

Executive Summary



On October 1 and 2, 2025, the Canadian Partnership for Women and Children's Health (CanWaCH) and Action Against Hunger Canada convened a Multi-Stakeholder Retreat on Canada's Investments in Global Nutrition in Ottawa.

The goal was to generate a collective understanding of the challenges affecting global nutrition, examine opportunities for action, and articulate a set of practical recommendations for Canada and its partners.

The Retreat occurred during a period of significant global disruption. According to the State of Food Security and Nutrition in the World 2025 report, **673 million people were hungry, and more than 2.3 billion people experienced moderate or severe food insecurity**. One in five people in Africa is undernourished. An estimated 150 million children under five are affected by stunting, and millions more suffer from wasting, the deadliest form of malnutrition. These figures reflect a worsening global picture driven by conflict, climate shocks, displacement, and economic instability.

Humanitarian nutrition needs are rising while available resources are shrinking. In September 2025, the Global Nutrition Cluster reported a seventy-two percent shortfall in humanitarian nutrition financing across twenty priority countries. As a result, targets were revised downward, geographic coverage was constrained, and services such as community outreach and prevention were scaled back or eliminated altogether.

Participants emphasized four interconnected priorities that must guide Canada's engagement in global nutrition:

- Delivering lifesaving nutrition services and protecting critical infrastructure and systems.**
- Bridging the divide between humanitarian response and long-term development**
- Building predictable, catalytic, and diversified financing models**
- Advancing locally led action to ensure relevance, sustainability, and equity.**

This report synthesizes insights from the Retreat and provides actionable recommendations for both the Government of Canada and implementing partners. It aims to offer a clear, technically grounded reference point for decision-makers as they navigate this complex, resource-constrained global environment.

List of Abbreviations

Abbreviation	Full Term
CanWaCH	Canadian Partnership for Women and Children's Health
FAO	Food and Agriculture Organization of the United Nations
FIAP	Feminist International Assistance Policy
GAC	Global Affairs Canada
GNC	Global Nutrition Cluster
HNRP	Humanitarian Needs and Response Plan
IFAD	International Fund for Agricultural Development
INGO	International Non-Governmental Organization
LNA	Local and National Actor
MAM	Moderate Acute Malnutrition
MEAL	Monitoring, Evaluation, Accountability and Learning
MMS	Multiple Micronutrient Supplements
NIS	Nutrition Information System
ODA	Official Development Assistance
ROI	Return on Investment
SAM	Severe Acute Malnutrition
SMART	Standardized Monitoring and Assessment of Relief and Transitions
SME	Small and Medium Enterprise
SUN	Scaling Up Nutrition
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
WFP	World Food Programme
WHO	World Health Organization

Introduction

Global Context

Hard-won nutrition gains are slipping in real time as global crises collide and intensify. Instability is deepening across regions where vulnerabilities were already high, driven by conflict, climate shocks, economic stress, and widening inequality. More than seventy percent of humanitarian emergencies are now protracted, lasting an average of seven years or longer. This prolonged strain places enormous pressure on national systems and international partners who must respond simultaneously to immediate lifesaving needs and long-term structural challenges.

The broader global nutrition landscape reflects this growing stress. According to the latest global estimates, **673 million people were hungry in 2024, and 2.3 billion people experienced moderate or severe food insecurity.**¹ Stunting affects more than 150 million children worldwide, while wasting remains at emergency levels in many regions, with the highest burden concentrated in countries experiencing conflict and displacement.² In Africa alone, one in five people is undernourished, and only a fraction of women and children achieve minimum dietary diversity.³ These development context indicators show the extent to which nutrition systems were already strained before the most recent wave of humanitarian pressures.

Humanitarian nutrition resources have not kept pace with rising needs. In September 2025, the Global Nutrition Cluster projected that only forty-two percent of priority case-loads would be reached across twenty countries due to severe funding shortfalls. Of the USD 659 million required to maintain essential activities through the end of the year, only USD 186 million had been secured. As a result, targets were lowered, operational footprints contracted, and life-saving community-based services were scaled back.⁴ For example, in Yemen, 70 percent of the needs for treating moderate acute malnutrition are unmet, leaving 450,000 vulnerable children without critical services each month. At the same time, 377 outpatient treatment sites for severe acute malnutrition have closed.

These pressures are unfolding within a broader context marked by climate volatility, escalation of conflict, rising food prices, and constrained fiscal space in many low and middle income countries. For governments already struggling to sustain basic systems, nutrition services become increasingly difficult to maintain. Without focused investment and better alignment across humanitarian and development approaches, there is a real risk that the world will lose ground on decades of progress in reducing child mortality, improving maternal health, and building the foundations for human capital and stability.

¹ [The State of Food Security and Nutrition in the World 2025](#), FAO, IFAD, UNICEF, WFP and WHO, 2025.

² [Joint Child Malnutrition Estimates](#), UNICEF, WHO, World Bank, 2024.

³ [The State of Food Security and Nutrition in the World 2025](#)

⁴ [Humanitarian Nutrition Financial Gap Analysis](#), Global Nutrition Cluster, September 2025.

Purpose of the Retreat

On October 1 and 2, 2025, approximately 50 participants convened in Ottawa for a two day Multi-Stakeholder Retreat on Canada's Investments in Global Nutrition, co-hosted by Action Against Hunger Canada and the Canadian Partnership for Women and Children's Health (CanWaCH). Held under the Chatham House Rule, the Retreat brought together a diverse group of nutrition actors, including representatives from Global Affairs Canada, UN agencies, philanthropy, international and Canadian NGOs, local and national implementing partners, global technical experts, and academic institutions. The purpose

of the gathering was to take stock of the rapidly shifting global nutrition landscape, assess the implications for Canada's role, and collectively shape a set of practical, evidence-informed recommendations to guide future policy, financing, and programming decisions. In a moment of significant resource constraints, the Retreat also served as an opportunity to explore how the nutrition community can ensure that every dollar and every intervention achieves the greatest possible impact, both in saving lives now and strengthening systems for the future.



Section 1: Delivering Lifesaving Nutrition

The Dual Shock: Retrenchment and Reorientation

The nutrition sector is confronting a dual shock that is reshaping global priorities and straining already fragile systems. Sharp reductions in global resources, combined with an ongoing system-wide reform process, have forced governments, donors, and implementing organizations to make difficult trade-offs. Nutrition actors are increasingly required to hyper-focus on life-saving responses, often at the expense of prevention, early childhood nutrition, and long-term systems strengthening. Targets are being lowered, program geographies reduced, and essential services scaled back. These contractions place millions of vulnerable women, children, and adolescents at heightened risk, particularly in contexts experiencing conflict, displacement, climate shocks, or economic instability.

