

A healthy market framework

for ready-to-use
therapeutic food



Contents

Background and purpose

3

Ready-to-use therapeutic foods' healthy market framework
and current assessment

5

Using the healthy market framework to evaluate
market-shaping interventions

10

Prioritization of market attributes

13

Next steps

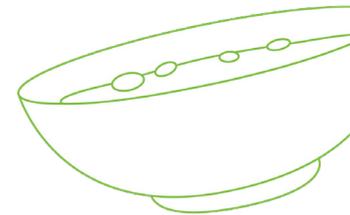
14

Cover photo:

© UNICEF/UN0713611/Ralaivita

[TREATED PHOTO] On 4 March 2022 in Bevoalavo village, Madagascar, Sanasoanandrasana, 25, carries her 2-year-old son Razafimandimby while he eats a ready-to-use therapeutic food (RUTF).

Background and purpose



The Convention on the Rights of the Child recognizes every child's right to nutrition. The *UNICEF 2020–2030 Nutrition Strategy: Nutrition, for Every Child* lays out the vision of a world where all children, adolescents and women realize their right to nutrition. Scaling up efforts to protect children from risk factors that lead to undernutrition in early childhood is a key priority of the United Nations Children's Fund (UNICEF). However, when efforts to prevent undernutrition fail, early detection and treatment of child wasting in health facilities and communities are essential for children's survival, growth and development.

Ready-to-use therapeutic food (RUTF) is used for management of children with severe acute malnutrition (SAM) without complications. It is suitable for consumption at the household level, as it does not require any preparation (e.g., mixing with water, cooking, etc.) and it can be eaten straight from the sachet (as opposed to therapeutic milk). These foods can be used safely at home without refrigeration and even in areas where hygiene conditions are not optimal.

The recommended treatment depends on the status of the child and their weight. A normal course duration is approximately 8 to 12 weeks, which will require about 150 sachets per child (i.e., about one carton). A child weighing 4 to 5 kilograms would normally need to eat two sachets of RUTF per day to achieve 15 per cent weight gain within a 10-week period. Normally, the product is issued to the caregiver on a weekly basis, and the child's progress is assessed on each visit to a primary health care centre or community-based outpatient therapeutic centre. Besides RUTF, the child is administered with antimalarial medicine (if required), antibiotics (against pneumonia) and deworming tablets.

Following the development of community management protocols and a consensus statement from United Nations organizations, the use of RUTFs has expanded rapidly from a few thousand tons per year in the mid-2000s to a yearly

average of 50,000 tons in 2017–2021, an amount sufficient to treat close to 4 million children, on average annually treating 4.6 million children. During this time, the number of suppliers of RUTF has grown to more than 20, located in at least a dozen countries. However, the gap between needs and realized demand is still large. Until 2022, when donors more than doubled funding for RUTF, only around 1 in 3 children in need of RUTF were treated with this life-saving supply.

In 2022–2023, amid the worst food and nutrition crisis in modern history, governments, donors, United Nations organizations and implementing partners quickly came together. With generous support from partners, including a US\$200 million contribution from the United States Agency for International Development, UNICEF was able to provide treatment to over 9.3 million children with severe wasting, the highest number ever. This means that in high mortality settings (where treatment at scale of severe wasting is most urgent), an estimated 73 per cent of all children suffering from severe wasting accessed life-saving treatment in 2023.

Rationale

Healthy market frameworks (HMFs) are tools for assessing the status of markets, defining objectives of market intervention beyond the tendering and contracting cycle, and communicating these objectives to a range of market stakeholders to arrive at a more coordinated and strategic approach. They can also encompass a range of tools for prioritizing interventions and analysing trade-offs. Other HMFs are mostly for health products, such as the HMF for the vaccine markets developed by Gavi alongside partners including the Bill & Melinda Gates Foundation and UNICEF. This is followed by HMFs for cold chain equipment and rapid diagnostic tests, among other global health products, as well as the market-shaping primer developed by the United States Agency for International Development for global health.

The HMF for RUTF has the following objectives:

- To propose a methodology to assess the RUTF market, analyse trade-offs among objectives and prioritize interventions.
- To communicate UNICEF's approach to the RUTF market and build consensus among stakeholders.

