

The cost of inaction:

The economic and human capital benefits of investing in nutrition

AT LEAST USD \$8.6 BILLION COULD BE SAVED ANNUALLY IN ETHIOPIA THROUGH SMART INVESTMENTS IN PROVEN, LOW-COST, HIGH-IMPACT NUTRITION INTERVENTIONS.

BACKGROUND

In 2012, the World Health Assembly (WHA) set global nutrition targets to spur action and investment for addressing malnutrition. They are currently being evaluated, reset, and will likely be extended to 2030. These 2030 targets aim to achieve a 50% reduction in the number of stunted children, a 50% reduction of the prevalence of anaemia in women of reproductive age, a 30% reduction of low birthweight among newborns, and an increase in the rate of exclusive breastfeeding to 70% in the first six months.¹ At present, Ethiopia is on course to meet one of the six global nutrition targets (overweight).² While some progress has been made on stunting, a 2023 National Food and Nutrition Strategy Baseline Survey found that 39% of children under five are still affected.³

In Ethiopia, more than 6 million children under five are stunted, close to 8 million are anaemic, 530,000 are born with low birthweight and more than 730,000 are being sub-optimally breastfed for the first six months of life.^{4,5} Additionally, more than 7 million older adolescent girls and women (15–49) are suffering from anaemia.⁶

The interrelated crises of the COVID-19 pandemic, climate change and cost of living have put unprecedented pressure on social sector accounts and caused many governments to consider diverting investments from public health and prevention programs to bolster short-term responses to urgent needs.

However, emerging data continues to support the importance of investing in nutrition, and the compounding benefits that can be realized through smart nutrition interventions. The 2024 World Bank Group Investment Framework found that an additional USD \$13 billion is needed to scale up nutrition interventions globally from 2025–2034. Every dollar invested was estimated to generate \$23 dollars in return.⁷

Through the development of an online, user-friendly Cost of Inaction Tool, Nutrition International has sought to support policy makers as they weigh their options. The tool provides an analysis of the costs of “inaction” – of allowing limited to no progress on key indicators of undernutrition to be made – and how doing so affects countries’ income in both the immediate and long term. The new tool demonstrates that investments in nutrition can generate significant economic savings, as long as smart investments are made in proven, low-cost and high-impact nutrition interventions.

THE FINDINGS

Findings from the Cost of Inaction Tool estimate that the total global economic cost of undernutrition is more than USD \$761 billion per year. In Ethiopia, at least USD \$8.6 billion could be saved with increased investments in stunting, anaemia in children, anaemia in adolescent girls and women of reproductive age, low birthweight and the protection, promotion and support of breastfeeding.⁸ The impacts of poor nutrition are wide-ranging and serious.

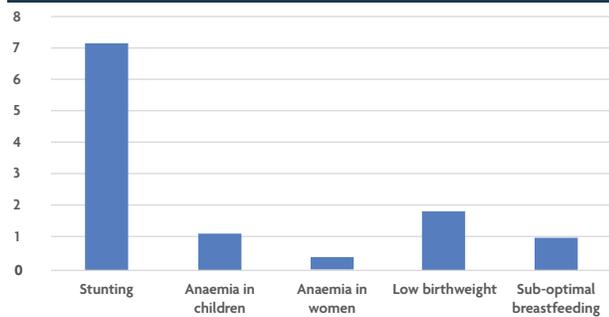
When a population is undernourished, it is more vulnerable to preventable infections and diseases. With adequate nutrition, not only does a population strengthen immune systems against preventable diseases and infections, but healthcare costs and treatment expenses are also reduced. Ensuring proper nutrition for vulnerable groups, such as infants, young children, and pregnant women, is key to unlocking their potential. When children are well-nourished, they are more likely to succeed in school, which in turn helps them to live a better life, thrive and contribute to socio-economic development.

In response to the challenge of malnutrition, Ethiopia has adopted several strategic policies. The Seqota Declaration (2016–2030) is Ethiopia’s 15-year commitment to end stunting in children under two by 2030 through a coordinated, multisector approach.⁹ Additionally, the National Food and Nutrition Policy (2018), based on a global conceptual framework for nutrition security, emphasizes short to long term strategies to address various challenges. It prioritizes optimal nutrition during the first 1,000 days, access to safe and nutritious food, and enhancing multisector nutrition coordination.¹⁰ Building on this foundation, the Food and Nutrition Strategy (2021) aims to meet global nutrition commitments by 2025 and align with national and Sustainable Development Goal (SDG) targets by 2030. The Strategy encompasses 13 strategic objectives, such as ensuring sustainable access to safe, nutritious and diverse foods, implementing lifecycle nutrition interventions and improving the nutritional status of individuals affected by communicable, non-communicable and lifestyle diseases.¹¹





ECONOMIC COST OF INACTION IN ETHIOPIA, USD \$ MILLION PER YEAR



* The total economic cost is lower than the sum of each individual cost. This estimate avoids double counting of costs associated with co-occurrence of stunting, anaemia, low birthweight and sub-optimal breastfeeding.