This narrowing of focus threatens to erode years of progress and trap the sector in a continual cycle of emergency response without addressing the structural drivers of malnutrition. Without a deliberate effort to protect comprehensive nutrition programming and sustain investments in resilience, national systems will continue to struggle to prevent crises, detect risks early, or maintain essential

services when shocks occur. The dual shock therefore represents not only a challenge to immediate service delivery but a critical inflection point for the future of global nutrition.

The Human Cost

The consequences of the current financing crisis are already being felt across priority countries, with reductions in reach, quality, and essential infrastructure that put millions of women and children at risk. The following realities illustrate the scale and urgency of the situation.

Reach

In September 2025, the Global Nutrition Cluster reported that in 20 priority countries, Humanitarian Response Plan targets have been reduced from 42 million to 28 million women and children, aiming to reach only 42 percent of the total population in need. Even with these lowered targets, a 72 percent funding gap remains for humanitarian nutrition. Of the 659 million dollars required for the final four months of 2025, only 186 million dollars has been secured, leaving a shortfall of 473 million dollars.⁵ This gap is forcing humanitarian actors to make impossible choices, including determining which severely malnourished children will receive treatment and which will not. Without urgent funding, preventable child deaths are inevitable.

Program quality

Cuts are not only shrinking the number of people who can be reached but also degrading the quality of services provided. Rations and cash transfer values for household assistance are being reduced, and essential prevention activities are being eliminated. Local and National Actors, International NGOs, and other partners supporting government led nutrition services have lost staff and operational capacity, diminishing the sector's ability to design, manage, and deliver high quality programs.

Prevention at risk

With severely limited resources, the sector is being pushed toward a narrow focus on life-saving treatment alone. Prioritizing the treatment of severe acute malnutrition while eliminating upstream interventions increases the incidence of malnutrition and heightens long-term risk. Maternal and adolescent nutrition support, services for moderate acute malnutrition, and infant and young child feeding counseling are among the interventions most at risk, despite their proven effectiveness in preventing malnutrition before it becomes critical.



South Sudan

The Cluster estimates that less than 50% coverage will be available for SAM children targeted in this year's Humanitarian Needs Response Plan (HNRP). 14% of Outpatient Therapeutic feeding Programs (OTPs) have already closed. This reduction in coverage also applies to pregnant and breast-feeding women and moderately malnourished children. In addition, prevention services are drastically reduced with nutrition counseling for mothers and infants under 6 months of age and infant and young child feeding sessions reduced by 47% and 42% in 2025, compared to 2024. Hard decisions about what support to prioritize are undertaken daily. Funding for the 2026 dry season is urgently needed. [Learn more here](#).

With limited resources available, the system must be equipped to use them to maximum impact in order to save the most lives.

Critical humanitarian infrastructure

The erosion of Nutrition Information Systems poses a particularly grave risk. The SMART Initiative, long considered the gold standard for nutrition surveys, has seen its coverage decline sharply, leaving emerging crises unmonitored and enabling politically influenced narrative shaping. In contexts such as Gaza and Sudan, credible data remains one of the few tools for negotiating humanitarian access, yet both financial and political barriers are jeopardizing this lifeline.

Under the Humanitarian Reset, coordination mechanisms are undergoing significant restructuring, with far-reaching implications for the nutrition sector that remain poorly understood. Dedicated human resources for nutrition coordination have been reduced, resulting in double or triple hatting where staff must manage both program and coordination responsibilities. This is occurring at a moment when strong coordination across nutrition partners and sectors is more essential than ever.

Priority Actions

Strengthening nutrition outcomes requires coordinated leadership from the Government of Canada and sustained action from implementing partners. The following priority measures outline practical steps each actor can take to accelerate progress and reinforce a coherent, effective response.

Government of Canada

1 Reinforce nutrition as a core component of humanitarian and development policy.

Canada can ensure that nutrition is positioned as an essential public good by integrating it more explicitly into health, food systems, climate adaptation, and social protection policies. Clear recognition of nutrition as foundational to human capital, stability, and long-term economic outcomes will strengthen the case for sustained investment.

2 Be a lead investor in stronger data systems and early warning tools.

Canada can help ensure that governments and partners have the reliable, timely information needed to detect risks early and target resources effectively. Strengthening nutrition data systems and early warning capacities is essential for preventing crises, protecting program quality, guiding coherent action across humanitarian and development settings, and where return of Investment (ROI) is at its highest.

3 Prioritize prevention while maintaining investments in treatment.

Acute malnutrition treatment remains critical, but Canada can play a leading role in expanding prevention, including maternal and adolescent nutrition, complementary feeding, and multiple micronutrient supplement interventions. Ensuring a balanced portfolio across prevention and treatment reduces long-term costs and protects development gains.

4 Support countries to strengthen national systems and domestic financing.

Canada can work with partner governments to expand coverage of community-based

Implementing Partners

1 Design programs that integrate prevention and treatment.

Partners should deliver interventions that address acute malnutrition while simultaneously investing in maternal nutrition, adolescent nutrition, dietary diversity, and behavior change. This reduces future caseloads and strengthens long-term resilience.

2 Work across sectors to maximize impact.

Implementing partners should pursue multi-sectoral approaches, linking health services with food systems, education, WASH, and social protection interventions. Coordinated delivery platforms increase coverage and efficiency.

3 Strengthen community-based systems and frontline delivery capacity.

Partners can expand the reach of community health workers, peer support groups, and women's groups that help detect malnutrition

nutrition services, integrate nutrition into primary health care, and allocate larger shares of domestic budgets to nutrition. Policy dialogue should emphasize protecting nutrition spending during fiscal contractions and crises.

5 Fund integrated, multisectoral programming.

Nutrition outcomes depend on health, food systems, WASH, education, and social protection systems. Canada can increase support for integrated programming that links these sectors and strengthens the delivery systems that sustain nutrition outcomes over time.

early and sustain prevention efforts. Building community networks enhances continuity during shocks and improves trust.

4 Improve use of data to drive decision making.

High-quality, timely data is essential for targeting and prioritizing interventions. Implementing partners should invest in Nutrition Information Systems, strengthen routine monitoring, and use data to adapt programs as conditions change.

5 Support national leadership and capacity strengthening.

Implementing organizations can reinforce national systems by aligning with government priorities, supporting policy development, and providing technical and operational assistance to national and sub-national authorities.

Section 2: From Crisis to Continuity

Why Humanitarian Development Coherence Matters

Nutrition outcomes are shaped by health systems, food systems, education, climate resilience, and social protection. Yet humanitarian and development programming often operate in parallel, resulting in duplication, gaps, and inefficiency. Short-term humanitarian funding cycles limit the ability to plan for the long term, while development programs lack the flexibility to adapt during crises.