The scope of this exercise is limited in several ways at this time. The HMF is initially limited to RUTF, for simplicity and to allow UNICEF to focus on a market in which it is the major buyer. The analysis could eventually be extended to related products, which would allow considerations of interactions across products.



© UNICEF/UN0701187 Mali/N'DAOU/2022

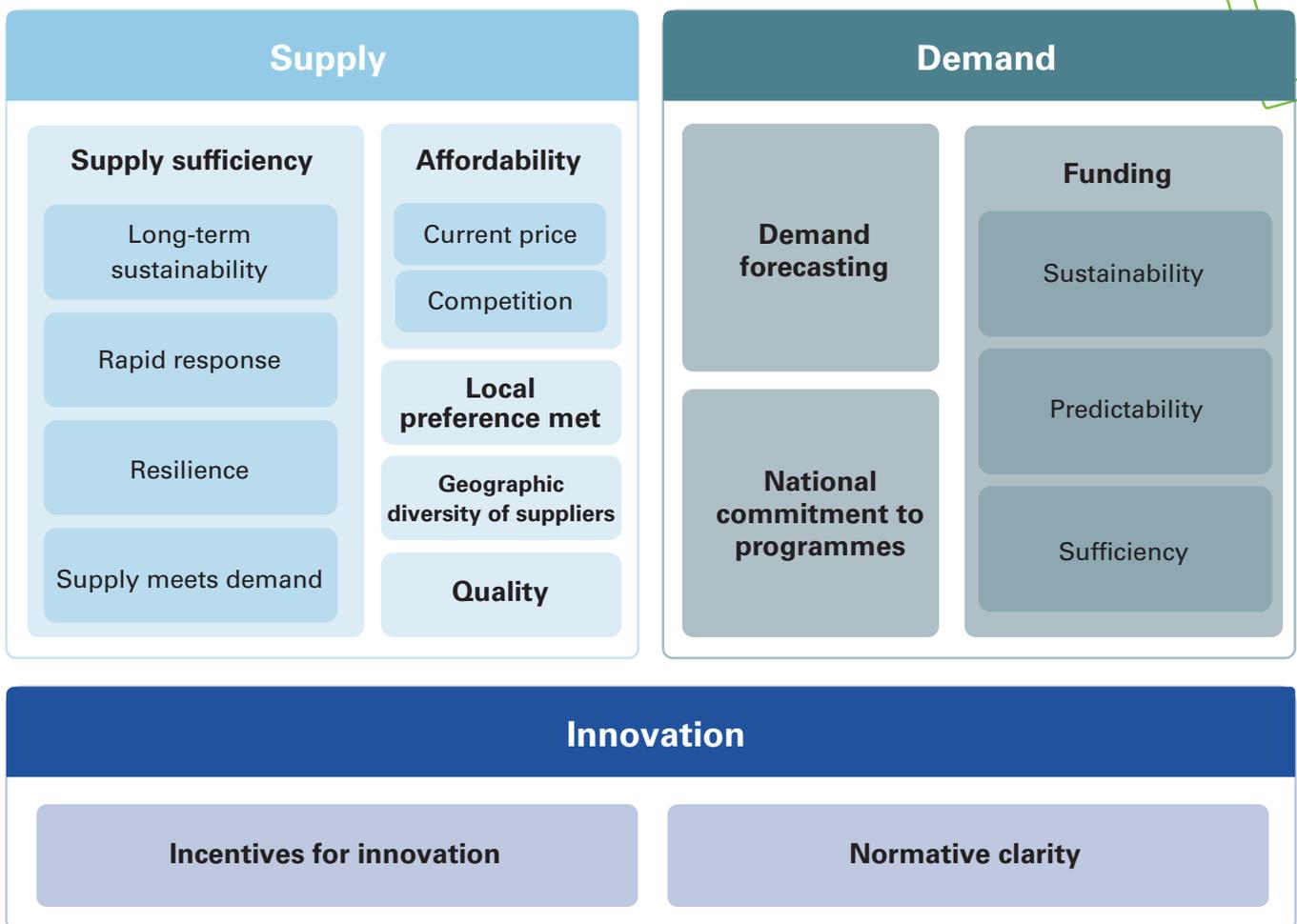
Nutrition Measurement of the arm circumference of a severely acute malnourished child in order to assess his nutritional status, on the site of displaced people in Menaka.

