

# New report outlines innovative finance strategies to help close US\$77billion investment gap for Africa's agrifood sector

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*Expert Panel unveils strategies to embrace and scale finance toward Africa's agrifood sector for growth, food security, and resilience*

KIGALI, RWANDA, August 7, 2025 /EINPresswire.com/ -- Unlocking new and innovative sources of financing will be critical to meeting Africa's agrifood system transformation ambitions and deploying interventions across interconnected sectors such as energy, trade, infrastructure, and transport, amid a shifting global aid landscape, according to a new report.

The latest publication from the Malabo Montpellier Panel of agriculture and food security experts — **MONEYWISE: Policy Innovations to Finance Africa's Agrifood Systems** — examines the needs and barriers to financing Africa's agrifood systems and demonstrates how strategic financial interventions can be implemented to leverage opportunities for transforming these systems. It also provides case studies for Malawi, Morocco, and Rwanda, countries where noteworthy reforms and financing models are enabling more inclusive, resilient, and competitive agrifood systems.

The report is timely, in an era of global decline in overseas development aid, raising fresh concerns about how African countries will fund the transformation of their agrifood systems in the face of fiscal pressures, growing inequalities, and climate shocks.

Africa's agrifood sector is central to the continent's development goals — supporting millions of livelihoods, nutrition, health, employment, and industrialization. While government agriculture expenditures in Africa have grown significantly (from \$138 billion in 1990 to \$449 billion in 2023), the share of agriculture in total government spending has declined by around 55 percent over the same period. An estimated US\$77 billion in annual financing will be needed for transforming Africa's agrifood systems by 2030 — 62 billion from the private sector and 15 billion from public sources.

"Bold and innovative financial strategies will be indispensable to the sustainable transformation of Africa's agrifood systems," said Dr. Ousmane Badiane, Executive Chairperson, AKADEMIYA2063 and Co-Chair of the Malabo Montpellier Panel. "This report demonstrates that strategic public policies, designed to enable strengthened domestic financial ecosystems, smart investments, and multistakeholder cooperation across borders, can drive inclusive growth,

improve food security, and build climate resilience across the continent."

Launched at the 16th Malabo Montpellier Forum in the presence of senior African government representatives, finance and agrifood industry experts, and development partners, the report argues that unlocking the immense potential of Africa's agrifood sector will require more than reversing domestic public financing decline, with private sector investment and international development financing playing an important role.

The report's case studies from Malawi, Morocco, and Rwanda demonstrate that addressing governance and regulatory challenges, while enhancing institutional capacity, will further unlock investment opportunities and promote long-term resilience.

Malawi established the National Economic Empowerment Fund (NEEF) to provide affordable and sustainable financial services to economically empower marginalized populations, particularly women, youth, and persons with disabilities, and to support rural economic development and agricultural commercialization. The non-deposit-taking microfinance institution is primarily financed through government seed capital and national budget allocations, with a revolving loan model that maintains capital by reinvesting repayments.

Morocco's Agricultural Development Fund utilizes public resources to crowd-in private investment, offering subsidies for private investment in land restoration, irrigation systems, and agro-processing, thereby encouraging private actors to participate in long-term agricultural development. Post-investment subsidies cover 70 to 100 percent of costs for key agricultural inputs like machinery, irrigation, and certified seeds, and funds are reimbursed to farmers or aggregators after investment verification.

In Rwanda, the Development Bank of Rwanda and the Capital Market Authority were established to spur financial sector development for capital mobilization, while the Rwanda National Investment Trust (RNIT) promotes a culture of savings through financial literacy campaigns and mobilized savings. Village Savings and Loan Associations improve financial inclusion in the country, expanding access for smallholders.

"By showcasing success stories from across the continent, this report provides a clear roadmap for African governments and development partners to mobilize the finance in new ways for agrifood system transformation," said Prof. Joachim von Braun, Center for Development Research (ZEF), University of Bonn, and Co-Chair of the Malabo Montpellier Panel. "The report is relevant for the implementation of the 2025 Kampala Declaration, and it should also revitalize public finance for agrifood systems from development partners, as it shows the big development opportunities."

The Malabo Montpellier Panel's five-point action agenda draws on the experiences of the three case study countries to highlight several key factors underlying their success.

- **Unlock domestic finance through incentives, derisking, and partnerships:** Derisking mechanisms, such as credit guarantees, can be used in agrifood finance systems to reduce investment risk and encourage greater private sector participation, while incentivizing domestic financial institutions, such as banks, pension funds, insurance providers, and cooperatives, to channel resources into agrifood value chains. At the same time, land tenure reforms, smart subsidies, and strengthened farmer cooperatives can help improve the bankability of smallholder farmers and other SMEs in the sector.
- **Increase awareness and knowledge of innovative funding mechanisms:** Raising awareness of new financial products among key stakeholders across the continent, including policymakers and private sector actors, should go hand-in-hand with supporting research to build a strong evidence base on their impact, scalability, and cost-effectiveness that will better enable the transformation of the region's agrifood systems, as well as targeted awareness campaigns on these emerging funding mechanisms, and peer learning.
- **Build institutional and technical capacity:** Agricultural ministries and related government agencies continue to face constraints in planning, budgeting, and monitoring, which limit their ability to mobilize and manage large-scale investments. Targeted training for institutions involved with public finance—including development banks and investment authorities—will strengthen their ability to design and manage new types of finance instruments.
- **Bridge the gap in formal banking access:** African governments can adopt targeted measures in agrifood systems that expand access to digital finance and address infrastructure gaps, regulatory barriers, and financial exclusion, while increasing digital literacy and user trust among their citizens. Mobile-based solutions such as SMS or USSD crowdfunding platforms can be promoted in areas with limited internet access, while strengthening digital infrastructure, and enhancing the interoperability of mobile payment systems to improve financial access for entrepreneurs who are excluded from formal banking.
- **Aligning agrifood financing with integrated rural development:** Efforts to improve financing for Africa's agrifood systems need to be anchored in well-costed, evidence-based National Agricultural Investment Plans (NAIPs) that reflect national priorities in food security, nutrition, climate resilience, and trade. Adopting an integrated approach that links agrifood financing with wider rural development needs, while aligning both public and external resources with NAIPs, enhances efficiency and helps attract broader development partner support, even amid declining donor flows.

With the agrifood sector accounting for approximately 65 percent of total employment in Africa, ensuring long-term growth and sustainability has never been more evident. The report's recommendations align with the African Union Kampala CAADP Declaration, which outlines a [continental agenda](#) for the next decade of the Comprehensive Africa Agriculture Development Programme (CAADP). The Declaration includes a commitment to boost investment and financing for accelerated agrifood systems transformation, with the ambition of mobilizing US\$100 billion

in public and private sector investment in African agrifood systems by 2035.

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