Participants noted that acute malnutrition relapse is common in countries with weak continuity of care. In several high-burden settings, relapse rates range from 26 to 63 percent due to lack of follow-up services, poor food security, and gaps in social protection.

Bridging the humanitarian development divide can improve impact and continuity, reduce costs, and strengthen resilience. Participants emphasized that this shift requires coordinated planning, joint analysis, and financing tools that support flexibility and long-term system health.

Challenges to Coherence

Efforts to link humanitarian and development action continue to face several persistent barriers.

Institutional fragmentation caused by separate mandates and budgeting cycles:

Humanitarian and development teams operate under different objectives, timelines, and funding structures, even sometimes within the same organizations. This leads to parallel planning processes that rarely connect short-term response with long-term system strengthening.

Parallel systems and coordination gaps:

Weak collaboration across UN agencies, governments, Local and National Actors (LNAs), and International Non-Governmental Organizations (INGOs) often results in duplication. Parallel systems (clusters vs. national bodies) risk sidelining government leadership and long-term approaches.

Data systems that are not interoperable:

Humanitarian and development actors often rely on different information systems and indicators. This limits joint analysis, reduces the quality of planning, and makes it harder to track nutrition outcomes across the full continuum of care.

Political incentives that favor short-term visibility:

Short funding cycles and pressure to demonstrate immediate results encourage a focus on acute treatment rather than prevention and system strengthening. This reinforces fragmentation and makes transitions between humanitarian and development programming more difficult.



Yemen

Led by the SUN Yemen Secretariat in the Ministry of Planning and International Cooperation in Aden, a Nexus approach to nutrition has been integrated into the Yemen Multisectoral Nutrition Action Plan. National Guidelines have been developed and the range of stakeholders including Line Ministries, donors (e.g. World Bank and Germany), Humanitarian Clusters, UN agencies and NGOs are aligning their investments and actions with the collective priorities agreed in the Plan. Strong national technical leadership supported by international partners has been key to shifting mindsets and behaviors in Yemen.

Priority Actions

Strengthening coherence between humanitarian response and long-term nutrition systems requires deliberate action from both the Government of Canada and implementing partners. The following recommendations reflect the practical solutions identified during the Retreat and respond directly to the structural challenges outlined in this chapter.

Government of Canada

1 Expand flexible, multi-year financing with crisis modifiers.

Longer-term, adaptable funding enables partners to bridge emergency needs with system strengthening and scale activities quickly when shocks occur.

2 Align humanitarian and development investments and funding modalities with national multisectoral nutrition strategies.

Canada can strengthen coherence by ensuring that its own humanitarian and development funding streams, delivery channels, and program modalities are aligned with national priorities and multisectoral nutrition plans. Applying this alignment across Canada's portfolio, and encouraging partners to do the same, reduces fragmentation and creates a more consistent and effective approach across the nexus.

3 Support deeper context analysis and country-led prioritization.

Canada can strengthen coherence by investing in political economy and systems analysis, and by reinforcing national and sub-national nutrition coordination platforms. These mechanisms help identify local actors who can lead and ensure that humanitarian actions align with national priorities.

4 Invest in state institutions and core service delivery systems.

Building stronger national health, food, and social protection systems reduces dependence on humanitarian aid and protects essential services in fragile contexts. Support should focus on government-led delivery capacity and accountability structures.

5 Champion sustained investment in fragile contexts.

Canada can strengthen support for long-term nutrition investments in fragile contexts by clearly communicating their links to stability, reduced humanitarian need, and more efficient use of resources over time.

6 Improve data interoperability for real-time decision making.

Investing in linked health, nutrition, early warning, and social protection data systems supports coordinated, evidence-informed action across sectors.

7 Advance localization as a core component of coherence.

Canada can reinforce national and local leadership by supporting coordination bodies, removing access barriers for LNAs, and enabling last-mile service delivery.

Implementing Partners

1 Design programs that reflect context and strengthen existing systems.

Partners can integrate emergency response with practical, low-cost system strengthening by working through government platforms, supporting community structures, and aligning supply chains and data flows with national systems.

2 Participate in and reinforce country-led coordination.

Active engagement in national and multisectoral platforms helps align priorities, avoid duplication, and ensure coherence between short-term response and long-term goals.

3 Use interoperable data and contribute to shared analysis.

Building on national information systems, rather than creating new tools, improves the quality of data and strengthens government-led monitoring.

4 Support localization and last-mile delivery.

Implementing partners can reinforce LNA leadership by facilitating participation in coordination forums, offering targeted capacity strengthening, and supporting community health workers and other frontline structures.

5 Integrate system strengthening into emergency work.

Even with limited resources, pairing lifesaving interventions with small, targeted investments in local capacity or governance improves service continuity and builds resilience.