Ready-to-use therapeutic foods' healthy market framework and current assessment

The HMF proposed here groups attributes into three categories as shown in Figure 1.1: (1) supply, including sufficiency, affordability, geographic diversity and quality;

(2) demand, including funding sufficiency, predictability and sustainability, demand forecasting and national commitment to programmes; and (3) innovation, including incentives for innovation and normative clarity.

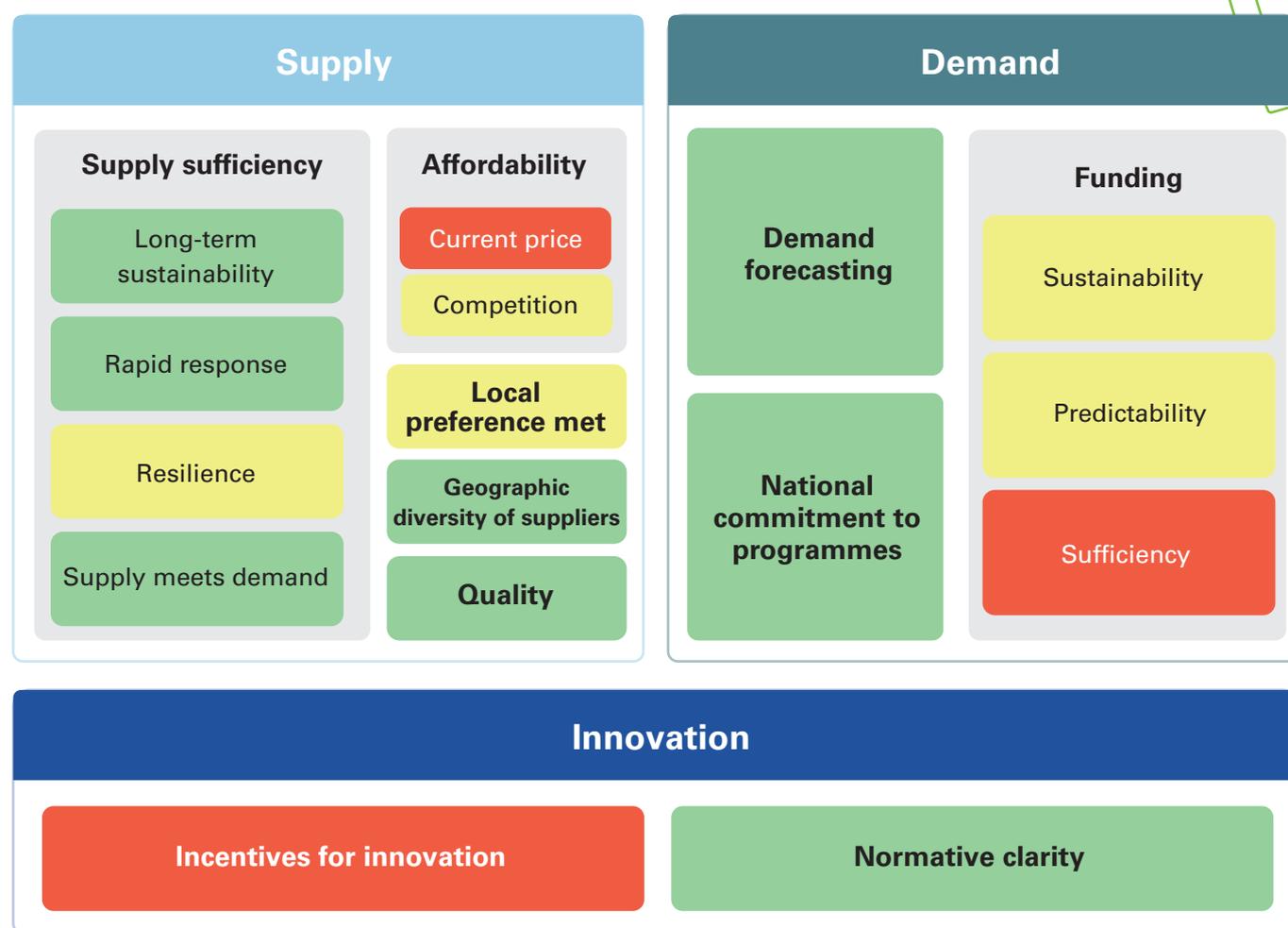
Figure 1.1. Standard representation of RUTFs' HMF



Current market health assessment

Figure 1.2 shows a colour-coded snapshot view of an assessment of RUTF market attributes in early 2024 by supply, demand and innovation. Such evaluation helps analyse gaps in the market and identify potential market interventions to bridge the gaps. A more detailed description on the attributes can be found in Figure 2.

