their aggregators being market players

If selecting aggregators with strong ESG practices (incl. gender strategy) to offer 'Win-Win' services

Six main approaches to strengthen food security and healthy nutrition (2)

3) Food and nutrition 'classical' donor projects

➡ with top-down planning & implementation, and, as a consequence, often little sustainability

4) Food aid - humanitarian approaches

5) Food regulations and taxation

➡ internalising societal environmental and health costs by food producers ('true costing')
extra taxation of sugary beverages, ultra-processed food, ...

6) Food and nutrition specific curricula as integral part of primary/secondary education

Four main types of inclusive partner organisations for strengthening FSN

- 1) **Impact investors**, notably if investing with a mission to strengthen FSN
 - ➔ investing (debt/equity) in financial service providers and agricultural SMEs
 - ➔ assisting investees to (i) develop new/better financial and non-financial services, (ii) expand/digitalise their
 - ➔ market transaction systems, (iii) upgrade internal management systems to allow for responsible growth,...

upcoming first nutrition impact fund by Incofin: Nutritious Foods Financing Facility (N3F)
Oikocredit: pioneer investor in agricultural production cooperatives
- 2) **Formal and informal financial service providers**
- 3) **SMEs engaged in agricultural / food value chains**
- 4) **Fintech companies offering digital marketplaces for farmers**
 - ➔ **Apollo Agriculture** offers Eastern African farmers to buy in cash or credit quality inputs and to access

agricultural training and insurance

Crowdfarming connects EU farmers with consumers thus cutting out middlemen + fighting



**EUROPEAN
MICROFINANCE WEEK**
connecting the inclusive finance world

Ian Best, Entrepreneurs du Monde

ENTREPRENEURS du Monde

ENDING POVERTY THROUGH ENTREPRENEURSHIP



Our mission



Entrepreneurs du Monde supports vulnerable people towards empowerment, resilience and improved living standards through entrepreneurship

EUROPEAN MICROFINANCE WEEK

connecting the inclusive finance world

12 COUNTRIES



PRIORITY OBJECTIVES

- Empowerment through entrepreneurship
- Women's liberation
- Energy access
- Climate change adaptation
- Food security

IMPACTS

 **180,909**
DIRECT BENEFICIARIES

 **85%**
WOMEN

 **904,545**
INDIRECT BENEFICIARIES

 **48,373**
TRAINING SESSIONS

 **28,868**
LIGHTING KITS/
COOKING STOVES

 **€269**
AVERAGE LOAN

WORKING METHODS

 **23**
SOCIAL ENTERPRISES
IN INCUBATION STAGE

 **814**
EMPLOYEES

 **46**
STAFF MEMBERS

 **€6.3 M**
BUDGET



Food insecurity is growing amongst our clients

Haiti: 18% of our clients exhibit moderate food security and 66% severe food security

Vietnam: 20% increase in the number of moderately and severely food insecure people since 2019

MICROFINANCE ALONE IS NOT ENOUGH TO TACKLE FOOD SECURITY

Urban food insecurity: lack of access, stability and utilization

The solution: Our holistic social microfinance model

FINANCIAL

- Individual IGA loans (groups)
- Mandatory savings

NON FINANCIAL

- Financial training (eg. saving habits, budget training)
- Business training
- Social + Health Training (hygiene + nutrition)
- Counseling + Referrals
- Community talks + events





Our nutrition training @Munafa Sierra Leone, given during monthly group meetings



- ✓ Led by loan officers
- ✓ Links food groups to health risks and benefits
- ✓ Interactive with games + flashcards
- ✓ 30 minutes training
- ✓ Clients should demonstrate sufficient nutritional knowledge to prepare a healthy and balanced meals

Rural areas- improving availability of food

- Agri-loans
- Agri technical support
- Farm demonstration schools
- Market Linkages



Rice sub project at ACE in Vietnam: composting, soil PH, increasing yields

Other needs driven interventions



Improved cooking equipment loans
at Fansoto, Senegal



Health Insurance
at Yikri, Burkina Faso





Indicators we track to better understand the food security situation with clients

