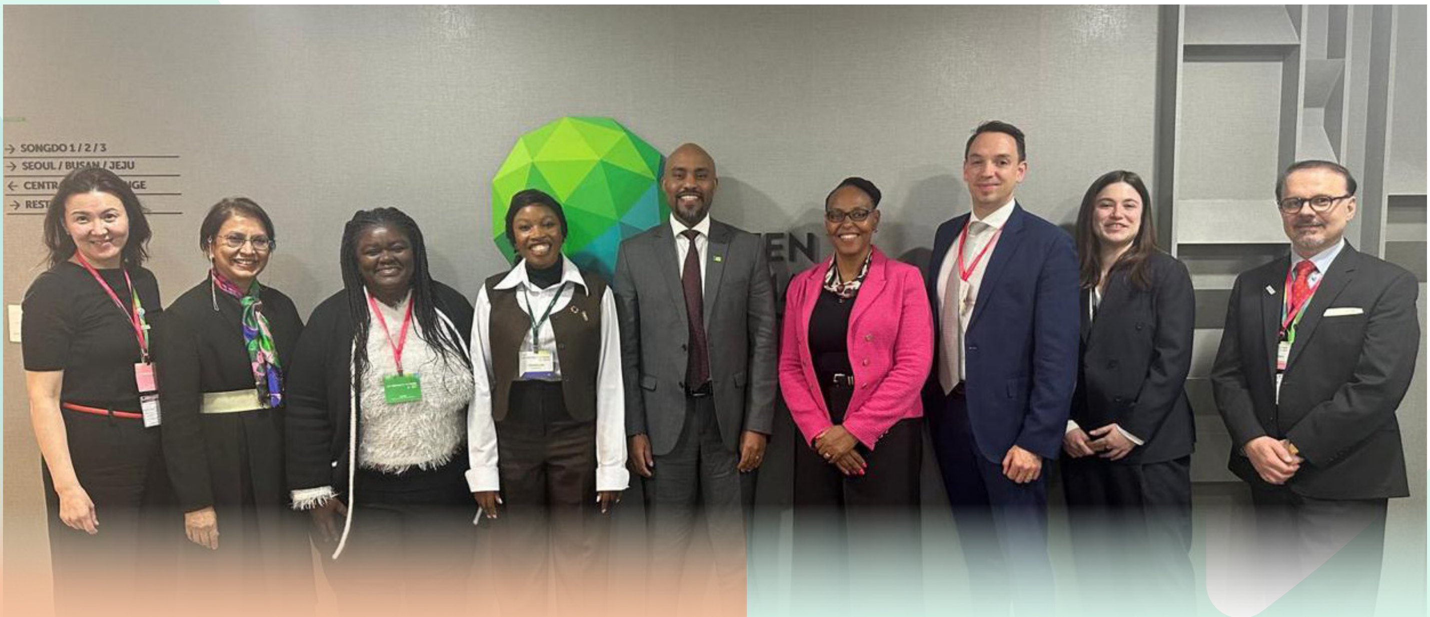
Africa's Food Systems Financing Newsletter

FINAS DIALOGUES

DISPATCH - 004

APRIL 2026

KCB Bank Kenya Receives Approval for a $96.9M (KShs. 12.5B) Financing Facility from Green Climate Fund (GCF)



KCB Bank CEO, senior staff and officials from Green Climate Fund. *Photo Credit: KCB.*

KCB Bank Kenya has received approval for a $96.9M (KShs. 12.5B) financing from the Green Climate Fund (GCF) to accelerate green projects for Micro, Small and Medium Enterprises (MSMEs) and farmers in Kenya.

The blended finance initiative—a mix of concessional lending, a guarantee, and a grant—under the Climate Smart Technology (CST) programme, is meant to support Kenya's most vulnerable communities.

