

Valid Nutrition Supporter Newsletter

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“At GAIN, we are convinced that there is an urgent need if the world wants to achieve the Millennium Development Goal to reduce poverty and hunger by half, by 2015. The private sector has the capacity to innovate and deliver products to the poorest who suffer most from malnutrition.”

A STATEMENT MADE BY MARC VAN AMERINGEN, EXECUTIVE DIRECTOR OF THE GLOBAL ALLIANCE FOR IMPROVED NUTRITION (GAIN), AT THE GAIN BUSINESS AWARD FOR INNOVATION IN NUTRITION.

In June 2009, Valid International (VI) won third place in a prestigious international award for innovations in nutrition. The award was both in recognition of VI's work to develop the Community-based Therapeutic Care (CTC) model to address malnutrition and also in large part, to recognise the creation of Valid Nutrition (VN) as a unique and novel organisation, well adapted to promote global improvement in nutrition in the present day economic climate. In these current unstable and difficult economic times, traditional aid and development models that are wholly dependent on public funding or charity donations are experiencing major financial contraction. This financial instability undermines the longer-term five to ten year planning horizons that are vital if development interventions are to be sustainable. By contrast VN's humanitarian business model where upfront humanitarian investment creates a viable and self funding business that both addresses under-nutrition and fosters agricultural and economic development is far better adapted to this modern era. Whilst VN is still a young organisation founded in 2005, it is on track to be self funding within two to three years, despite substantial investment in the rapid expansion of production capacity.

Welcome to the third VN newsletter aimed at providing our supporters and funders with an update on continued progress and developments within VN in the last six months and our future plans.

PROGRESS REPORT: MALAWI

Having obtained local UNICEF certification for our Malawi manufacturing facility, orders have rapidly increased and in the last quarter, we have sold more than double the amount sold in the same quarter last year. This scale up has been facilitated by the completion of Phase 1 of a production capacity expansion project, generously funded by Gorta as announced in the last newsletter. Phase 2 of this project is in progress and, with the related equipment shortly due to arrive in Malawi, the production capacity of the factory will more than double by the end of August.

In support of this expansion, some major organisational changes have been put in place involving the creation of some new roles and related recruitment, a restructuring of the existing organisation and appointment of an experienced Factory Manager who started at the beginning of July and will be a key member of the Malawi Senior Management Team.

VN Malawi are working towards international UNICEF certification and a visit from the Inspection Team is scheduled for late Q3.



PROGRESS REPORT: KENYA

VN's collaborator in East Africa, Kenya-based Insta Products, are already producing small quantities of RUTF for trials of four new recipes as part of VN's Research and Product Development Programme. The new factory is in the process of being commissioned and Insta, following UNICEF certification, are expected to be in full RUTF commercial production by September. Plans going forward include the appointment of a VN Sales and Marketing Manager for the East Africa region to be based in Nairobi.



PROGRESS REPORT: OTHER COUNTRIES

In Ethiopia, negotiations and the final legal documentation for the local production of RUTF have been completed between VN, Insta and a local food manufacturing company called Valsek. Good progress has been made in establishing the factory, ordering equipment and recruiting staff and we are on track to start production in the last quarter of 2009. In Zambia, we are supplying local customers including Catholic Relief Services sourced from imports from the Malawi factory. In Uganda, in conjunction with Insta, negotiations with a third party manufacturer are underway to establish an RUTF factory.



RESEARCH AND DEVELOPMENT

Solid progress has been made in the Research and Product Development Programme, funded by Irish Aid. Efficacy trials on two of the four new recipes started in July, with a third trial due to start next month. These randomised controlled trials comparing the efficacy of the new ready-to-use food formulations with the standard peanut milk recipe RUTF are being conducted in collaboration with well established international and local research institutions and involve large numbers of children.



APPOINTMENTS

Claire Martin, VN's Administration Manager, who has been working for VN since its incorporation is leaving to have her first child. Claire has made a really significant contribution to the business through her excellent organisational and communication skills, her dedication and hard work, and her untiring ability to take on new business activities and challenges. Claire will be sadly missed by VN who are most grateful to her for her important contribution to the business. Congratulations and every best wish to Claire and Steve for the forthcoming major event.

