



### 1.13 Create a global virtual nutritious food innovation hub for SMEs

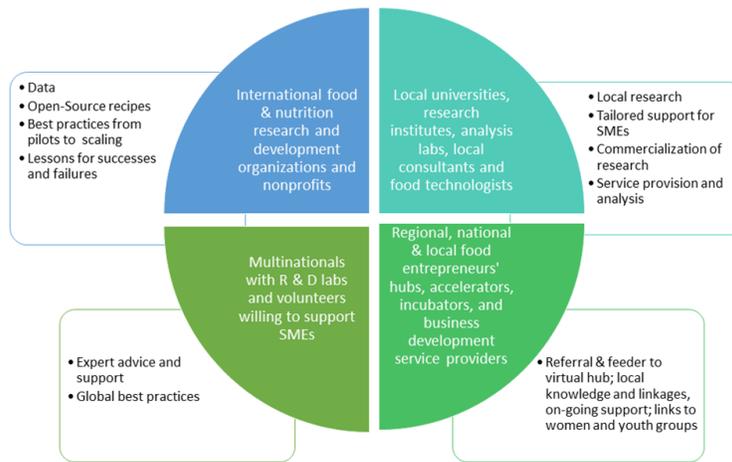
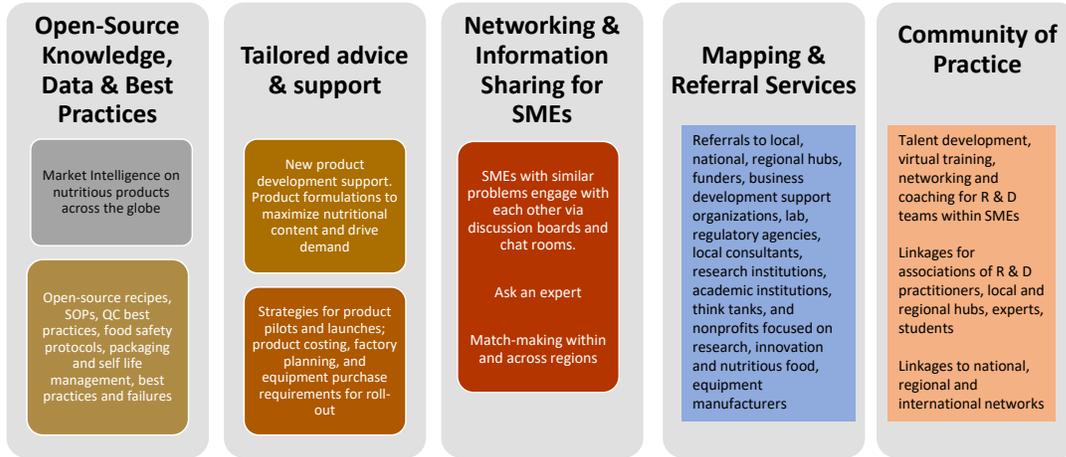
**The Solution:** The Global Virtual Nutrition Innovation Hub for SMEs is a virtual, global hub that will dramatically accelerate and transform how SMEs pilot, launch, and scale convenient, easy-to-prepare nutritious foods.

**Source of the Solution:** The solution was generated by Ndidi Nwuneli, member of the working group and a social entrepreneur based in Nigeria, co-founder of AACE Foods and Sahel Consulting Agriculture & Nutrition and founder of Nourishing Africa and LEAP Africa. Through her 25 years of international development experience, and extensive consultations with SMEs across Africa, Ndidi noted that the new product development process was inefficient, ineffective, and expensive, linked explicitly to the difficulties and high costs associated with obtaining technical support, knowledge, and data. Sight & Life and Partners in Food Solutions confirmed that the proposed services reflect real SME needs, based on their extensive experiences in Africa, Latin America, and Asia.

**Problem addressed within food systems:** The reason why people do not eat more nutritious foods is not just that they are not affordable – some are. It is that they are not affordable and convenient (and tasty). The solution will tackle this problem by working with SMEs. SMEs are the lifeblood of the food and agriculture landscape globally, especially in emerging markets. Yet most of these SMEs in emerging economies face a competitive disadvantage: they cannot easily access or afford R&D support and new product development expertise because these services are expensive and the operators, researchers, and consultants that offer them operate in silos in fragmented ecosystems with limited knowledge-sharing across communities, countries, and regions. This leads millions of SMEs to work to compete according to the current rules of the game (i.e., for unhealthy foods), diverting them from where they could have competitive advantage: the nutritious foods marketplace.