This facility will be deployed towards supporting value-chain and gender-inclusive interventions through the adoption of solar-powered and clean cooking technologies, climate-smart agriculture, waste management and circular economy as well

page 4>>

IN THIS ISSUE

FINAS DIALOGUES

APRIL ISSUE

Contents

FINAS

summit@finasafrica.org
+254 722 670 910 /+254 717 782 782/ +254 734 782 782
https://finasafrica.org/

Financing Agri-food Systems Sustainably

Green financing for women building Africa's future

German Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), in partnership with the IYBA WE4A Project and Melanin Kapital, has announced a new initiative to provide green loans for women entrepreneurs across Africa.

The program is designed to strengthen businesses that are committed to environmental sustainability and climate-resilient solutions in eight countries that include Kenya, Cameroon, Malawi, Mozambique, Senegal, Tanzania, Togo, and Uganda, an initiative aimed to reach women-led enterprises creating a broad network of support for women driving change in the green economy.

The financing is tailored to women-led businesses operating in clean technology and renewable energy, sustainable agriculture and aquaculture, circular economy ventures such as waste management and recycling, and eco-friendly manufacturing. By focusing on these sectors, the program aims to accelerate innovation and provide women with the resources they need to expand their impact.

Melanin Kapital is offering two distinct financial products to meet different business needs. Green Asset Financing provides between $1,000 and $10,000 to help entrepreneurs acquire clean technologies, with repayment structured weekly over nine to twelve months. For larger enterprises, Working Capital Loans range from $50,000 to $85,000, designed to finance inventory and supplies for big orders, with monthly repayments over six to nine months. These options ensure flexibility for businesses at different stages of growth.

Eligibility requirements include being a registered business with at least six months of operations, meeting minimum revenue thresholds of $5,000 for asset financing or $10,000 for working capital, and being tax compliant with valid invoices or purchase orders. The program operates on a rolling

application basis, allowing entrepreneurs to apply when their businesses are ready to take the next step.

This initiative represents a significant opportunity for women entrepreneurs in Kenya and across Africa to access the financial tools needed to grow sustainable businesses. By combining targeted support with practical financing options, GIZ and its partners are helping women lead the way in building a greener, more resilient future

<<from pg 1

as energy efficiency improvements. The initiative will enable them to build resilience, improve productivity, and transition to low-carbon practices.

Approximately 60% of investments will focus on adaptation, particularly climate-resilient agriculture and water management technologies, while 40% will target mitigation technologies such as renewable energy and energy efficiency.

Through this facility, KCB Bank Kenya will deploy financing solutions, including flexible credit products, mixed finance structures, and digital lending platforms, to reach underserved populations at scale.

KCB Group CEO, Paul Russo said; "This is a bold step to scale climate finance climate finance. By targeting MSMEs and smallholder farmers we are ensuring that no one is left behind in the transition to a climate-resilient future. Our goal is to empower these communities with the tools, technologies, and financing they need to thrive in the face of climate change threats,"

The program aligns seamlessly with Kenya's National Climate Change Action Plan (NCCAP) III 2023 and the updated Nationally Determined Contribution (NDC).

Catherine Koffman, Director of the Green Climate Fund's Department of the Africa Region said: "The climate-smart technologies for micro, small and medium-sized enterprises and farmers project addresses one of the toughest barriers to climate action: access to finance for small businesses and farmers. By crowding in private capital and derisking climate-smart investments, GCF finance will empower Kenya's MSMEs and farmers to adopt solutions that strengthen resilience, productivity and long-term economic stability. The investment reflects GCF's ability to unlock private investment to deliver capital at scale and the Fund's commitment to be Kenya's climate partner of choice."

The approval comes at a time when Kenya continues to face acute vulnerability to climate change, with over 80% of its landmass categorized as arid and semi-arid lands (ASALs). These regions experience frequent climate hazards, including prolonged droughts and extreme flooding, leading to significant economic losses - estimated at 3% of the country's GDP annually.

With approximately 46% of Kenyans living below the poverty line, and agriculture contributing 26% to GDP while employing 70% of the rural workforce, climate disruptions severely impact livelihoods, food security, and economic stability. On the other hand, reliance on rain-fed agriculture exacerbates exposure to erratic weather patterns. MSMEs, farmers, and rural communities struggle to access climate-smart technologies for food production, financing mechanisms, and adaptation strategies.