Figure 1.2. Representation of RUTFs' HMF based on current market health assessment (2024)



- Achieved
- Partially achieved
- Not achieved

As of 2024, the RUTF market is determined as moderately healthy overall, with improvement opportunities on current price, funding sufficiency and incentives for innovation judged as being not achieved at this time. Significant progress has been achieved by the market in recent years for the benefit of children living with SAM.

The weighted average price of RUTF has been decreasing over the years, but input volatility increased due to COVID-19 and the war in Ukraine, and is yet to be reversed. The current price is a barrier to uptake and access.

Funding is insufficient to reach all children living with SAM. Further fundraising activities are under way through the Child Nutrition Fund, including increase in domestic contribution from governments.

For innovation, suppliers are insufficiently incentivized to develop innovative products that improve cost, acceptability, efficacy and environmental sustainability.

Figure 2. Descriptions and assessment of the RUTF market attributes

Supply

Supply sufficiency	Long-term supply sustainability	Supply capacity is expected to remain sufficient; market remains attractive to suppliers.	Achieved
	Resilience	Current supply is resilient to potential shocks, including individual supply interruption and transport disruption.	Partially achieved
	Rapid response	Current supplier base and arrangements allow rapid response to emergencies.	Achieved
	Supply meets demand	Current supply is adequate to meet current demand, including likely surges.	Achieved
Affordability	Current price	Price is not a barrier to uptake and access OR Price is near lowest attainable level.	Not achieved
	Competition	Markets, including in countries with local suppliers, are sufficiently competitive to incentivize price reduction and innovation.	Partially achieved
	Local preference met	Products meeting user preference for sourcing and ingredients.	Partially achieved
	Geographic diversity of suppliers	Local producers play a major role in important markets, where economically feasible.	Achieved
	Quality	Quality is assured, according to prevailing standards.	Achieved

Possible additional supply-side attributes

Raw materials risk management	High-quality raw materials are available and price volatility is appropriately managed.	Partially achieved
-------------------------------	---	--------------------

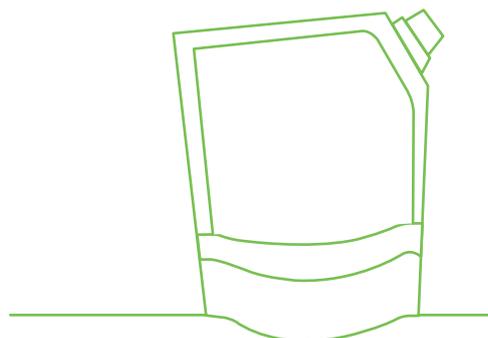
Demand

Funding	Funding sustainability	Funding arrangements are sustainable over the next 10 years (need not imply domestic only).	Partially achieved
	Funding predictability	Funding is sufficiently predictable over tender period to not be an obstacle to supply planning.	Partially achieved
	Funding sufficiency	RUTF funding does not constrain access or funding is sufficient to meet potential need.	Not achieved
	Demand forecasting	Demand forecasting over tender period is good enough to not constitute an obstacle to supply planning.	Achieved
	National commitment to programmes	Governments in programme countries are sufficiently committed to programmes to ensure uptake and sustainability.	Achieved

Innovation

Incentives for innovation	Country preferences and procurement strategies create incentives for supplier to innovate for cost, acceptability, efficacy and environmental sustainability.	Not achieved
Normative clarity and efficiency	Product standards do not create undue barriers to entry for innovative products; normative guidance is clear, evidence-based and updated regularly.	Achieved