Section 3: Financing for Nutrition

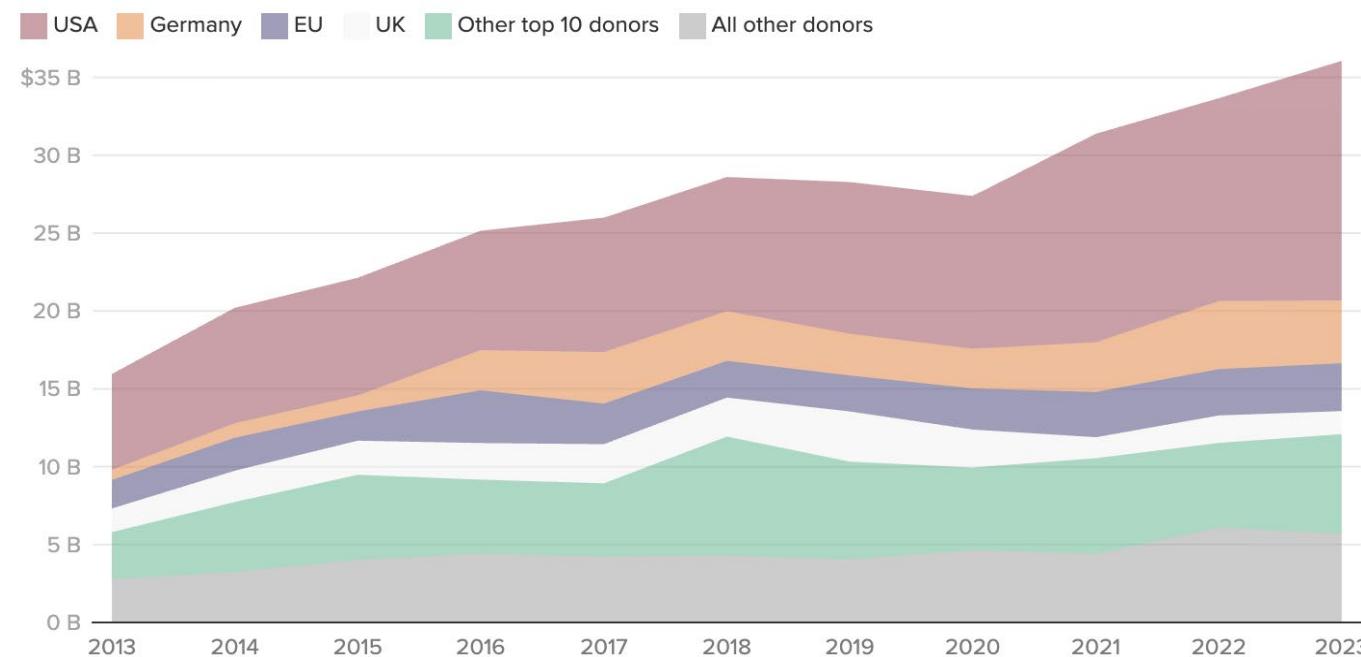
The Scale of the Financing Gap

Global financing for nutrition is under acute strain. In 2025, humanitarian nutrition resources faced a seventy two percent shortfall across twenty priority countries. The Global Nutrition Cluster estimated that USD 659 million was needed to sustain essential activities through the end of the year, but only USD 186 million had been secured.⁶ Action Against Hunger estimates an annual USD 450 million global financing gap for lifesaving nutrition interventions.

Recent shifts in global donor policy have accelerated this contraction. Reductions in United States support and a broader retreat in official development assistance have already forced large scale program closures. Independent analysis estimates that a USD 290 million reduction in donor funding for severe acute malnutrition will eliminate treatment access for 2.3 million children in low and middle income countries. This shortfall is projected to result in approximately 369,000 preventable child deaths each year.

Researchers caution that **the abrupt withdrawal of financing** is not only limiting access to lifesaving care, it is also weakening institutional capacity, technical expertise, and the data systems required to deliver nutrition services at scale.

Evidence also shows that these reductions are occurring at a time of increasing dependence on a small number of donors. Analysis from The New Humanitarian illustrates that humanitarian sectors have become heavily reliant on United States financing, with that reliance growing steadily until 2023. The accompanying table demonstrates how concentrated this funding has become and highlights the systemic risks created when a major donor reduces support. These dynamics mean that cuts have immediate and severe consequences, leaving millions of children without access to essential services and weakening national systems that depend on predictable, multi year nutrition financing.



Source: [The New Humanitarian](#)

A decade of growing dependence

The above chart shows public humanitarian funding by top sources from 2013 to 2023. The humanitarian sector's reliance on the United States grew over this period.

A worsening financing environment is unfolding at the same time as needs continue to rise across multiple regions. According to global data, 673 million people were hungry in 2024, 2.3 billion people experienced moderate or severe food insecurity, and an estimated 150 million children under five experienced stunting. In Africa, one in five people remains undernourished, and only 48 percent of women and 25 percent of children achieve minimum dietary diversity.

Participants emphasized that financing shortages are not solely the result of insufficient resources, but also of financing systems that are short term, inflexible, and risk averse. These characteristics constrain the ability of implementing partners to plan, innovate, and maintain service quality. They also undermine national systems which rely on predictable financing to build and sustain capacities.

Key Financing Instruments

Multi-year humanitarian grants with crisis modifiers

Predictable, multi-year financing allows program continuity, staff retention, supply chain stability, and improved partnerships and subsequent post-award sustainability with local actors. Crisis modifiers enable rapid expansion of nutrition activities in response to early warning triggers. These models protect both emergency response and system-strengthening gains.

Nutrition-focused windows within pooled funds

Dedicated nutrition windows within pooled funds improve visibility and enable multi-sectoral planning. They also offer simplified access for local organizations and support integration of nutrition into broader resilience and social protection frameworks.

Blended finance and catalytic capital

Blended finance tools combine public, private, and philanthropic resources. Concessional public funds reduce risk and attract additional investment. Debt-for-nutrition swaps, partial guarantees, and impact-linked finance can increase fiscal space and support national nutrition plans.

Anticipatory financing and risk transfer mechanisms

Parametric insurance, forecast-based financing, and anticipatory action tools enable earlier intervention. Evidence shows that early action can reduce humanitarian costs and prevent malnutrition peaks.

Market system financing for SMEs

Small and medium enterprises produce fortified foods and complementary food products but often lack access to capital. Tailored loans, guarantees, and technical assistance can expand nutritious food markets and improve affordability.

Domestic financing and budget protection

Domestic budgets represent the largest untapped opportunity for sustainable nutrition financing. Budget tagging, protected social protection lines, and increased domestic fiscal space can stabilize nutrition investments.

Priority Actions



The Retreat highlighted a clear set of priorities that require coordinated action across government, implementing partners, investors, and enterprises. The following measures reflect the most practical, high-impact steps that stakeholders can take to strengthen nutrition outcomes, protect essential services, and build more resilient systems in the face of rising needs and constrained resources.

Government of Canada

1 Embed multi-year, flexible financing with nutrition crisis modifiers across humanitarian and nexus portfolios.

Move toward predictable, multi-year commitments that allow implementing partners to maintain service continuity, absorb shocks, and manage supply lines. Crisis modifiers within both humanitarian and development envelopes enable rapid expansion of nutrition services when early warning thresholds are met, reducing delays and preventing pipeline breaks.

2 Scale up support to pooled and nexus funds with dedicated nutrition windows.

Increase contributions to pooled funds that blend humanitarian and development resources, and advocate for nutrition-specific windows within these mechanisms. These windows should use equity-focused criteria and simplified access procedures so that local and national organizations can participate meaningfully.

3 Use blended finance and debt instruments explicitly for nutrition.

Deploy catalytic ODA in ways that reduce risk and attract private and philanthropic investment into nutrition-sensitive value chains. This includes partial guarantees, first-loss tranches, concessional capital, and nutrition-focused debt swaps. These approaches must be additional to traditional aid and tied to rights-based national priorities, including women's and children's health.

4 Invest in risk financing and anticipatory action for nutrition.

Support the development and scale-up of parametric insurance schemes, forecast-based financing, and anticipatory cash or service packages that activate before acute malnutrition peaks. This requires investment in Nutrition Information Systems, early warning platforms, climate risk modelling, and surveillance tools that can serve as triggers for early action.

5 Protect domestic social and nutrition spending in policy dialogue and debt frameworks.

Use bilateral and multilateral policy dialogue to encourage governments to maintain or expand domestic nutrition budgets, even during fiscal contractions. Align Canadian positions in debt relief and restructuring negotiations with the protection of essential health, nutrition, and social protection spending.

6 Set clear benchmarks for localization within nutrition finance.

Apply localization targets specifically to nutrition programming, including measurable proportions of funding for national organizations, simplified compliance requirements, and eligibility pathways for women-led and community-based groups. Support partners to adopt equitable cost recovery and risk-sharing arrangements.