KCB Group continues to make significant strides in climate action, financial inclusion, and community development in line with its ambition to create long-term value for stakeholders while supporting East Africa's transition to a green and inclusive economy.

Last year, KCB Group assessed loans valued at KShs. 578.3 billion for environmental and social risks last year, further deepening the Bank's play in green financing. This brings the cumulative total assessed since 2020 to over KShs. 1 trillion under the Group's Environmental and Social Due Diligence (ESDD) process. KCB also disbursed KShs. 50 billion in green loans, growing its green portfolio to 25.84% from 15% in 2023. The support was extended to green products designed to foster energy transition, including initiatives in the blue economy, e-mobility, and climate change adaptation.

United Bank for Africa (UBA) Group and British International Investment plc (BII) Sign Letter of Intent to Explore Trade Finance Collaboration Across Africa

Benson Adenuga, West Africa Director and Head of Office Africa Coverage, BII West Africa; Chris Chijiutomi, Managing Director and Head of Africa, BII; Lok Mishra, Chief Executive Officer, UBA UK and Oliver Alawuba, UBA Group Managing Director and Chief Executive Officer UBA Group and BII Sign Letter of Intent to Explore Trade Finance Collaboration across Africa. *Photo Credit: Premium Times*

The announcement builds on growing momentum around intra-African trade facilitated by the African Continental Free Trade Area (AfCFTA), which entered into force in 2021 and represents one of the world's most significant trade integration initiatives

United Bank for Africa (UK) Limited ("UBA UK") and British International Investment plc ("BII"), the UK's development finance institution and impact investor, announced that they have signed a letter of intent to develop trade finance collaboration opportunities with the aim of expanding access to trade and working capital facilities for businesses

page 7>>

<<from pg 6

operating across Africa.

Access to trade finance remains one of the most significant structural constraints on African trade. Businesses - particularly small and medium-sized enterprises - are frequently unable to secure letters of credit, guarantees, and supply chain finance on commercially viable terms, limiting their capacity to export and import competitively. This trade finance gap is estimated by the African Development Bank to be over USD 80 billion annually.

To help close this gap, UBA UK, the London subsidiary of UBA Group, Africa's Global Bank, will leverage its deep relationships across the Group's 20-country African network to originate and structure trade finance transactions. While BII, with a mandate to support productive, sustainable, and inclusive growth across Africa, can support transactions that might otherwise fall outside conventional commercial appetite.

"The signing of this letter with BII represents a landmark moment for UBA UK and for the UBA Group's global ambitions. As the Group's hub for Trade Operations, UBA UK is uniquely positioned to connect African businesses with the international financial system. Working alongside BII, we can extend that capability further — mobilising capital where it matters most and helping to close the trade finance gap that holds back so much African potential." Said Lok Mishra, Chief Executive Officer, UBA UK

"British International Investment is committed to catalysing private sector growth across Africa, and trade finance is a critical enabler of that growth. We welcome the opportunity to collaborate with UBA Group, whose pan-African network and deep institutional relationships can help advance our ambition to expand access to trade and working capital finance, particularly in frontier markets." Said Chris Chijiuitomi, Managing Director and Head of Africa

The announcement builds on growing momentum around intra-African trade facilitated by the African Continental Free Trade Area (AfCFTA), which entered into force in 2021 and represents one of the world's most significant trade integration initiatives. Both institutions have identified the operationalisation of AfCFTA as a priority catalyst for a trade finance facility, with UBA UK's network across major AfCFTA economies offering a basis for supporting businesses navigating the emerging continental market.

This also complements the UK Government's broader engagement with African economic development, including commitments made at the UK-Africa Investment Summit, and reinforces the City of London's role as a leading international finance centre for Africa-focused capital mobilisation.

Future cooperation remains subject to further assessment, due diligence and the completion of internal approvals by both parties.

