

# GAFSP Launches \$75M Financing Window to Mobilize Private Investment into High-Potential Agricultural Entrepreneurs

*The Business Investment Financing Track (BIFT) aims to bolster inclusive, climate-smart and nutritious food systems in the poorest and most vulnerable countries*

WASHINGTON, DC, UNITED STATES, October 1, 2024 /EINPresswire.com/ -- GAFSP has launched a



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*James Catto, Chair of the GAFSP Steering Committee*

new \$75 million investment window to accelerate financial innovations supporting smallholder farmers and micro, small and medium-sized enterprises (MSMEs) in the agri-food sector, with the aim of boosting food security and agricultural development in low-income countries.

The Business Investment Financing Track (BIFT) aims to derisk private investments, making it easier for investment vehicles to mobilize additional finance for investments in high-potential yet traditionally underserved segments of the food system. This comes at a time when the global food system is confronting overlapping challenges,

including supply chain disruptions, and more extreme weather events induced by climate change.

GAFSP is a multilateral partnership platform that has deployed more than US\$2.5 billion of donor resources for global food and nutrition security financing since its establishment by the G20 in 2010. Through the BIFT, GAFSP will support innovative blended finance solutions to foster transformative agricultural investments, particularly in underserved regions and value chains. The BIFT joins GAFSP's existing financing tracks targeting low-income country strategies and programs, agribusinesses, and producer organizations, which represent a global portfolio of 300 projects benefitting over 20 million people.

The BIFT will seek to incentivize public-private partnerships, promote civil society engagement, and strengthen co-financing platforms that aggregate funding from a range of investors, including impact investors, asset managers and banks, to support larger, more impactful programs. The BIFT requires blended finance solutions to build on strategic public investments made in nutritious food value chains, involve non-governmental organizations, and leverage

grants or concessional finance instruments such as guarantees and insurance, as well as concessional debt and equity to attract private investments.

“High-potential agri-MSMEs in lower-income countries are being left behind by financial markets and have no way of breaking into regional or global markets. The BIFT will deploy systemic solutions tailored to the needs of small producers and early-stage agribusinesses so they can achieve scale and tap into conventional financing.” said James Catto, Director of International Development Policy at the United States Department of the Treasury and Chair of the GAFSP Steering Committee.

The BIFT pilot will run through June 2026, in partnership with the African Development Bank, Asian Development Bank, International Finance Corporation, IDB Invest, and the UN’s International Fund for Agricultural Development (IFAD). Blended finance solutions supported under the pilot will specifically target smallholder farmers, producer organizations, MSMEs, and agribusiness start-ups involved in the production or marketing of nutritious foods for local and regional markets. These segments and value chains have historically been neglected by private investors because they are seen as too small, too risky, or offer modest returns.

“BIFT is a significant step forward in addressing the smallholder financing gap by unlocking much-needed private capital,” said Felipe Dizon, Acting Program Manager of the GAFSP Fund at the World Bank. “This is not just about financing projects; it is about working with a range of partners, from government to civil society to the private sector, to create long-lasting solutions that improve food security, climate resilience, and economic opportunities across some of the world’s most vulnerable regions.”

Donna Bowater  
Marchmont Communications  
+61 434 635 099  
[email us here](#)

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