GENERAL

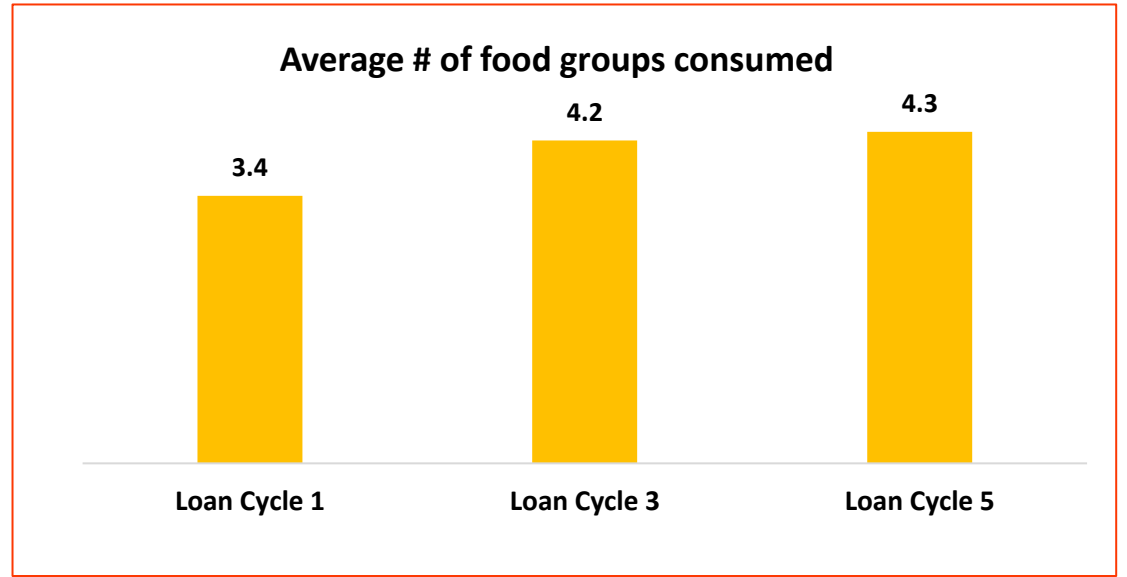
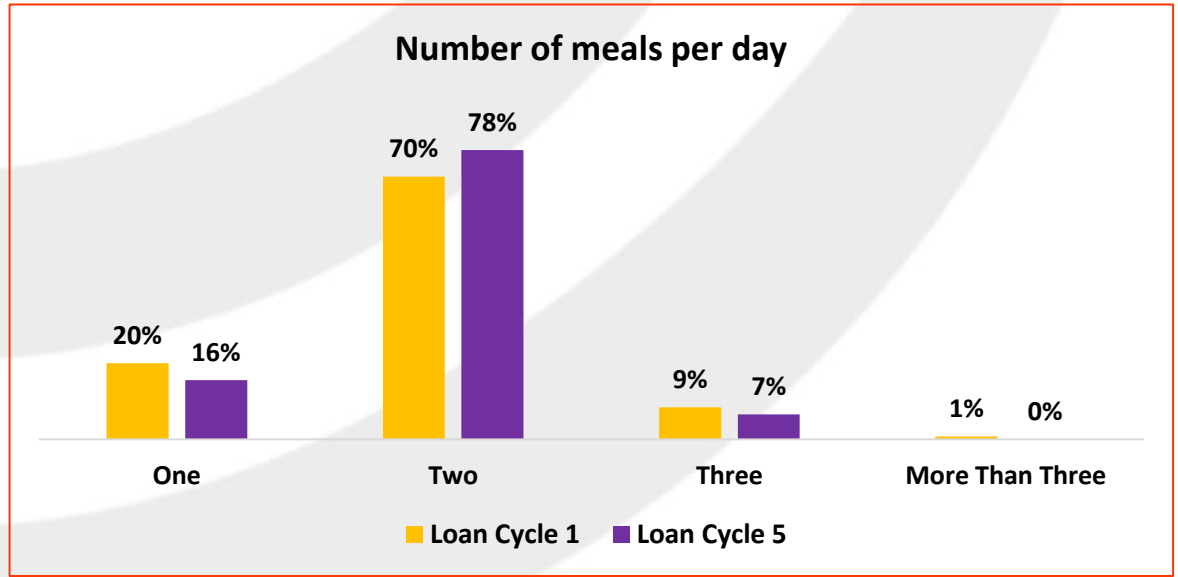
- Income, expenditure and savings
- Fridge ownership
- # meals per day/ # of food groups
- Cooking equipment