Implementing Partners

1 Design programs that are “finance ready” from the outset.

Ensure program proposals incorporate crisis modifiers, anticipatory components, and pathways for scaling through blended or pooled financing. Program designs should articulate how short-term interventions contribute to longer-term system strengthening and how various financing sources can be aligned over time.

2 Build organisational capacity to engage with diverse financing instruments.

Many implementing partners do not yet have the financial expertise required to pursue opportunities beyond traditional grants. Support from financial institutions and external experts can help build this capacity. Cross training and joint design processes can give program, MEAL, and finance teams a shared understanding of budgeting, risk management, and newer financing approaches. This helps organizations reduce dependence on grants and engage more confidently with a wider range of funding options.

3 Co-create pooled mechanisms and SME-focused solutions that are accessible to local actors.

Work with governments, donors, and private-sector partners to design pooled funds and financial instruments that support small and medium enterprises involved in nutri-

tious food production, distribution, or fortification. Ensure these mechanisms are tailored to the needs of local women-led enterprises and community organizations.

4 Generate and share evidence on how financing mechanisms perform in practice.

Document the costs, benefits, and operational realities of blended finance, pooled funds, crisis modifiers, debt instruments, and anticipatory action. Share this evidence with donors and governments to influence policy and inform future investments.

5 Prioritize locally led consortia and transition plans.

Ensure financing strategies include clear plans for shifting leadership, decision-making authority, and financial management to national actors. This includes multi-year capacity strengthening, equitable cost recovery, and incremental transfer of responsibilities.

6 Advocate for nutrition as a strategic investment in human capital and stability.

Frame nutrition financing within broader goals of economic growth, education, climate resilience, and national security. This strengthens the political case for sustained, long-term investment in prevention and system building.

Investor-Level Solutions

1 Use catalytic capital to increase investor appetite for nutrition-focused enterprises.

Tools such as first-loss tranches, guarantees, and subordinated debt can reduce investor risk and expand the pool of enterprises that meet risk-return thresholds. These structures are particularly effective in early-stage markets for fortified foods, complementary foods, or community-based nutrition technologies.

2 Deploy blended finance facilities that use risk-mitigating structures.

Blended finance platforms can align public, philanthropic, and private capital to support enterprises across the nutrition value chain. When concessional public capital is used strategically, it expands the number of enterprises that are investable and accelerates market development.

Enterprise-Level Solutions

1 Provide grant funding to establish proof of concept and early expansion.

Enterprises in the nutrition value chain often need grant capital to pilot new products, validate market demand, or formalize operations. Early-stage grants allow enterprises to demonstrate viability and position themselves to attract commercial or blended capital.

2 Strengthen business and operational capacity.

Support enterprises with product development, compliance, financial management, and

3 Support investor transaction assistance facilities.

Donor-funded investment facilitation services help investors identify viable nutrition enterprises, conduct due diligence, and move transactions to closure. These facilities can also help enterprises navigate compliance, financial structuring, and market access challenges.

4 Combine capital with technical and operational support.

Investors increasingly seek to pair financing with hands-on support such as business planning, quality assurance, regulatory navigation, or distribution network development. This dual approach improves enterprise performance and reduces investment risk.

supply chain planning. These capacity-building investments improve survival rates and increase the likelihood of successful scale-up.

3 Improve access to finance for women-led and local enterprises.

Tailor grant and loan products to reduce collateral requirements, align repayment structures with business cycles, and incorporate technical support components that respond to local market realities.

Section 4: Strengthening Locally-Led Nutrition

Context

Localization has become a central principle in global development and humanitarian policy, yet progress remains uneven and slow. Local and National Actors (LNAs) continue to receive only a small share of funding directly, despite their central role as first responders and trusted community partners. These organizations are often the first to identify emerging needs, the last to leave during crises, and the most consistently present across the full spectrum of prevention, response, and recovery. However, many LNAs operate as sub-grantees with limited influence over strategic decisions, budget allocations, and program design. This limits their ability to shape priorities, sustain staff and systems, and lead in areas where they hold deep contextual knowledge. Strengthening their role is essential to building nutrition approaches that are durable, responsive, and grounded in local realities.

Discussions during the Retreat reinforced that advancing locally led action requires more than incremental changes to program delivery. Participants highlighted that meaningful localization involves addressing structural barriers,

shifting power and resources, and supporting LNAs to lead in strategic, operational, and financial decision making. This includes predictable access to funding, tailored compliance systems, and long-term support for institutional capacity.

Locally-led approaches enhance continuity, improve accountability to affected communities, and ensure that nutrition responses reflect local priorities, knowledge, and lived realities.

Strengthening the role of LNAs is therefore essential to making nutrition systems more resilient and effective across both humanitarian and development settings.

Key Challenges

Strengthening locally led nutrition systems requires addressing several persistent structural and policy barriers. Discussions during the Retreat highlighted that progress on localization remains uneven, and significant shifts in funding practices, power dynamics, and institutional frameworks are still needed.

1 Limited progress on global commitments and direct funding

Despite commitments under the Paris Declaration, the Grand Bargain, and other global agreements, direct funding to Local and National Actors (LNAs) remains very low, averaging only 1 to 2 percent of global humanitarian assistance.⁷ High compliance thresholds, fiduciary requirements, and complex reporting systems continue to disadvantage smaller grassroots organizations. Ongoing ambiguity between “direct funding” and “funding as directly as possible” obscures the real proportion of resources that reach LNAs.

2 Institutional fragmentation and limited coordination

Humanitarian and development systems operate through separate mandates, planning processes, and budgeting cycles. This fragmentation reinforces parallel structures in countries where clusters lead crisis response and national multisectoral bodies guide longer-term strategies. Limited coordination between these systems reduces continuity of care and creates inconsistencies in geographic focus, targeting, and data use.

3 Insufficient transfer of power and decision-making authority

Localization requires shifting leadership, influence, and strategic control to LNAs. Yet many national and community-based organizations remain implementers rather than co-leaders. Without authority over program design, budgets, and priorities, localization risks becoming symbolic. Addressing entrenched hierarchies and enabling co-leadership models are essential for meaningful progress.

4 Data silos and unaligned information systems

Humanitarian and development actors use different data systems and indicators, limiting shared analysis and joint planning. Acute malnutrition data, food security assessments, health systems metrics, and social protection data often sit in separate systems. These silos reduce the quality of analysis and impede coherent, multisectoral response planning.

5 Short-term incentives that prioritize visibility over sustainability

Funding cycles often reward rapid, visible outputs rather than long-term outcomes or system strengthening. This can skew investments toward acute treatment at the expense of prevention, resilience, and local capacity. As a result, transitions from humanitarian response to sustained national systems remain difficult to achieve.