UNDP and Bank of Agriculture sign landmark partnership to catalyse Nigeria's agricultural transformation

UNDP Resident Representative, Ms. Elsie Attafuah and Mr. Ayodeji Oludare Sotinrin, BOA Managing Director and Chief Executive Officer. *Photo Credit: UNDP Nigeria/Emmanuella Madu*

The United Nations Development Programme (UNDP) and the Bank of Agriculture (BOA) signed a strategic Memorandum of Understanding (MoU) to accelerate Nigeria's agricultural transformation through institutional reform, climate-smart food systems, and large-scale financing mobilisation.

The partnership aligns BOA's institutional revitalisation agenda with UNDP Nigeria's Integrated Smart States Programme (ISSP) — a portfolio-based delivery architecture linking federal reforms, state-level delivery platforms, innovation ecosystems, and bankable investment pipelines. The collaboration is designed to shift Nigeria's agricultural transformation from fragmented interventions to integrated, investment-ready systems capable of delivering food security,

page 9>>

<<from pg 8

jobs, exports, and climate resilience at scale.

Speaking at the ceremony, UNDP Resident Representative, Elsie Attafuah, noted that the partnership reflects UNDP Nigeria's strategic pivot from projects to portfolios, and from aid to co-investment.

"This partnership is about redesigning Nigeria's agricultural financing and delivery architecture — so that blended finance, climate finance, and private capital can flow at scale to farmers, processors, and markets across Nigeria's states. Through the Integrated Smart States Programme, we are translating reform momentum into visible outcomes for people — food on the table, jobs in communities, and incomes across value chains. UNDP's role is to act as a systems integrator and investment catalyst, helping government and finance institutions convert ambition into bankable pipelines and delivery at scale." She said.

BOA Managing Director and Chief Executive Officer, Ayodeji Oludare Sotinrin, emphasised that the partnership will strengthen BOA's institutional capacity and investment readiness, positioning the Bank as a modern, high-impact agricultural development finance institution capable of mobilising capital for climate-smart agriculture, agro-processing, and market access across Nigeria.

"This partnership with UNDP supports our ongoing institutional re-engineering and positions the Bank of Agriculture to mobilise climate finance, blended finance, and private capital at scale. It strengthens our ability to structure bankable agricultural pipelines, support farmers and agribusinesses, and unlock Nigeria's vast agricultural potential as a driver of food security, jobs, and export growth." He noted.

A flagship pillar of the partnership is support to the One Million Hectare Tree Crop Initiative, a Presidential priority aimed at driving large-scale commercial agriculture, export diversification, job creation, ecosystem restoration, and climate resilience through public–private partnerships and state-level delivery platforms. The initiative will focus on high-value tree-crops such as cocoa, cashew, oil palm, rubber, and coffee, linking smallholders, cooperatives, processors, and investors into integrated value chains.

The MoU also anchors collaboration on blended finance and climate finance mobilisation, digital farmer systems and data-driven credit profiling, market access under the African Continental Free Trade Area (AfCFTA), and institutional reform to strengthen BOA's governance, performance systems, and delivery capacity.

As part of the institutional strengthening pillar of the partnership, UNDP formally handed over ICT equipment to BOA to support digital modernisation, data systems, and delivery readiness — enabling more efficient service delivery to farmers and agribusinesses nationwide.

The UNDP–BOA partnership is expected to accelerate food security, strengthen rural livelihoods, unlock domestic and international investment into agriculture, and position Nigeria's agricultural sector as a central engine of jobs, exports, and climate resilience — aligned with national reform priorities and UNDP's Integrated Smart States Programme.

OPINION

Unlocking Africa's borders for the traders who feed our region

Uganda's President Yoweri Kaguta Museveni and his counterpart President William Samoei Ruto of Kenya during the launch of Kisumu – Malaba Standard Guage Railway –Phase 2 Project.