Ethiopia has the 10th highest prevalence of stunting in Sub-Saharan Africa, and the 16th highest in the world. Ethiopia has made progress against the 2012 prevalence of 42.1%, but it has not yet met the 2030 global nutrition target for stunting of 16.2%.¹²

POTENTIAL BENEFITS OF ACHIEVING GLOBAL NUTRITION TARGETS

Here are some of the benefits that Ethiopia stands to realize if the proposed extended 2030 global nutrition targets were to be met.

If Ethiopia was to meet the proposed 2030 WHA global nutrition target on stunting, an estimated 655,000 cases of stunting would be averted annually, preventing 28,000 deaths, the loss of 6.8 million IQ points and 1.1 million school years. Overall, this would prevent USD \$4 billion in economic losses.

If Ethiopia was to meet the proposed 2030 WHA global nutrition target on anaemia, an estimated 3.8 million cases of anaemia would be averted annually, preventing USD \$187 million in economic losses.

If Ethiopia was to meet the proposed 2030 WHA global nutrition target on exclusive breastfeeding, 191,000 cases of diarrhoea would be averted annually, preventing 1,900 deaths, the loss of 1 million IQ points and 363,000 school years. This would avert USD \$228 million in economic losses.

There is insufficient data to assess the progress that Ethiopia has made towards achieving the low birthweight target, nor is there adequate prevalence data.

NUTRITION FOR GROWTH

The next edition of the Nutrition for Growth (N4G) Summit will take place on March 27–28, 2025, in Paris. N4G Paris will be a multi-stakeholder summit that provides an opportunity for ambitious policy and financial pledges from different actors from all continents to move the nutrition agenda forward: governments, international organizations, research institutions, civil society organizations, philanthropies, private sector organizations and many more.

As the 2025 N4G Summit approaches, Nutrition International and the French Ministry for Europe and Foreign Affairs (MEAE) are partnering to highlight the price of not investing in nutrition and to encourage ambitious commitment-making on nutrition at N4G Paris.

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ABOUT NUTRITION INTERNATIONAL'S TOOLS

The Nutrition International Cost of Inaction Tool was developed in 2023 by Nutrition International, in partnership with Limestone Analytics and with funding from the Government of Canada. The Cost of Not Breastfeeding Tool was created in 2017 by Alive & Thrive, with funding from the Bill & Melinda Gates Foundation, and it was updated by Nutrition International and Alive & Thrive in partnership with Limestone Analytics in 2022, with funding from Government of Canada. Both tools present results for over 140 countries to see the potential benefits if action is taken now. All estimates included in this brief are as of September 2023. Visit both tools on Nutrition International's website to read about the methodology and data sources and to learn more about Nutrition International.

For further support, including additional analyses, tool demonstrations and technical assistance, you can reach out to Nutrition International at healthecon@nutritionintl.org.

[Cost of Inaction Tool](#)

[Cost of Not Breastfeeding Tool](#)

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- 2 Global Nutrition Report. (2024). Country nutrition profiles. Global Nutrition Report. <https://globalnutritionreport.org/resources/nutrition-profiles/africa/eastern-africa/ethiopia/>
- 3 Ethiopian Public Health Institute (EPHI). (2023). National food and nutrition strategy baseline survey: Key findings preliminary report. EPHI. https://ephi.gov.et/wp-content/uploads/2023/03/FNS_baseline_survey_preliminary_findings.pdf
- 4 This figure is derived from a 34.4% stunting prevalence estimate used in the Cost of Inaction tool, and is based on UNICEF/joint child malnutrition estimates (JME) data for cross-country comparability. The 2023 Ethiopia National Food and Nutrition Strategy's baseline survey reports a 39% prevalence of stunting.
- 5 Country-wise data is not available on low birthweight rates. A regional average of 13.2% was used to derive an estimate.
- 6 Country-wise data is not available on anaemia rates in younger adolescent girls (10–14y).
- 7 Shekar, M., Shibata Okamura, K., Vilar-Compte, M., Dell'Aira, C. (Eds.). (2024). Investment framework for nutrition 2024. World Bank. <http://hdl.handle.net/10986/42164>
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