Africa's Food Systems Financing Newsletter

FINAS DIALOGUES

DISPATCH - 011

NOVEMBER 2026

FINAS partners put delivery at the centre of the 2027 summit agenda



Steering Committee members engage with discussions during the second FINAS 2027 Steering Committee meeting, exchanging perspectives and shaping priorities for the upcoming Summit. *Photo credits: FINAS*

The next FINAS Summit is taking shape around a stronger focus on implementation, measurable outcomes and financing solutions that respond to the realities of Africa's agri-food value chains.

What has changed because of the financing commitments and partnerships discussed across Africa's food systems? It is a question FINAS wants to bring more directly into the conversation at its 2027 Summit.

At the second FINAS 2027 Steering Committee meeting, held on 5 November 2026, partners reflected on how the next Summit could build on the 2026 discussions on sustainable financial architecture while placing greater emphasis on delivery.

CONTINUED ON PAGE 4>>

IN THIS ISSUE

New guarantees open up financing for Kenya's agricultural cold chain

A US$60 million boost could expand agricultural lending in Tanzania

Can a new US$70 million bond bring private capital into rural climate adaptation?

Can Impact Investment Funds help close agrifood's financing gap?

FINAS DIALOGUES

NOVEMBER ISSUE

Contents

03 New guarantees open up financing for Kenya's agricultural cold chain

06 A US$60 million boost could expand agricultural lending in Tanzania

07 Can a new US$70 million bond bring private capital into rural climate adaptation?

08 Can Impact Investment Funds help close agrifood's financing gap?







FINAS

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

Financing Agri-food Systems Sustainably

New guarantees open up financing for Kenya's agricultural cold chain



Photo credits: UNCDF

An estimated US$3.11 million in risk-sharing guarantees through Absa Bank Kenya and Co-operative Bank of Kenya is expected to expand access to finance for businesses investing in solar-powered cold storage.

For many agricultural businesses, the challenge does not end when produce leaves the farm. Without adequate storage, perishable goods can lose quality before reaching markets, affecting farmers' incomes and the commercial viability of agricultural value chains. Yet investing in cold-chain infrastructure requires capital that many businesses struggle to access.

A new financing arrangement announced by the United Nations Capital Development Fund (UNCDF) on 3 November 2026 seeks to address this constraint by reducing the lending risks faced by financial institutions.

UNCDF has deployed portfolio guarantees totalling US$3.11 million through Absa Bank Kenya and Co-operative Bank of Kenya. The arrangement comprises a US$2.02 million guarantee for Co-operative Bank and US$1.09 million for Absa. By sharing part of the lending risk, the guarantees are intended to encourage the banks to finance businesses investing in solar-powered cold storage and related post-harvest infrastructure.

The two banks will serve different segments of the market. Absa will provide direct loans of up to US$2 million to larger agricultural value-chain businesses, including aggregators, equipment suppliers and exporters. Co-operative Bank will offer financing ranging from US$30,000 to US$70,000 to eligible micro, small and medium-sized enterprises, including farmer cooperatives.

The initiative will support investments across horticulture, dairy, fisheries and livestock value chains, with priority counties including Nakuru, Meru, Mombasa and Turkana.

Implemented by UNCDF and the United Nations Development Programme, with support from the Mitigation Action Facility, the broader initiative is expected to improve cold-storage access for more than 60,000 farmers and support approximately 1,200 jobs.

Beyond the financing itself, the arrangement illustrates how risk-sharing instruments can help channel private-sector lending into agricultural infrastructure that is essential to reducing post-harvest losses, strengthening market access and building more climate-resilient food systems.



Steering Committee members engage with discussions during the second FINAS 2027 Steering Committee meeting, exchanging perspectives and shaping priorities for the upcoming Summit. *Photo credits: FINAS*

<<from pg 1

The emerging consensus was that the next phase should go beyond designing financing frameworks to examining how they translate into results for producers, businesses and food systems.

One proposal was to dedicate a session to showing what FINAS and its partners have committed to, what has been delivered and what has changed as a result. Rather than a catalogue of institutional activities, the session would examine progress, identify gaps and consider how the outcomes of FINAS discussions can inform government decisions, resource allocation and food security.

The programme discussions also highlighted the need to make financing more responsive to the realities of agricultural value chains. Members favoured consolidating the proposed programme areas into four or five tracks, with key areas including producer and market finance, the enabling environment, resilient and inclusive finance, and capital mobilisation and institutions.

There were also calls for stronger representation of farmer voices and greater attention to sectors that received less visibility in 2026, particularly livestock, fisheries and aquaculture.

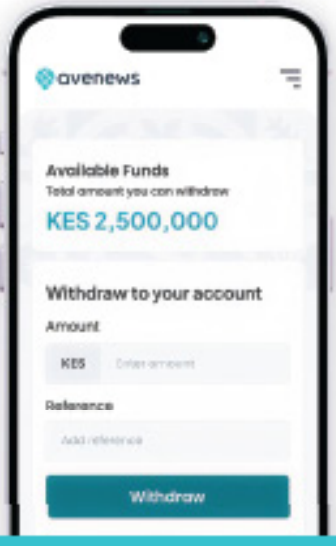
The Summit's theme and programme structure remain under discussion. However, the direction emerging from the meeting is clear: FINAS 2027 should not only explore how Africa can finance its agri-food systems, but also demonstrate what that financing makes possible.



avenews

Most agri-SMEs know what to do, they just don't have the float to do it.

If predictable capital were available for even 30% of SMEs, we'd unlock untapped trade worth over KES 50 billion annually.