By Daniel Njiwa,

More than a decade ago, in what feels like a past life, I worked with the Common Market for Eastern and Southern Africa (COMESA). At the time, I was part of a team helping design what would become the Simplified Trade Regime (STR), a framework intended to ease cross-border trade across corridors linking Malawi, Tanzania, Mozambique and Zambia that are critical to strengthening agricultural markets across Southern and Eastern Africa.

The motivation was clear. Across Africa's borders, thousands of small traders struggle to cross borders, let alone benefit from duty-free regional

page 11>>

<<from pg 10

trade agreements hence the resort to informal trade. Yet they move a significant share of Africa's food every day. Estimates from the African Agriculture Trade Monitor (2025) suggest that informal cross-border trade accounts for about 7–16 per cent of Africa's total trade and up to 70 per cent of trade between neighboring countries, much of it involving agricultural products that rarely appear in official statistics.

Evidence from West Africa illustrates the scale of this trade. According to the ECOWAS Agricultural Trade Programme, intra-regional food trade in West Africa alone is worth about US$10 billion annually-six times higher than official statistics, reflecting large volumes of unrecorded agricultural trade. Women dominate this sector, accounting for about 70–80 per cent of informal cross-border traders, according to the International Trade Centre ITC.

Every day these traders move small quantities of food across borders: maize, beans, fruits, vegetables and other staples that keep regional markets functioning. Yet the customs procedures they faced were designed for large exporters, requiring documentation and processes that were nearly impossible for many small traders to navigate.

We realized that if regional trade integration was to work, it had to work for them too. So, we set out to design customs procedures that were simple enough for small traders to use, including those with limited formal education. The goal was straightforward: enable traders to cross formal borders safely, legally and efficiently while benefiting from duty-free regional trade.

We began with three simple tools: a Simplified Customs Document (SCD), a Simplified Certificate of Origin (SCOO) and a common list of products that both countries agreed could be traded duty-free. In 2010, the first pair of countries to launch the Simplified Trade Regime was Zambia and Malawi.

Over time, the system has evolved further. At some border posts today, the process has been simplified even more, with traders required to present only the Simplified Customs Document alongside the agreed list of goods effectively serving as a proxy for the certificate of origin. The objective has always remained the same: make cross-border trade easier and cheaper for the people who rely on it most.

Today, efforts are underway to expand this vision further to regional economic communities such as the East African Community promoting the system among EAC countries and Southern African Development Community (SADC) promoting it in Southern Africa. At the tripartite level across three regional economic communities, covering up to 30 African countries, there are efforts to establish a Tripartite Simplified Trade Regime framework. If adopted, this could allow more than 60 pairs of countries to implement simplified trade systems,

<<from pg 11

dramatically transforming agricultural trade for millions of small-scale traders across the continent.

Encouragingly, we are already seeing steady progress. In addition to existing STRs between Zambia and Malawi, Zambia and Zimbabwe, fresh agreements have been signed between Malawi and Mozambique in 2024, and in March 2026 Malawi and Tanzania with support from AGRA.

The real significance of these agreements goes beyond individual borders. Together, they are helping establish a network of simplified trade corridors linking Malawi, Tanzania, Mozambique, Zambia and wider East African food corridors that are vital for strengthening regional agricultural markets, jobs and food systems resilience.

For two decades, AGRA has worked with governments, regional institutions and private sector partners to remove the structural barriers preventing small-scale farmers and traders particularly women and youth from participating fully in agricultural markets. This process has entailed partnerships with SMEs, financial institutions and regional bodies, that helped build inclusive market systems that move women and youth from subsistence activities to competitive participation in regional trade.

The Simplified Trade Regime, which has now been adopted in the framework of the African Continental Free Trade Area (AFCFTA), is one of the clearest examples of how this work translates into real impact. By simplifying customs procedures, strengthening trade information systems and supporting trader associations, these initiatives enable small traders to transition from informal routes into formal markets where they can grow their businesses with greater confidence.

Inclusive trade systems strengthen agricultural value chains, improve regional food security and ensure that the economic benefits of trade reach rural communities.

