

# Impact Investing Institute Case Study Template

## Nutritious Foods Financing Facility (N3F) by Global Alliance for Improved Nutrition (GAIN)

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Thank you for providing the Impact Investing Institute with your case study.

This template is designed to organise your case study. Please let us know if you wish to supply the information in a different format.

“Through the Nutritious Foods Financing Facility (N3F), we are demonstrating that nutrition is investible and can lead to sustainable outcomes on livelihoods, children, health and the environment. Focusing on nutrition access for the whole household, the N3F is a child-inclusive fund, intentional about its impact on children. Investing in proper child nutrition not only ensures healthier individuals, it contributes to sustainable development by breaking the cycle of poverty and enhancing resilience to economic shocks.” - Roberta Bove, Senior Lead – Innovative Finance at Global Alliance for Improved Nutrition (GAIN).

## Overview

Provide a summary of your strategy, the problem it addresses, target market(s) and why it contributes to creating positive impact (4-6 lines)

Lack of access to finance is a major constraint on the growth of agri-food SMEs. Only ~5% of impact assets under management are allocated to food and agriculture, with only a fraction of this going to SMEs in value chains for highly nutritious foods (e.g., fruit and vegetables, legumes, dairy). This occurs partly due to high perceived risks (including currency risk) and lack of clear impact metrics. To address this, GAIN, in partnership with Incofin, launched the Nutritious Foods Financing Facility (N3F), an impact-first fund with consumer nutrition at its core and a blended finance structure. N3F provides debt financing to SMEs providing safe and nutritious foods to local consumers in Sub-Saharan Africa (SSA), as well as tailored technical assistance to support business performance, enhance products’ nutritional quality, strengthen supply chains, improve contributions to gender equality, and reduce environment impacts. The N3F also seeks to demonstrate proof-of-concept for nutrition investing, developing and validating screening and impact monitoring tools and metrics that can be used to target and assess nutrition-sensitive investments.

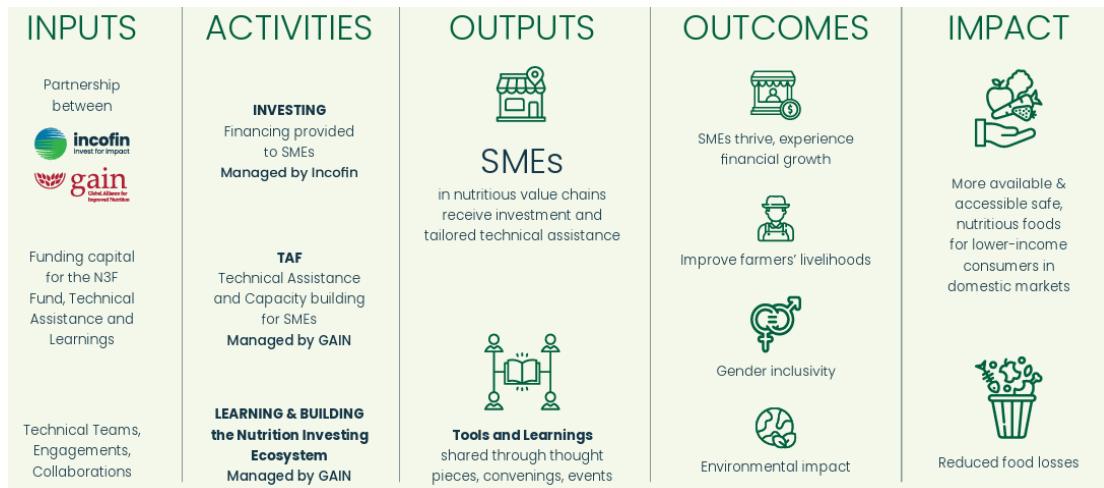
## Key Facts

Attribute	Details
<b>Fund Manager</b>	Incofin
<b>Technical Assistance Facility and Nutrition Impact Manager</b>	Global Alliance for Improved Nutrition (GAIN)
<b>Fund/Product Name</b>	Nutritious Foods Financing Facility (N3F)
<b>Status</b>	Open-ended
<b>Asset Class</b>	Private Debt
<b>Target Sector(s)</b>	Agriculture - Nutritious foods
<b>Target Geography</b>	Sub Saharan Africa (LMICs)
<b>Time Horizon</b>	Indefinite

## Objectives & Strategy

The primary objective of N3F is to improve nutrition outcomes in Sub-Saharan Africa by supporting SMEs that produce and distribute safe, affordable, nutritious foods, particularly those serving low- and middle-income consumers.

- Theory of change:



- Strategy focus: Nutrition
- Instruments & approach: Private debt (senior and junior) and technical assistance (TA) facility to derisk investments, improve SMEs operational efficiencies and enhance impact. N3F also has an impact measurement and management component to assess impact.

## Impact Alignment

- Frameworks used: SDGs, IRIS+ alignment; and proprietary nutrition screening framework and measurement.

## Impact Metrics (Targets / Achieved)

- How does this fund/product measure against your metrics?