- Achieved
- Partially achieved
- Not achieved





© UNICEF/UN0591084/Taxta

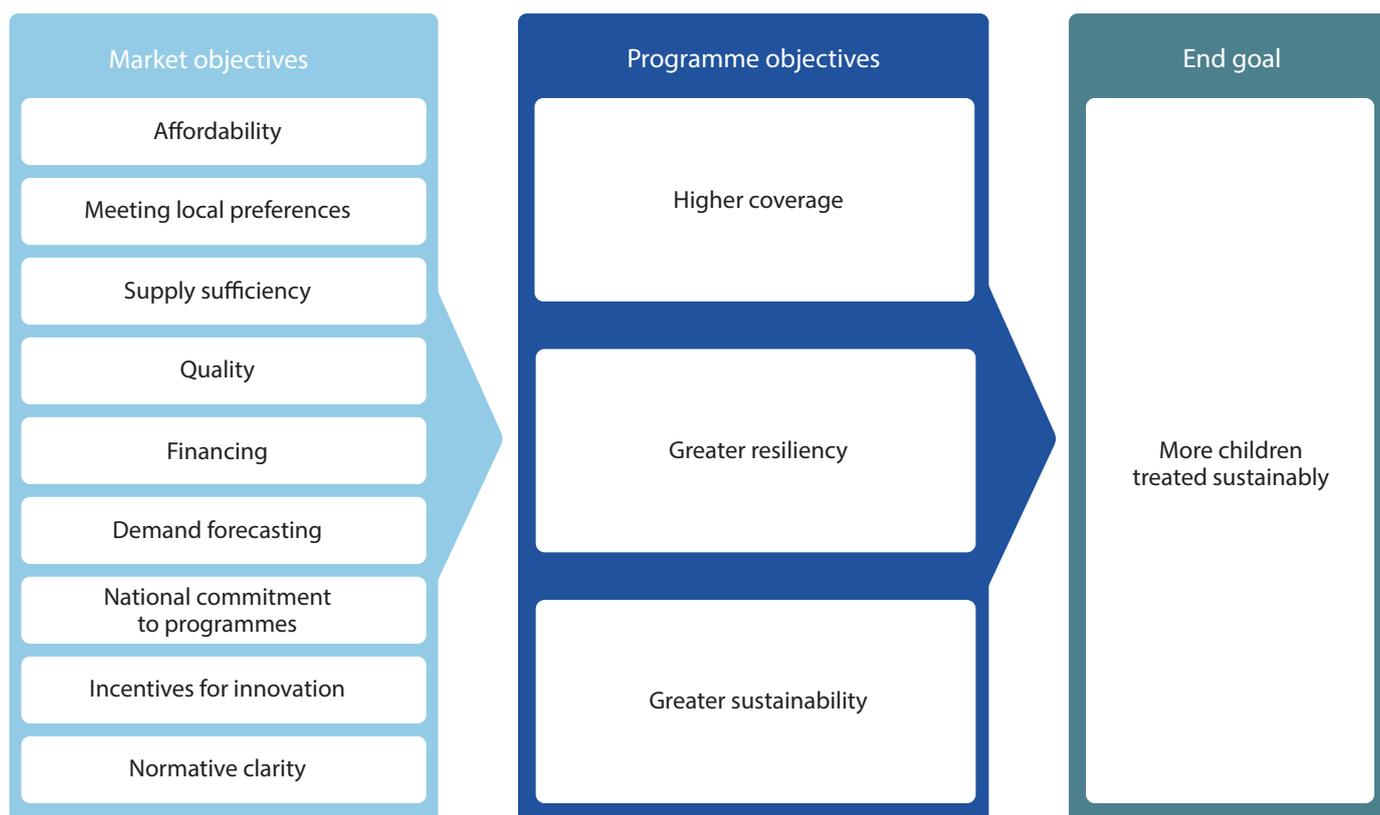
On 3 February 2022 in Somalia, a child feeds on a Ready-to-Use Therapeutic Food (RUTF) packet while his mother holds him waiting to receive assistance at Community Empowerment and Development Action Health Centre in Dolow. UNICEF continues their life-saving assistance through drought affected areas, working with families, local communities, organisations and governments throughout Somalia.

Using the healthy market framework to evaluate market-shaping interventions

Apart from presenting a snapshot of the current market health, the HMF can be linked with the broader nutrition programme using a logical framework view (Figure 3). Market-shaping strategies or activities are assessed quantitatively and qualitatively against

whether it leads to more children with SAM being treated. For example, innovation of alternative recipes are assessed against whether it leads to lower prices or better nutrition outcomes, leading to lower cost per child treated, and thus more children being treated.