As we mark AGRA's 20 -year journey of advancing agricultural transformation in Africa, our experience continues to demonstrate a simple truth: inclusive agricultural systems are more productive, resilient and economically transformative, especially when women and young entrepreneurs can participate fully in markets.

Simplified trade regimes are helping unlock that potential by ensuring regional trade works not only for large exporters, but also for the millions of small traders who power Africa's food economy every day.

Africa's borders should not be barriers to opportunity. They should be bridges connecting farmers, traders and markets across the continent and enabling a new generation of entrepreneurs to participate in Africa's growing regional economy.

Njiwa is Director of Inclusive Markets, Trade and Finance at AGRA

Smarter Water Use Could Feed 10 Billion and Create Nearly 250 Million Jobs

Smart water use combined with innovative financing could unlock unprecedented opportunities for food security, job creation, and sustainable growth.

Smarter water management across the global food system could sustainably feed 10 billion people by 2050 and generate nearly 245 million long-term jobs, with Sub-Saharan Africa poised to benefit most. A new World Bank Group report titled "Nourish and Flourish: Water Solutions to Feed 10 Billion People on a Livable Planet" highlights the urgent need to rebalance water use in agriculture to meet future food demand sustainably.

Financing is central to achieving these outcomes, with expanding irrigation where water is available and modernizing existing systems estimated to require an additional 24 to 70 billion dollars per year through 2050. Governments already spend approximately 490 billion dollars annually on agricultural support, much of it on subsidies. Redirecting a portion of this spending, combined with regulatory reform, blended finance, and public-private partnerships, could attract private capital and support financially sustainable water and food security.

Farmers, as primary users and investors in irrigation, are willing to co-invest when access to finance, quality equipment, markets, and digital tools reduces risks and transaction costs, underscoring the importance of mobilizing private sector

page 14>>

<<from pg 13

participation alongside public investment. The World Bank introduces a new framework for agricultural water management that links water availability with food production and trade. By categorizing countries based on water stress and their food import or export status, the framework identifies where expanding rainfed agriculture can increase food production, where irrigation investments can unlock jobs and growth, where water use must be rebalanced to protect ecosystems and future productivity,

> **Making smarter choices about where crops are grown, how water is allocated, and how trade supports food security can strengthen resilience, expand opportunity, and safeguard essential resources.**
>
> **Paschal Donohoe, Managing Director and Chief Knowledge Officer of the World Bank Group.**

and where trade offers a more sustainable path than local production.

The way water is managed for food will have profound implications for jobs, livelihoods, and economic growth. Making smarter choices about where crops are grown, how water is allocated, and how trade supports food security can strengthen resilience, expand opportunity, and safeguard essential resources, according to Paschal Donohoe, Managing Director and Chief Knowledge Officer of the World Bank Group.

Guangzhe Chen, Vice President for Planet at the World Bank Group, adds that when investments in infrastructure, natural resources, business-enabling policies, and private capital mobilization come together, the impact can be greater than the sum of its parts.

"By linking global evidence with country realities, this framework can help policymakers navigate trade-offs and adapt food production to today's water and climate realities—delivering food, jobs, and resilience together." Chen said

The World Bank Group has committed to doubling annual agribusiness financing to 9 billion dollars by 2030 and mobilizing an additional 5 billion dollars per year under the AgriConnect initiative to help smallholders transition from subsistence to surplus. Through its Water Strategy Implementation Plan, the Bank addresses the twin challenge of water and food security by strengthening food production systems and improving farmer livelihoods. With Sub-Saharan Africa at the center of this transformation, smarter water use combined with innovative financing could unlock unprecedented opportunities for food security, job creation, and sustainable growth. The future of global food systems depends not only on water availability but also on the financial strategies that enable its efficient and equitable use.

FINAS 2026

FINANCING AGRI-FOOD SYSTEMS SUSTAINABLY DIALOGUES

Towards Sustainable Financial Architecture
for Africa's Food Systems

REGISTER TO ATTEND

30 June - 02 July 2026

Nairobi

www.finasafrica.org

FINAS