6 Gaps in Canada’s policy framework for localization

Canada has demonstrated strong leadership in gender equality through the Feminist International Assistance Policy (FIAP), supported by

clear benchmarks and reporting requirements. No equivalent framework exists for localization. Without targets, definitions, or accountability

mechanisms, localization remains inconsistently applied across Canadian-funded programming and is not systematically incentivized.

Priority Actions

The Retreat underscored that advancing meaningful localization requires coordinated action from donors, international organizations, and LNAs. Progress depends on rebuilding trust, establishing clearer policy frameworks, and ensuring that funding and compliance systems enable LNAs to lead. The following priority actions reflect the most consistent themes and insights raised across discussions.

Government of Canada

1 Promote trust and elevate the visibility of LNAs.

Canada can help address the trust gap by showcasing strong examples of LNA performance, commissioning or sharing case studies, and creating platforms where LNAs can demonstrate results directly to donors. Increasing the share of funds provided directly to LNAs with a proven track record will reinforce trust and signal Canada’s commitment to locally led action.

2 Establish clear definitions and set measurable localization targets.

Canada has an opportunity to lead by defining key concepts, including LNAs and localization, and by setting measurable, time-bound targets for direct funding and partnership models. These definitions and targets should be co-developed with LNAs to ensure they reflect local perspectives and priorities.

3 Reform pooled funding access and compliance systems.

Canada should advocate for reforms in pooled funds and donor consortia to simplify

access for LNAs. Compliance and risk frameworks should be adapted to local realities, with proportional requirements that do not unintentionally exclude grassroots organizations.

4 Ensure accountability for progress on localization.

Canada’s policy frameworks can incorporate explicit accountability mechanisms, including routine reporting on localization investments, funding channels, and progress against established targets. These mechanisms should emphasize long-term leadership transfer and sustainability.

5 Expand flexible, actor-based funding for LNAs.

Flexible institutional or core funding allows LNAs to sustain staff, invest in systems, and respond to contextual shifts. Expanding flexible funding streams will significantly enhance LNA capacity and resilience.

⁷ **Global Humanitarian Assistance Report 2023**, Angus Urquhart, Erica Mason, Fran Girling-Morris, Suzanna Nelson-Pollard, Development Initiatives, June 2023.

Implementing Partners

1 Champion and build trust in LNA leadership.

Implementing partners should model equitable partnerships by highlighting successes, ceding visibility when appropriate, and explicitly addressing donor concerns that limit direct LNA funding. Transparent communication about risk sharing and performance strengthens trust.

2 Adopt partnership models that support long-term leadership transfer.

Transition plans should be built into program designs from the outset, identifying when and how leadership, budget authority, and technical responsibilities will be shifted to LNAs. These plans should be realistic, resourced, and jointly developed.

3 Provide flexible, supportive, and context-appropriate compliance systems.

Implementing partners can adapt their internal systems to enable LNA access, including

simplified reporting, tiered compliance arrangements, joint financial management processes, and shared audits.

4 Support comprehensive capacity strengthening.

Capacity strengthening should include governance, financial systems, safeguarding, digital infrastructure, and human resource development, not only technical skills. Implementing partners should create space for LNAs to identify their own gaps through self-assessment, and support multidirectional knowledge exchange rather than top-down training.

5 Promote LNA leadership in coordination and advocacy spaces.

Implementing partners should facilitate, not substitute for, LNA engagement in technical working groups, donor dialogues, and national platforms.

Overall System-Level Measures

1 Improve coherence between donor, INGO, and LNA efforts.

Localization is most successful when all actors share a common understanding of goals, timelines, and definitions, supported by mutual accountability.

2 Invest in flexible, long-term funding pathways that build institutional strength.

Across the ecosystem, flexible funding tied to organizational development rather than discrete activities is essential for enabling LNAs to lead.

3 Make transition planning a standard practice.

Embedding transition planning in program and financing arrangements supports predictable leadership transfer and strengthens sustainability.

Key Resource

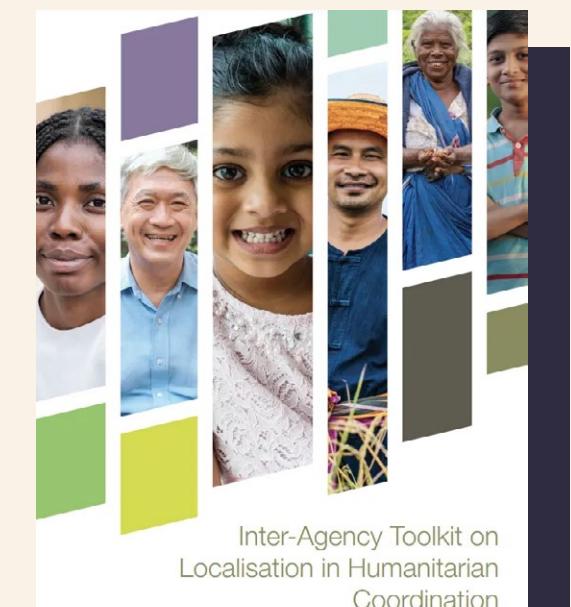
The **Toolkit on Localisation in Humanitarian Coordination** is a key localization resource supporting diverse humanitarian actors across the sector to:

Support increased meaningful participation of local and national actors in coordination processes throughout the Humanitarian Programme Cycle,

Contribute to increased leadership roles within humanitarian coordination structures, and

Enable increased access to funding.

[VIEW THE TOOLKIT ONLINE](#)



Inter-Agency Toolkit on Localisation in Humanitarian Coordination



Topline Recommendations

- 1 Expand predictable, multi-year financing** that connects emergency response with system strengthening. Sustained, flexible funding is essential to maintain services, scale during shocks, and protect long-term nutrition gains.
- 2 Align all humanitarian and development actions with country-led multisectoral nutrition plans.** Coherence improves when all actors follow a single national vision rooted in shared analysis and local priorities.
- 3 Advance meaningful localization** by shifting leadership, decision making, and resources to Local and National Actors. Direct funding, proportionate compliance, and sustained capacity support are key to nationally anchored nutrition systems.
- 4 Strengthen the quality and interoperability of nutrition and early warning data systems.** Timely, linked data across sectors is critical for prioritization, anticipatory action, and effective resource use.
- 5 Maximize impact within constrained resources** by building on existing systems and structures. Leveraging government platforms, community networks, and low-cost prevention approaches ensures greater reach and sustainability despite limited funding.



Closing Reflections

The Retreat took place at a moment of profound transition for the global nutrition community.

Participants recognized that rising needs, shrinking resources, and increasing system strain demand more focused action and greater coherence across humanitarian and development efforts. Despite these pressures, the discussions were grounded in a shared conviction that meaningful progress is still possible when investments are strategic, nationally aligned, and rooted in strong partnerships with local and national actors.

