



H.E. Ban Ki-moon, UN Secretary-General

“ Over the past decade, companies in the United Nations Global Compact have done much to advance the corporate responsibility agenda and support the mission of the United Nations. As environmental and social issues have become more prominent, both as material challenges and real opportunities, businesses are beginning to understand the tangible value of responsible practices – for their own long-term success and for the benefit of societies and markets everywhere.

The Global Compact has contributed much to this development. More than any other such initiative, it offers space for experimentation, a forum to share good practices, and fertile ground for collective action to tackle some of the world's most pressing challenges – from climate change and poverty to humanitarian disasters. As we gear up for the Summit on the Millennium Development Goals at UN Headquarters in September, business needs to play a vital role not only in reviewing progress, but in accelerating our efforts. If engagement in the Global Compact is any indication, I am confident that the private sector is up to the task.

This second edition of the Global Compact International Yearbook shows the wide scope of what businesses are doing to turn principles into practice. We can see the tremendous potential of business to make a lasting positive impact on the environment, on the lives of employees and on the development of communities. At the same time, these activities and initiatives remind us how much more can and must be done to achieve our vision of a more inclusive global economy. As the Global Compact enters its second decade, it is my hope that this Yearbook will be an inspiration to bring responsible business to true scale. ”



# Global Compact

## A Strategic Alliance to Stop Malnutrition

### Contribution to the International Yearbook 2010





# STRATEGIC ALLIANCE TO STOP MALNUTRITION



By Dr. Andreas Blüthner

The strategic alliance SAFO (Strategic Alliance for the Fortification of Oil and Other Staple Foods) being implemented by BASF and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) supports local manufacturers in fortifying staple foods with vital nutrients, especially vitamin A. Besides providing capacity building to different stakeholders, SAFO offers the partner companies specially developed mobile mini-laboratories about the size of a laptop case for quality assurance. Together with civil society and governmental organizations, business models are being developed to sustainably and affordably improve the nutrition of lower-income population groups.

Vitamin A deficiency is one of the main challenges in extensive areas of Africa, Asia, and Latin America. Although many people in these regions have access to staple foods such as flour or rice, these staples contain hardly any vitamin A. Foods containing vitamin A, such as milk and eggs, are either not available or beyond the financial reach of many inhabitants of these countries. A deficiency of vitamin A leads via blindness and immune weakness to higher disease and mortality rates, especially among young children and pregnant women. UNICEF estimates that one million children die worldwide every year from vitamin and mineral deficiency.

The economic development of the affected countries also suffers: malnutrition reduces the educational opportunities and productivity of the society, in addition to raising healthcare costs. Up to 2 percent of the gross domestic product can be lost as a result.

## Food fortification as a solution

Food fortification, the enrichment of staple foods with essential nutrients, is a medium-term, very cost-effective solution to the problem and serves as a complement to supplementation and nutritional education. One example of fortification known from Germany is iodinated table salt. In developing countries, staple foods that are regularly consumed by the lower-income population groups at the bottom of the economic pyramid (BoP) are enriched; flour and edible oil are common “vehicles” for essential nutrients.

## SAFO: Strategic alliance with local partners

GIZ, on behalf of the Federal Ministry for Economic Cooperation and Development, and BASF, the world's leading chemical company and vitamin producer,

## COPENHAGEN CONSENSUS

FOOD FORTIFICATION IS ONE OF THE BEST INVESTMENTS IN HUMAN DEVELOPMENT

In May 2008, economists, including four Nobel prize winners, evaluated 30 solutions for 10 global challenges for humanity. The experts rated the fortification of staple foods and the use of food supplements for children as the best investments in human development. The many economic and humanitarian benefits offered by the market-based approach are offset by only marginal costs.

[copenhagenconsensus.com](http://copenhagenconsensus.com)

## EIGHT GOOD REASONS FOR FORTIFYING STAPLE FOODS

1. The fortification of staple foods is a very effective and low-cost method of combating or even eliminating the globally prevalent deficiency of micronutrients. The market-based approach makes the program robust, sustainable, and scalable.
2. The existing nutritional habits of the target groups can be retained.
3. The addition of essential nutrients to foods is an established approach. The necessary technologies are available and can be implemented worldwide.
4. The programs strengthen the local food industry instead of relying on food imports to improve nutrition.
5. The many benefits in the fields of education, productivity, and health are offset by only marginal costs – making food fortification one of the best investments in human development.
6. Multi-sector, local alliances of authorities, industry, international organizations, and the civil society enhance the acceptance and awareness of the programs.
7. The participation of local industry in improving the nutrition of lower-income target groups creates and deepens awareness of entrepreneurial accountability on the local scale.
8. The right to suitable nutrition is a human right and the basis for implementing the UN Millennium Development Goals.



Convenient test kit to check the concentration of vitamin A in fortified staple foods

are cooperating in a strategic alliance. SAFO's objective is to reach several million people with staple foods fortified with vitamin A.

## The partners' contributions

BASF's contributions comprise a package of technical solutions for the manufacturers of fortified staple foods. This comprises cost-effective product solutions in the form of stable, specially encapsulated vitamin formulations; the technical training of production and laboratory personnel; analytical support; innovative packaging solutions; and business models for marketing to BoP target groups. The GIZ advises the local governmental organizations on how to improve the legal framework conditions for local companies by establishing standards and seals of quality, and moderates local alliances of the various stakeholders.

BASF and GIZ have also developed mobile laboratory equipment for the cost-effective determination of the vitamin A content of food. These lab cases allow the quality and effectiveness of the programs to be monitored where the actual vitamin content is decisive – namely in the local markets. Nevertheless, the foods will remain affordable for the consumers. For example, fortifying edible oil with vitamin A increases the manufacturing costs by only 0.2 to 0.3 percent.

SAFO has reached 140 million people between 2008 and 2012 and is continued as ANF4W (Affordable Nutritious Foods for Women). This success derives from the fact that all the parties involved are benefiting from the cooperation. BASF is tapping into new BoP markets and is demonstrating social accountability, local producers receive technical support, the economy of the partner countries is strengthened, and the German development cooperation project with its market-based approach is contributing in a scalable manner to improving the nutritional situation in target countries. ■