Learn more about Avenews Agri-trade financing
Visit our website www.avenews-gt.com

Contact us at +254-111-133-300 or jibiwa@avenews-gt.com
Financing designed for Agri-SMEs Growth

A US$60 million boost could expand agricultural lending in Tanzania



Photo African Development Bank

The African Development Bank's latest investment in Tanzania's Agricultural Development Bank aims to strengthen the institution's capacity to provide long-term financing to farmers, agribusinesses and other value-chain players.

Agriculture supports approximately 65% of Tanzania's workforce and contributes about a quarter of the country's economic output. Yet, despite its importance, the sector receives only around 12% of private-sector credit. Limited access to long-term financing remains a major constraint for farmers and agricultural businesses seeking to invest, expand production and move into higher-value activities.

A new investment by the African Development Bank Group (AfDB) aims to address part of this financing gap by strengthening the institution responsible for expanding agricultural lending.

On 4 November 2026, AfDB announced the approval of a US$60 million loan to the Government of Tanzania, which will be invested as equity in the Tanzania Agricultural Development Bank (TADB). The investment forms part of a US$120 million capital enhancement initiative, with the Government of Tanzania contributing an additional US$60 million through eligible retained earnings.

The capital injection is intended to increase TADB's capacity to provide affordable, longer-term financing to smallholder farmers, agricultural SMEs and other value-chain actors. Of the AfDB financing, US$42 million is allocated to direct agricultural value-chain lending, while US$18 million will support wholesale lending, co-financing and risk-sharing arrangements with other financial institutions.

These financing windows are expected to support investments in areas such as irrigation, mechanisation, storage, aggregation, agro-processing and logistics, while extending lending opportunities to underserved borrowers, including women and young people.

The initiative is expected to support the creation of approximately 8,000 jobs. More broadly, it highlights the role specialised agricultural banks can play in addressing financing constraints that conventional lending institutions may be less equipped to serve.

Strengthening an agricultural bank's capital base is not an end in itself. Its significance will ultimately be measured by whether more farmers and agribusinesses can access suitable financing and turn that capital into productive investments.

Can a new US$70 million bond bring private capital into rural climate adaptation?



Photo credits: IFAD

IFAD's new climate adaptation bond, purchased by a Japanese agricultural cooperative insurer, opens another channel for institutional investment in the resilience of small-scale farmers.

Small-scale farmers produce approximately one-third of the world's food, yet receive less than one per cent of global climate finance. As droughts, floods and unpredictable weather increasingly threaten agricultural production, finding new ways to finance adaptation has become an urgent priority.

The International Fund for Agricultural Development (IFAD) is looking to capital markets for part of the solution.

On 9 November 2026, IFAD announced a US$70 million climate adaptation bond, privately placed with Zenkyoren, a Japanese agricultural cooperative insurance organisation. Announced at COP31, the bond is described by IFAD as the first global adaptation bond specifically focused on rural communities.

Issued under IFAD's Sustainable Development Finance Framework, the bond will channel institutional capital into the Fund's rural development investments worldwide, supporting climate adaptation among small-scale farmers and efforts to build more resilient rural economies.

The arrangement offers an alternative route for mobilising finance beyond traditional public and development funding. Rather than relying solely on government contributions and grants, it brings an institutional investor into the financing of rural resilience through a capital-market instrument.

The timing is significant. Developing countries are estimated to need US$305 billion annually by 2035 to finance climate adaptation, while international public adaptation finance reached only US$28.2–31.7 billion in 2024.

For agricultural finance, the development raises an important question: how can institutional investors be encouraged to support investments whose returns are measured not only in financial performance, but also in stronger livelihoods, more resilient production and food security?

IFAD hopes the bond will help open a broader market for adaptation-focused investment, demonstrating how capital markets can contribute to financing the resilience of rural communities.

Can Impact Investment Funds help close agrifood's financing gap?



Photo credits: FAO

A new study of 81 agrifood impact funds finds that, while these funds are helping channel capital into the sector, their share of the wider impact investment market remains relatively small.

Agrifood businesses often struggle to secure the patient capital needed to grow. While development banks, commercial lenders and public funding programmes remain important sources of finance, impact investment funds are emerging as another way to connect investors with businesses working across food and agricultural value chains.

A new study by the Food and Agriculture Organization of the United Nations (FAO) Investment Centre, in collaboration with Tameo Impact Fund Solutions, examines the role these funds are playing in financing agrifood systems across low- and middle-income countries.

Published on 10 October 2026, the report analyses 81 food and agriculture impact funds. It estimates that these funds managed approximately US$4 billion in assets as of the end of 2023. When the agrifood portfolios of multi-sector impact funds are included, the total rises to about US$6 billion.

Despite this activity, agrifood investments account for only around 6 per cent of all impact fund assets in low- and middle-income countries. This is a relatively small share considering the importance of agrifood systems to employment, livelihoods and economic output across these markets.

The study also highlights the diversity of funds operating in the sector. Their sizes range from about US$1.5 million to more than US$400 million, with investments spanning US$50,000 to US$30 million. These differences influence the types of businesses they can finance, their risk profiles and the returns they seek.

The report argues that better data, transparency and comparable performance measures are essential to building investor confidence and attracting more capital. Impact funds may not close the agrifood financing gap on their own, but they can test innovative financing models, support underserved businesses and demonstrate opportunities that could encourage larger investors to participate.

For Africa, where many agricultural enterprises remain underserved by conventional finance, strengthening this investment ecosystem could help connect more capital to businesses across the food system.

The Journey Towards FINAS 2027 Has Begun...



FINAS 2027 Summit

2027

FINAS