Claire is being replaced by Mary Doyle. Mary comes to VN with experience of working in a large multi-national and more recent experience of leading the successful establishment of a POBAL funded community child care centre project. Her strong administrative background will help to support and drive forward VN in the challenges that it faces.

We are also pleased to welcome Philip Halpenny who joins the VN Executive Committee. Philip, who is a chartered accountant by profession, was for many years Company Secretary of Fyffes, one of the largest tropical produce importers and distributors in Europe, until his appointment as Finance Director of Blackrock International Land plc, a property company separated out from the Fyffes entity.

To date, VN's accounting operations have been managed by our sister company Valid International, as part of a shared back office and for this support we are very grateful to the team in Oxford. However, final arrangements are in progress to relocate and fully establish the entire finance function in Ireland.

VN'S DVD

In the last newsletter, we explained that a full length documentary, funded by Concern and Irish Aid to celebrate the success of CTC, was aired on Irish television earlier in the year. We have now finalised a short (12 minute) DVD about VN created using footage from this documentary and explaining our business model. This DVD is now being circulated and is available to view on our website at www.validnutrition.org



Leading the Fight
Against Malnutrition



Thanks to:
Concern Worldwide
and **Frontier Films**
www.validnutrition.org

NEW LOOK FOR VN

The new Valid Nutrition logo as shown here has been launched and new packaging designs, stationery and signage have been introduced. The logo is also being registered as a trademark.



TRANSFER TO IRELAND

Following the establishment of VN as an Irish charity in 2008, the assets and liabilities of VN UK are being transferred to the Irish charity with effect from 1st April 2009. The principal operations of VN are now managed from Ireland and the process of transforming VN UK into a charitable and fundraising company is in hand.

AWARDS

As mentioned earlier, VN recently came third in the GAIN Business Award for Innovation in Nutrition. This prestigious and highly competitive award recognises and rewards companies engaging in innovation designed to fight malnutrition, improve public health and promote sustainable development.

The Institute of Management Consultants and Advisers (IMCA) awarded its annual medal for outstanding achievement in management jointly to Dr. Steve Collins of Valid International and Tom Arnold of Concern Worldwide to mark the innovative and highly effective CTC approach to managing acute malnutrition in the developing world.



PR

The awards have generated a lot of media exposure for VN. Paul Murphy, ex Chairman of Unilever Ireland is kindly supporting VN in developing and implementing its PR strategy intended to raise the profile of VN in Ireland and overseas.

A recent BBC News Article reviewed companies targeting nutrition for the poor and covered the work of Valid Nutrition. The article can be accessed via our website or may be found at the following website address:
<http://news.bbc.co.uk/2/hi/business/8114750.stm>

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FUNDING

We are extremely grateful for the funding that we have so far received from donors. Many of the exciting developments referred to earlier would not have been possible without their support.

VN's unique approach is not only achieving spectacular and unprecedented results in treating malnutrition, but is also enabling sustainable local enterprise that harnesses the expertise, skills and knowledge of the respective communities.

Our business plan is currently being updated to identify the gap between funds generated from existing VN operations and the incremental business investment required to increase operational capacity and deliver new products, whilst also delivering our target of a self sufficient business within two to three years.

Additional funding, is now urgently required for the following:

- To fund expansion of manufacturing capacity (including working capital) to meet demand and improve delivery techniques – so that our products are more easily and readily available wherever and whenever they are required.
- To contribute to core central costs related to driving forward VN's expansion plans.
- Further research and development to produce cheaper RUTF formulations and recipes suitable to treat different forms of malnutrition.

VN are now at a critical stage of development. With CTC and RUTFs, we have a proven breakthrough in the treatment of malnutrition – and by expanding the sourcing and production of these innovative foods locally, we are building a sustainable model with powerful associated benefits to the local economies. We are fully confident that with additional funding, we will realise our vision.

Details of how to make credit card or cheque donations are available on VN's website – www.validnutrition.org – donations can also be made directly through the website. There are a variety of additional ways that you or your company can assist VN with funding and if you would like to discuss options, please contact us at office@validnutrition.org