At the same time, there is a lack of convenient, easy-to-prepare, and ready-to-eat nutritious foods, which are unavailable and unaffordable in most emerging economies. Unprocessed nutritious foods available may be affordable (e.g., legumes), but their lack of convenience (in the context of heavy preparation time burdens among lower-income consumers, especially women) and perception of low quality, palatability, or status make them unappealing, largely linked to shelf life, packaging, and branding concerns, especially when competing with highly palatable and affordable foods of low nutritional value (see Solutions 8 and 14). As a result, vulnerable households rely on convenient but less nutritious foods, contributing to unhealthy diets.

**How this solution will address that problem:** This new global, virtual hub will offer a range of inputs, providing SMEs with the R&D and technical support required to develop, pilot, launch, and scale new nutritious foods that are affordable, accessible, and acceptable to populations at scale, which will shorten the time and cost of new product introductions, accelerate the emergence of new nutritious products, and translate into healthier diets for the millions of people. By virtually connecting SMEs to resources, tools, and support and linking physical hubs and labs to resources and tools that they need, it will shift the information and knowledge asymmetry in the food research and development ecosystem, increase efficiency, and reduce service delivery costs. The virtual hub will have special service windows for women and youth and will provide more tailored services to meet their unique needs and bridge the gender gap. The hub will be made up of the following spectrum of services and partners:



The output would be that entrepreneurs have increased knowledge, skills, and capacity to develop, launch, and scale nutritious food.<sup>1</sup> The outcome would be more convenient, affordable, and nutritious foods available in the market. The impact would be foods with few nutritional benefits being replaced with highly nutritious alternatives.

**Solution’s alignment to the ‘game changing and systemic solution’ criteria:** The hub would play a key role in creating a more nutritious playing field for businesses in the food system, contributing to a more diverse, thriving food economy that places nutritious foods in the spotlight. It will do so by shifting operational models and underlying rules, incentives, and structures that shape food systems for SMEs, creating a more level playing field for them to compete and collaborate with businesses focused on “unhealthy foods.” In a novel innovation, the hub will use digital technology to bring a global community of experts and service providers within reach of SMEs. It will create relationships between international organisations, global companies, and food-producing SMEs in emerging economies. The hubs will leverage donor funding to partially subsidise some of the tailored service provision, with support from private-sector companies and corporate volunteers. As a result, SMEs that previously could not afford expert advice will now have access to the know-how they had lacked. By partnering with local academia and service providers, the capacity of local market actors and ecosystems will be improved. The hub will also

<sup>1</sup> Progress towards achieving this output would be tracked by number of partners, downloads, SME clicks and visitors, annual number of new product ideas developed, piloted launched and implemented by SMEs; volumes of products sold; number of referrals to technical, funding and business development services resources engaged via the Hub; attendance/participation in community of practice events and feedback received; results of survey of physical hubs and labs whose staff and members engage on the hub.



map local, national, and regional labs, resources, and make matches. Large corporations will leverage their underutilised labs to support SMEs in their regions.

*Impact potential at scale:* By providing global services it has impact potential at scale (including return on investment), and its collaborative structure and funding could help ensure sustainability to 2030 and beyond.

*Sustainability:* The start-up phase will require funding from development partners to build out the hub, engage a wide network of supporters, and generate local, regional, and global awareness and interest. Over time, the hub will generate income via three primary levers: 1) advertising for local and regional labs, hubs, consultants, and equipment manufacturers listed on the hub; 2) Sponsorships for quarterly virtual networking events and conferences; and 3) earned income via tailored advisory services for SME clients.

*Co-benefits* - It can help yield strong spill-overs for livelihoods in SMEs, including support for women and youth entrepreneurs.

**Existing evidence:** Acting individually, SMEs struggle to achieve scale and to solve problems beyond their most immediate and pressing concerns. Platforms that convene and provide access to business support solutions can help, as demonstrated in a review of the SUN Business Network. Partners in Food Solutions have, over their 12-year history, demonstrated the potential for remote support provided by corporate volunteers to African food companies.

**Current/likely political support:** We expect that the Hub will attract the support of local, national, regional, and global governments, universities, private companies, funders, hubs, think-tanks, research institutions, funding, and non-profit organisations. The World Economic Forum (WEF) has launched a Food Innovations Hub, initially with a country focus and ultimately with a global focus. The Dutch government has endorsed the WEF hubs and will host the hubs' secretariat.

**Contexts for which this is well suited:** This solution is well-suited to contexts where SMEs have reliable internet access in emerging economies across the globe, where locally available technical assistance is not available or is prohibitively expensive. The hub will be available globally but will be most suitable for SMEs who have English, French, and Spanish-speaking staff. In the future, the hub could make its advice and materials available in additional languages. The hub will make a deliberate effort to engage partners who specifically serve youth and woman entrepreneurs.