The outcomes of the Retreat point to a clear path forward. **Canada can reinforce its impact by aligning funding modalities across the nexus, supporting country-led priorities, advancing localization, and investing in data systems and long-term system strengthening.** Implementing partners can maximize impact within constrained budgets

by working through existing structures, strengthening last mile delivery, integrating prevention and treatment, and contributing to shared data and analysis. The private sector, research community, and local organizations all have critical roles to play in advancing a more resilient and equitable nutrition ecosystem.

Protecting and accelerating progress on nutrition will require steady, coordinated action and the political will to prioritize the people most affected by conflict, climate, and economic instability. With deliberate choices and collective effort, Canada and its partners can help ensure that the gains of past decades are not only preserved but extended to more women, children, and communities in the years ahead.

Appendix:

Consolidated Priority Actions

Section 1 Priority Actions: Delivering Lifesaving Nutrition

Strengthening nutrition outcomes requires coordinated leadership from the Government of Canada and sustained action from implementing partners. The following priority measures outline practical steps each actor can take to accelerate progress and reinforce a coherent, effective response.

Government of Canada

1 Reinforce nutrition as a core component of humanitarian and development policy.

Canada can ensure that nutrition is positioned as an essential public good by integrating it more explicitly into health, food systems, climate adaptation, and social protection policies. Clear recognition of nutrition as foundational to human capital, stability, and long-term economic outcomes will strengthen the case for sustained investment.

2 Be a lead investor in stronger data systems and early warning tools.

Canada can help ensure that governments and partners have the reliable, timely information needed to detect risks early and target resources effectively. Strengthening nutrition data systems and early warning capacities is essential for preventing crises, protecting program quality, guiding coherent action across humanitarian and development settings, and where return of Investment (ROI) is at its highest.

3 Prioritize prevention while maintaining investments in treatment.

Acute malnutrition treatment remains critical, but Canada can play a leading role in expanding prevention, including maternal and adolescent nutrition, complementary feeding, and multiple micronutrient supplement interventions. Ensuring a balanced portfolio across prevention and treatment reduces long-term costs and protects development gains.

4 Support countries to strengthen national systems and domestic financing.

Canada can work with partner governments to expand coverage of community-based nutrition services, integrate nutrition into primary health care, and allocate larger shares of domestic budgets to nutrition. Policy dialogue should emphasize protecting nutrition spending during fiscal contractions and crises.

5 Fund integrated, multisectoral programming.

Nutrition outcomes depend on health, food systems, WASH, education, and social protec-

tion systems. Canada can increase support for integrated programming that links these sectors and strengthens the delivery systems that sustain nutrition outcomes over time.

Implementing Partners

1 Design programs that integrate prevention and treatment.

Partners should deliver interventions that address acute malnutrition while simultaneously investing in maternal nutrition, adolescent nutrition, dietary diversity, and behavior change. This reduces future caseloads and strengthens long-term resilience.

2 Work across sectors to maximize impact.

Implementing partners should pursue multi-sectoral approaches, linking health services with food systems, education, WASH, and social protection interventions. Coordinated delivery platforms increase coverage and efficiency.

3 Strengthen community-based systems and frontline delivery capacity.

Partners can expand the reach of community health workers, peer support groups, and

women's groups that help detect malnutrition early and sustain prevention efforts. Building community networks enhances continuity during shocks and improves trust.

4 Improve use of data to drive decision making.

High-quality, timely data is essential for targeting and prioritizing interventions. Implementing partners should invest in Nutrition Information Systems, strengthen routine monitoring, and use data to adapt programs as conditions change.

5 Support national leadership and capacity strengthening.

Implementing organizations can reinforce national systems by aligning with government priorities, supporting policy development, and providing technical and operational assistance to national and sub-national authorities.

Section 2 Priority Actions: From Crisis to Continuity

Strengthening coherence between humanitarian response and long-term nutrition systems requires deliberate action from both the Government of Canada and implementing partners. The following recommendations reflect the practical solutions identified during the Retreat and respond directly to the structural challenges outlined in this chapter.

Government of Canada

1 Expand flexible, multi-year financing with crisis modifiers.

Longer-term, adaptable funding enables partners to bridge emergency needs with system strengthening and scale activities quickly when shocks occur.

2 Align humanitarian and development investments and funding modalities with national multisectoral nutrition strategies.

Canada can strengthen coherence by ensuring that its own humanitarian and development funding streams, delivery channels, and program modalities are aligned with national priorities and multisectoral nutrition plans. Applying this alignment across Canada's portfolio, and encouraging partners to do the same, reduces fragmentation and creates a more consistent and effective approach across the nexus.

3 Support deeper context analysis and country-led prioritization.

Canada can strengthen coherence by investing in political economy and systems analysis, and by reinforcing national and sub-national nutrition coordination platforms. These mechanisms help identify local actors who can lead and ensure that humanitarian actions align with national priorities.

4 Invest in state institutions and core service delivery systems.

Building stronger national health, food, and social protection systems reduces dependence on humanitarian aid and protects essential services in fragile contexts. Support should focus on government-led delivery capacity and accountability structures.

5 Champion sustained investment in fragile contexts.

Canada can strengthen support for long-term nutrition investments in fragile contexts by clearly communicating their links to stability, reduced humanitarian need, and more efficient use of resources over time.

6 Improve data interoperability for real-time decision making.

Investing in linked health, nutrition, early warning, and social protection data systems supports coordinated, evidence-informed action across sectors.

7 Advance localization as a core component of coherence.

Canada can reinforce national and local leadership by supporting coordination bodies, removing access barriers for LNAs, and enabling last-mile service delivery.

Implementing Partners

1 Design programs that reflect context and strengthen existing systems.

Partners can integrate emergency response with practical, low-cost system strengthening by working through government platforms, supporting community structures, and aligning supply chains and data flows with national systems.

2 Participate in and reinforce country-led coordination.

Active engagement in national and multisectoral platforms helps align priorities, avoid duplication, and ensure coherence between short-term response and long-term goals.

3 Use interoperable data and contribute to shared analysis.

Building on national information systems,

rather than creating new tools, improves the quality of data and strengthens government-led monitoring.

4 Support localization and last-mile delivery.

Implementing partners can reinforce LNA leadership by facilitating participation in co-ordination forums, offering targeted capacity strengthening, and supporting community health workers and other frontline structures.

5 Integrate system strengthening into emergency work.

Even with limited resources, pairing lifesaving interventions with small, targeted investments in local capacity or governance improves service continuity and builds resilience.

Section 3 Priority Actions: Financing for Nutrition

The Retreat highlighted a clear set of priorities that require coordinated action across government, implementing partners, investors, and enterprises. The following measures reflect the most practical, high-impact steps that stakeholders can take to strengthen nutrition outcomes, protect essential services, and build more resilient systems in the face of rising needs and constrained resources.