The fund baseline data demonstrates strong alignment with N3F's key impact metrics across nutrition, employment, gender, environment, and consumers and suppliers. It supports SMEs that expand access to affordable, safe, and nutritious foods for lower-income consumers while

strengthening local food systems. Measured against our indicators, the baseline for N3F's first 5 investees shows:

- **Nutrition Impact:** in the first year of operation, the fund supported five SMEs, which collectively enabled access to 647.3 million nutritious food servings, which could reach an estimated nearly 3 million end consumers across Sub-Saharan Africa. The Fund's portfolio companies delivered 20 nutritious food products and services; products included fortified cereals, fish, legumes, and chicken, while enabling services covered the supply of legume seeds, fertilized eggs, day-old chicks, and refrigerated transport and storage for fruits and vegetables.
- **Low- and middle-income consumer inclusion:** an estimated 79% of consumers reached by portfolio companies are from low- and middle-income households living on less than 6.85 USD per person per day (the World Bank poverty line for upper-middle-income countries), reflecting strong alignment with the Fund's pro-poor nutrition mission. Furthermore, the Fund's investees generally offer their products at lower prices than the benchmark cost of the relevant food group in Sub-Saharan Africa, thus contributing to food affordability.

#### **Child-Inclusive Approach:**

Adequate nutrition during childhood (up to age 18 years) is the bedrock for physical growth, cognitive development, and overall health. Proper nutrition also provides children with the energy needed to play – an essential ingredient in their development and emotional wellbeing. Well-nourished children are more likely to perform better academically, exhibit higher cognitive abilities, and be more productive as adults. Meanwhile, children with malnutrition – which can include undernutrition and overweight/obesity – can have a higher risk of mortality and illness as children and of chronic diseases, such as diabetes and cardiovascular disease, in adulthood. Improving nutrition may be the best investment we can make in children.

The Fund is intentional about measuring the impact of its investments on children and aims at being a child-inclusive fund, according to the UNICEF Child-Lens Investing Framework. Impact measurement is a key part of the Fund's strategy for doing that. With that in mind:

- The Fund has disaggregated data by age brackets (as well as by gender), to learn who within the household consumes N3F's supported nutritious food products and with what frequency, including with a focus on children.
- The Fund is piloting a child-lens survey module, co-developed by 60 Decibels and UNICEF, on our next investees in 2025. This module will help us begin to integrate child lens principles into our investments, starting with the Fund's impact monitoring practices.

- To date, N3F's portfolio is reaching children well: they represent 44% of consumers of investee company products. In doing so, the fund contributes to children's growth and well-being by increasing the production and distribution of nutritious foods.
- What benchmarks did you apply (if applicable)? NA
- We have provided an example table below. *Feel free to populate with your own data or provide your own representation of the data (in whichever form is most illustrative/appropriate)..*

Through strategic and diligent selection of responsible investees, the Fund is well aligned with the UN SDGs. The contribution of the Fund and its first group of investees to key SDGs is shown below:

SDG	Indicator	Dec 2024
	% of low- and middle-income customers	79%*
	Number of nutritious servings sold by N3F portfolio SMEs	647,300,763*
	Estimated number of end-clients served by portfolio SMEs with nutritious food in sub-Saharan Africa	2,965,397*
	Affordability: average food serving price as a % of the cost of benchmark	72%
	% of SMEs having food safety standards in place	100%
	Number of nutritious products/ value chains- supporting services supported by the Fund	20

SDG	Indicator	60%
	% of investees that is either women-owned or has a women General Manager	60%
	% of investees that have >35% of employees as women	60%
	# of permanent employees hired by all investees	598
	# of temporary employees hired by all investees	296
	# of female employees hired by all investees	346
	% of investees that provide 100% of their employees with at least minimum wage	100%
	Total Sales of Investees (USD)	38,259,431
	Net income of investees (USD)	3,447,366
	% SMEs providing training to its employees	100%
	% SMEs having a policy and/or program to reduce the use of plastics and other packaging pollution	75%

\*This data is referring to December 2023 baseline.

## Stakeholders & Investors

- **Investors/Limited Partners:** USAID (former), Ministry of Foreign Affairs of the government of Netherlands, Swiss Agency for Development and Cooperation (SDC), Incofin, GAIN, foundations.
- **Partners & intermediaries:** Incofin (fund manager), TA providers - Enterprise support organizations and individual consultants, Impact measurement agencies
- **Target stakeholders/beneficiaries:** SMEs serving sub-Saharan African local markets with safe nutritious food

## Diversity, Equity and Inclusion

- Please outline your approach to any DE&I targets within your strategy and include any policies you may have used to evaluate and measure that.
- Include any action plans or governance provisions.