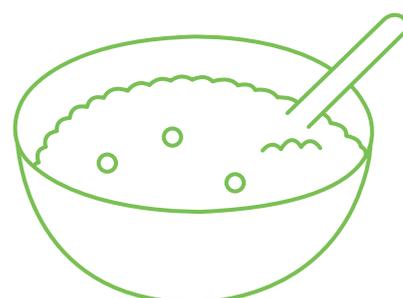
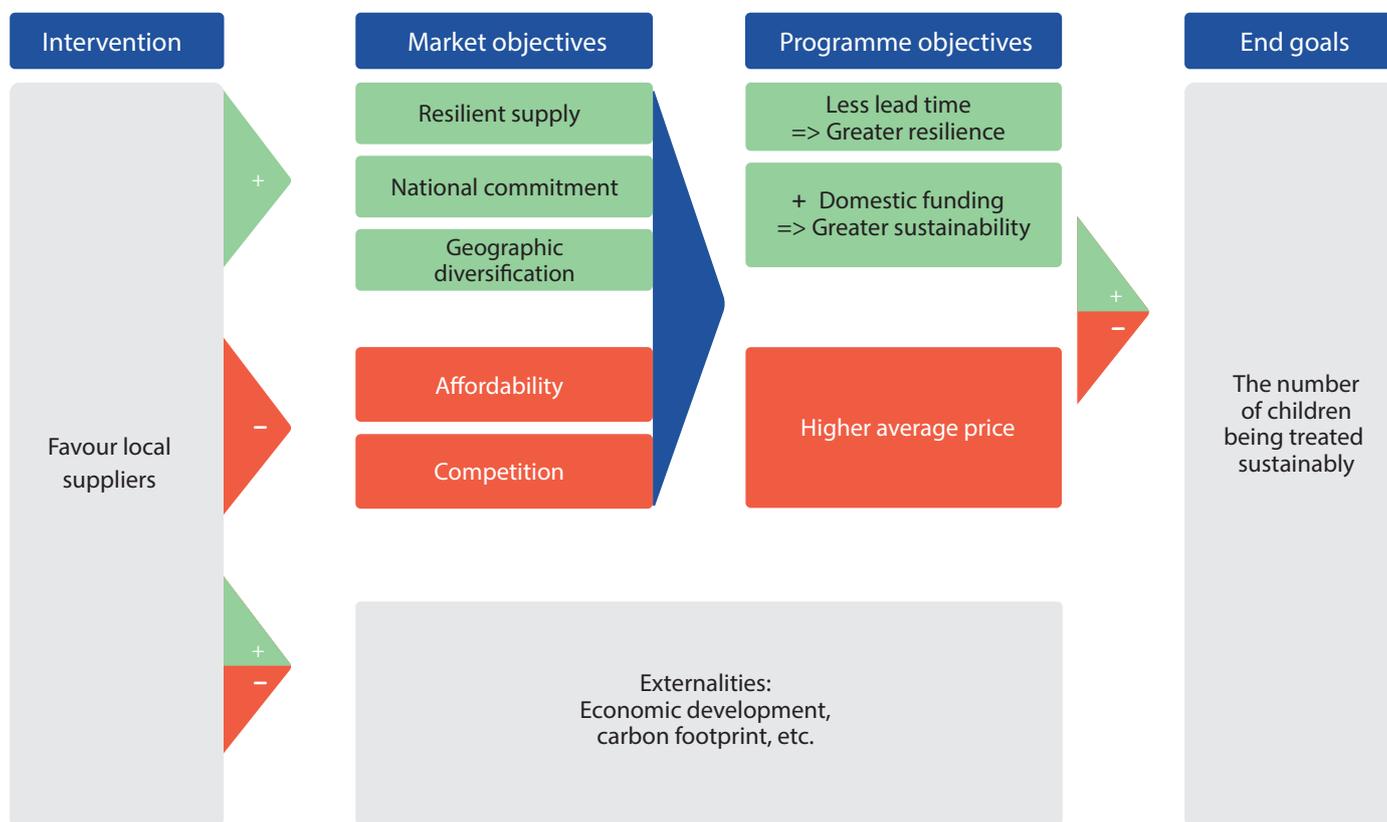
Figure 3. Logical framework view