Government of Canada

1 Embed multi-year, flexible financing with nutrition crisis modifiers across humanitarian and nexus portfolios.

Move toward predictable, multi-year commitments that allow implementing partners to maintain service continuity, absorb shocks, and manage supply lines. Crisis modifiers within both humanitarian and development envelopes enable rapid expansion of nutrition services when early warning thresholds are

met, reducing delays and preventing pipeline breaks.

2 Scale up support to pooled and nexus funds with dedicated nutrition windows.

Increase contributions to pooled funds that blend humanitarian and development resources, and advocate for nutrition-specific windows within these mechanisms. These

windows should use equity-focused criteria and simplified access procedures so that local and national organizations can participate meaningfully.

3 Use blended finance and debt instruments explicitly for nutrition.

Deploy catalytic ODA in ways that reduce risk and attract private and philanthropic investment into nutrition-sensitive value chains. This includes partial guarantees, first-loss tranches, concessional capital, and nutrition-focused debt swaps. These approaches must be additional to traditional aid and tied to rights-based national priorities, including women's and children's health.

4 Invest in risk financing and anticipatory action for nutrition.

Support the development and scale-up of parametric insurance schemes, forecast-based financing, and anticipatory cash or service packages that activate before acute malnutrition peaks. This requires investment in Nutrition Information Systems, early warn-

ing platforms, climate risk modelling, and surveillance tools that can serve as triggers for early action.

5 Protect domestic social and nutrition spending in policy dialogue and debt frameworks.

Use bilateral and multilateral policy dialogue to encourage governments to maintain or expand domestic nutrition budgets, even during fiscal contractions. Align Canadian positions in debt relief and restructuring negotiations with the protection of essential health, nutrition, and social protection spending.

6 Set clear benchmarks for localization within nutrition finance.

Apply localization targets specifically to nutrition programming, including measurable proportions of funding for national organizations, simplified compliance requirements, and eligibility pathways for women-led and community-based groups. Support partners to adopt equitable cost recovery and risk-sharing arrangements.

Implementing Partners

1 Design programs that are "finance ready" from the outset.

Ensure program proposals incorporate crisis modifiers, anticipatory components, and pathways for scaling through blended or pooled financing. Program designs should articulate how short-term interventions contribute to longer-term system strengthening and how various financing sources can be aligned over time.

2 Build organisational capacity to engage with diverse financing instruments.

Many implementing partners do not yet have the financial expertise required to pursue

opportunities beyond traditional grants. Support from financial institutions and external experts can help build this capacity. Cross training and joint design processes can give program, MEAL, and finance teams a shared understanding of budgeting, risk management, and newer financing approaches. This helps organizations reduce dependence on grants and engage more confidently with a wider range of funding options.

3 Co-create pooled mechanisms and SME-focused solutions that are accessible to local actors.

Work with governments, donors, and private-

sector partners to design pooled funds and financial instruments that support small and medium enterprises involved in nutritious food production, distribution, or fortification. Ensure these mechanisms are tailored to the needs of local women-led enterprises and community organizations.

4 Generate and share evidence on how financing mechanisms perform in practice.

Document the costs, benefits, and operational realities of blended finance, pooled funds, crisis modifiers, debt instruments, and anticipatory action. Share this evidence with donors and governments to influence policy and inform future investments.

5 Prioritize locally led consortia and transition plans.

Ensure financing strategies include clear plans for shifting leadership, decision-making authority, and financial management to national actors. This includes multi-year capacity strengthening, equitable cost recovery, and incremental transfer of responsibilities.

6 Advocate for nutrition as a strategic investment in human capital and stability.

Frame nutrition financing within broader goals of economic growth, education, climate resilience, and national security. This strengthens the political case for sustained, long-term investment in prevention and system building.

Section 4 Priority Actions: Strengthening Locally-Led Nutrition

The Retreat underscored that advancing meaningful localization requires coordinated action from donors, international organizations, and LNAs. Progress depends on rebuilding trust, establishing clearer policy frameworks, and ensuring that funding and compliance systems enable LNAs to lead. The following priority actions reflect the most consistent themes and insights raised across discussions.

Government of Canada

1 Promote trust and elevate the visibility of LNAs.

Canada can help address the trust gap by showcasing strong examples of LNA performance, commissioning or sharing case studies, and creating platforms where LNAs can demonstrate results directly to donors. Increasing the share of funds provided directly to LNAs with a proven track record will reinforce trust and signal Canada's commitment to locally-led action.

2 Establish clear definitions and set measurable localization targets.

Canada has an opportunity to lead by defining key concepts, including LNAs and localization, and by setting measurable, time-bound targets for direct funding and partnership models. These definitions and targets should be co-developed with LNAs to ensure they reflect local perspectives and priorities.

3 Reform pooled funding access and compliance systems.

Canada should advocate for reforms in pooled funds and donor consortia to simplify access for LNAs. Compliance and risk frameworks should be adapted to local realities, with proportional requirements that do not unintentionally exclude grassroots organizations.

4 Ensure accountability for progress on localization.

Canada's policy frameworks can incorporate explicit accountability mechanisms, including

routine reporting on localization investments, funding channels, and progress against established targets. These mechanisms should emphasize long-term leadership transfer and sustainability.

5 Expand flexible, actor-based funding for LNAs.

Flexible institutional or core funding allows LNAs to sustain staff, invest in systems, and respond to contextual shifts. Expanding flexible funding streams will significantly enhance LNA capacity and resilience.

Implementing Partners

1 Champion and build trust in LNA leadership.

Implementing partners should model equitable partnerships by highlighting successes, ceding visibility when appropriate, and explicitly addressing donor concerns that limit direct LNA funding. Transparent communication about risk sharing and performance strengthens trust.

2 Adopt partnership models that support long-term leadership transfer.

Transition plans should be built into program designs from the outset, identifying when and how leadership, budget authority, and technical responsibilities will be shifted to LNAs. These plans should be realistic, resourced, and jointly developed.

3 Provide flexible, supportive, and context-appropriate compliance systems.

Implementing partners can adapt their internal systems to enable LNA access, including simplified reporting, tiered compliance

arrangements, joint financial management processes, and shared audits.

4 Support comprehensive capacity strengthening.

Capacity strengthening should include governance, financial systems, safeguarding, digital infrastructure, and human resource development, not only technical skills. Implementing partners should create space for LNAs to identify their own gaps through self-assessment, and support multidirectional knowledge exchange rather than top-down training.

5 Promote LNA leadership in coordination and advocacy spaces.

Implementing partners should facilitate, not substitute for, LNA engagement in technical working groups, donor dialogues, and national platforms.