FOR FARMERS

- Size of farm
- Number of livestock owned
- Type of farming equipment

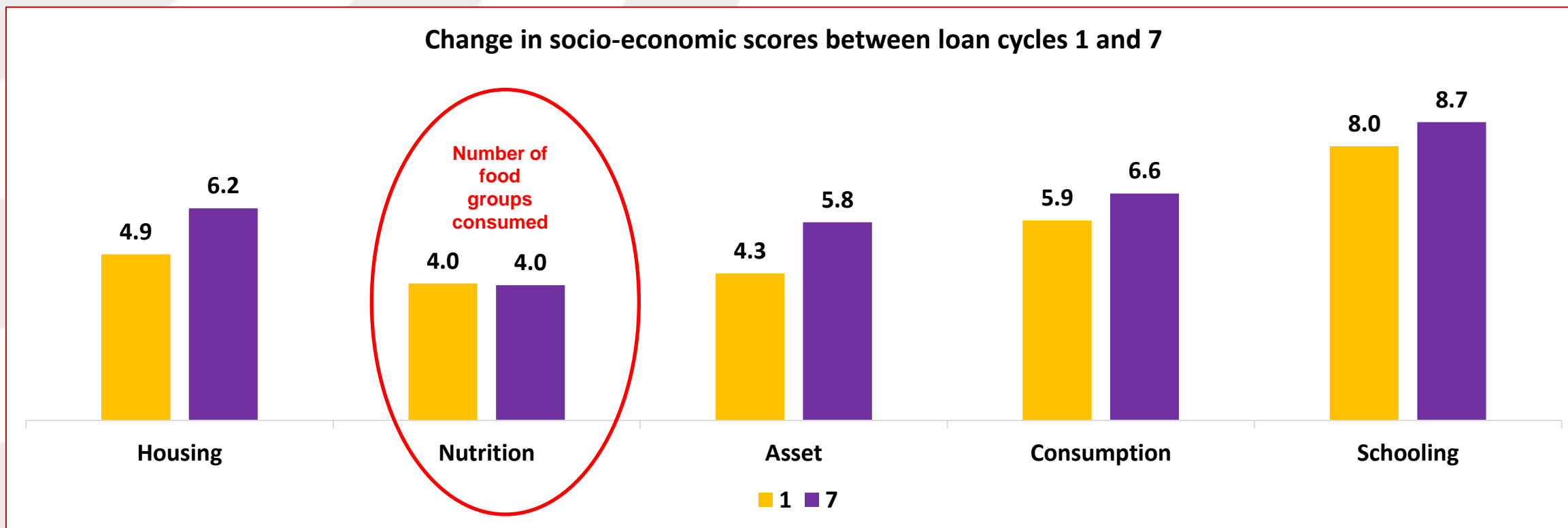


Data from Munafa in Sierra Leone shows positive trends in food security after 5 loans with Munafa





Data from SOO in Myanmar shows positive trends in many indicators but poorer nutritional outcomes





A range of interventions are needed alongside microfinance, adapted to both urban and rural settings where dimensions of food security may differ

A strong set of social indicators is also essential assessing provision to better understand client needs and the quality of our interventions.

Recommendations: let's get our audience involved

- 1.
- 2.
- 3.
- 4.
- 5.