A market-shaping intervention can have mixed impact on market attributes, and the trade-offs are assessed by the final impact on the number of children reached (Figure 4). For example, UNICEF has adopted a strategy of supporting local production to further several market objectives, including making supply more resilient, ability to respond quickly, building national commitment and meeting local preferences, along with positive externalities on local economic development and carbon footprint. These market objectives in turn plausibly contribute to the wasting treatment programmes by generating

greater funding from domestic sources or reducing the need for such programmes in the long run. On the other side of the equation, local suppliers are on average more expensive than international suppliers on a landed cost basis, with all other things being equal (such as international access), reducing the proportion of RUTF that can be purchased with the same amount of money versus lowest-cost suppliers. Though challenging to predict, the quantitative impact can be modelled in advance and can be monitored retroactively.

Figure 4. Logical framework diagram with trade-offs





© UNICEF/UN0602378/Ralaivita
Madagascar, 2022

Prioritization of market attributes

UNICEF has many objectives for the RUTF market, as reflected in the proposed HMF. It is clearly neither possible nor desirable to give equal weight to so many objectives, and an HMF helps guide prioritization. Assessment of attribute status (as shown in Figure 2 and Column B in Figure 5), which highlights areas where improvement is particularly needed, is an

important starting point. But decisions on priorities should also consider the impact of a particular attribute on the end goal (Column A of Figure 5). Figure 5 illustrates with hypothetical attributes how these considerations could be combined to provide a simple way to assess the relative value of focusing on different market objectives.

Figure 5. Hypothetical prioritization of market attributes

Attribute/objective	A. Attribute impact on end goals (0–1)	B. Current status (per cent attained) (0%–100%)	C. Remaining opportunity (100%–current status)	D. Opportunity for impact (A×C) 0–100
Attribute A	0.9	30%	70%	63
Attribute B	0.8	90%	10%	8
Attribute C	0.2	30%	70%	14
Attribute D	0.1	90%	10%	1

Although an analysis of this kind relies in large part on informed judgement, there are areas where quantitative assessment could be brought to bear. For example, with the same level of funding for wasting treatment, there is a direct relationship between reduction in price and the number of children that can be potentially reached with procured product. Even where quantitative relationships are difficult to estimate, the exercise of assigning weights to particular market objectives, ideally carried out by market stakeholders themselves, can help reveal priorities and focus efforts.

Among the three areas of supply, demand and innovation, from an initial assessment, improving market demand health will be the most impactful towards the goal of treating all children in need of RUTF. After many years of supply-side interventions, the remaining margins left to optimize are limited (70 to 75 per cent of product price is raw material costs). While further investigation of the potential of innovation is still under way, it is not expected to lead to more than 10 per cent of price reduction or significantly faster nutritional gain. More funding and financing for RUTF would be necessary to realize the end goal of reaching all children in need of RUTF.

Next steps

The RUTF HMF has been developed by UNICEF for action, and to underline the commitment to transparency and responsibility to children with respect to UNICEF's position as the major buyer of RUTF.

UNICEF welcomes contributions from partners and stakeholders to support collective action towards strengthening market health attributes that generate further impact on the lives of children suffering from severe wasting.

The RUTF HMF will be formally reviewed every two years to reflect on the latest changes to market health, unless there is a significant change in market, supply or demand dynamics. During this time, priorities will be discussed with suppliers as well as key market stakeholders and partners.



© UNICEF/UN0557606/Zomba, Malawi/2022

On 10 November 2022 in Zomba, Malawi, Feston Yohane, a senior health surveillance assistant (HSA) holds a ready-to-use therapeutic food (RUTF) packet at Thonde Health Centre. "I have six children and I enjoy my work because I am helping the community, helping to improve the status of children in the community," says Feston when talking about his work. Feston and his team work on giving nutrition and health advice to parents and caregivers

Contact details

**Francisco Blanco,
Chief**

Medicines and Nutrition Centre
fblanco@unicef.org

**Abraham Kofi Ntow,
Contracts Manager**

Medicines and Nutrition Centre
akntow@unicef.org

**Seb Meaney,
Chief**

Markets and Supplier Financing Centre
smeaney@unicef.org

**Martin Madsen,
Finance Manager**

Markets and Supplier Financing Centre
mmadsen@unicef.org

**Liang Zhao,
Market Research Specialist**

Markets and Supplier Financing Centre
lzhao@unicef.org