Gender equality and access to nutritious food are closely linked in low- and middle-income countries, forming a foundation for sustainable development and improved health outcomes. Women often play a crucial role in agriculture and food production. Their empowerment directly impacts food security and nutrition, as they can prioritize nutritious crops and sustainable farming practices when given decision-making power over agricultural resources. Addressing micronutrient deficiencies, which disproportionately affect women and girls, is essential for enhancing maternal and child health, preventing malnutrition, and fostering economic opportunities. Economic empowerment initiatives that provide women with access to resources, education, and markets enable them to generate income and improve their families' nutrition.

The N3F aims to improve nutrition outcomes and food security by investing in SMEs that not only produce or support nutritious foods but also genuinely address gender disparities and empower women, by creating a fair and inclusive workplace, supporting women's economic empowerment and ensuring gender equality in operations and leadership.

The gender-related baseline data for the N3F's portfolio shows that three out of five investees have at least one woman as the owner or General Manager. All five investees are 2X Global aligned, meeting at least one of the quantitative 2X criteria (four investees met two criteria).

Client	Yes Leadership	35% Employees <sup>5</sup>	50% End Consumer	# 2X Criteria Met	Gender Dimension Score
Camino Ruiz	No	Yes	Yes	2	62
Shalem	Yes	No	Yes	2	93
Couvoir Amar	No	Yes	Yes	2	66
GNA	Yes	Yes	No	2	61
Truk Rwanda	Yes	No	No	1	49

Note: To simplify the calculation, thresholds are set the same across countries and sectors. These thresholds take into consideration the average country-sector thresholds set by 2X Global.

A total of 348 women are employed by the first five investee firms, representing 39% of total employees (63% of positions held by women are permanent employment). Investees also have gender equality policies, for example equal pay for equal work, sexual harassment policies, parental leave and lactation rooms, which promote a more inclusive and supportive environment for women.

## Financing Structure

- **Capital structure:** Blended structure, current fund size of USD 11.5M comprised mainly of first-loss capital. The capital structure is open-ended and comprises three share classes with varying risk, return, and liquidity profiles.
- **Risk mitigation:** Pipeline validation and partially grant-funded technical assistance

## Governance, Measurement & Reporting

### Impact management:

- GAIN leads the N3F fund's nutrition impact monitoring, focusing on key outputs in the theory of change, (i.e., the direct results of the N3F's work, such as volumes of nutritious food produced) using annual data collection from on investees, aligned to [IRIS+](#) standard indicators where feasible. To complement this firm-reported data, GAIN is collaborating with 60 Decibels to conduct 'lean data' surveys to gain actionable data, where possible and useful, on the SMEs' target clients (e.g., farmers or consumers). This data provides insights on who the investee firms reach in terms of demographics and income levels, as well as how they are affected by that.
- GAIN and 60 Decibels continue to fine-tune the approach for gathering nutrition impact insights by:
  - addressing various target groups, depending on the SME's business model (i.e., customers for producers of nutritious foods or farmers for SMEs operating as input providers);
  - tailoring 60 Decibels' standard survey by including for the first time nutrition-specific questions, such as on dietary diversity, to gather nutrition impact insights;
  - disaggregating data by gender and age brackets, to learn who within the household consumes the nutritious food products and with what frequency, including with a focus on children;
  - using various approaches to reach consumers when a company lacks their contact details (e.g., in-person interceptions at point of sale, stickers on products and radio ads).
- Reporting cadence: Annual impact report

## Portfolio investee highlights (optional)

- Tell us a little about the portfolio companies you have invested in which best demonstrate your approach.
- Include any details which are relevant to support your thesis.

Since its launch in early 2024, the N3F has made 10 investments in nutrition-focused SMEs based in Kenya, Tanzania, Rwanda, Zambia, Senegal, and Uganda, operating across diverse nutritious food value chains including fortified staple foods, fish, legumes and nuts, dairy, poultry, and cold-chain logistics and storage for fresh produce. To date, technical assistance has been deployed to 8 of these investees, with the remaining two in the planning phase, aimed at strengthening business capacity, supporting compliance with nutrition and quality standards, enhancing impact, and fostering long-term sustainability.

## Replicability & Lessons Learned (optional)

- What worked, what didn't, and what others should consider when replicating the model.
- N3F aims to prove the case for nutrition investing and therefore attract further funding towards nutrition overall. After publishing the N3F's baseline impact report covering the first 5 investees of 2024, we plan to monitor the nutrition impact of these investees and include baseline data for the newly onboarded investees in the second report, to be produced in 2026. By publishing our initial learnings, we aim to attract interest and capital towards nutrition investing.
- Based on the N3F nutrition screening tool, and additional work led by Wellspring Development and funded by USAID, we recently launched [NutrInvest](#), a publicly available web-based framework designed to help impact investors identify, assess, and compare the nutrition impact potential of enterprises, making it easier to integrate nutrition into investment decisions and track progress across portfolios. In 2026, we expect advocacy work to further support and encourage investors to use the tool and include a nutrition-lens to their investment approach.

## Supporting material and useful resources & links

- **Website:** <https://www.gainhealth.org/impact/programmes/thriving-nutrition-enterprise/nutrition-investing>
- **Related materials:** [Impact Report](#) , [NutrInvest](#)