Global Agriculture and Food Security Program makes second funding allocation from new financing window

GAFSP leverages finance from multilateral development banks and private sector actors to secure 2.5 times capital investment in Rwandan agriculture

WASHINGTON, DC, UNITED STATES, September 4, 2026 /EINPresswire.com/ -- The Global Agriculture and Food Security Program (GAFSP) announced the second allocation from its new business investment financing tool, mobilizing $21 million in support for smallholder farmers across Rwanda.

GAFSP, a multilateral partnership and financing platform strengthening food security in low-income countries, announced the funding during a side event with the International Fund for Agricultural Development (IFAD) at the Africa Food Systems Forum (AFSF) in Kigali, Rwanda. A $6 million allocation from GAFSP, through the Program's second-generation private sector financing tool — the Business Investment Financing Track (BIFT) — will unlock a further $15 million in funding from IFAD, the Bank of Kigali and Aceli Africa.

Launched in 2024, the BIFT is a $75 million pilot designed to leverage GAFSP grants and concessional finance to secure matching funding from multilateral development banks and catalyze additional private sector financing for smallholder farmers, producer groups, agribusinesses, and start-ups. This $6 million from GAFSP leveraged an additional 2.5 times investment from IFAD and the private sector.

The funding will finance the Farmers' Organizations Financing Programme – Rwanda (FOFP-R) and is expected to strengthen approximately 215 farmers organizations, providing financing to approximately 172, and benefiting more than 35,000 smallholder farmers, particularly women and youth. The project will target key national agricultural value chains, including maize, rice, cassava, dairy, and horticulture.

"This innovative finance solution offered by the BIFT will support more inclusive capital markets in Rwanda to help the most vulnerable working in the agri-food sector - including smallholder farmers, women, and youth - make transformative investments for their future," said Shobha Shetty, Head, GAFSP.

Smallholder farmers often struggle to access finance because private investment in agrifood

production — particularly in low-income countries — is seen as high risk. As a result, smallholder farmers and early stage agrifood businesses lack access to credit, savings, insurance, and investment capital, constraining their ability to grow and meet rising food demand.

FOFP-R was designed to address these barriers directly. Alongside the loan, a technical assistance grant will strengthen the governance, financial management and digital capacity of farmers' organizations, while equipping Bank of Kigali to build the tools and expertise needed to serve them sustainably.

In Rwanda, agriculture employs more than 70 percent of Rwanda's population and contributes about 25 percent of the country's GDP. Yet access to finance remains a major constraint for the sector, with agricultural lending accounting for only a small share of total credit in the country.

Farmers' organizations play an important role in aggregating production, facilitating access to inputs and markets, and linking farmers to financial services. Rwanda's farmers' organizations have grown steadily in number in recent years, yet around 70 percent of their financing needs remain unmet, constrained by weak governance, limited collateral, inadequate financial records and low financial literacy, all of which increase lenders' perception of risk.

“As a former minister of agriculture in Rwanda, I have seen firsthand how targeted investment in smallholder farmers also drives national growth. This BIFT allocation follows that same principle, unlocking catalytic finance and private capital that elevates the livelihoods of Rwandan farmers to the center of their country's agricultural transformation,” said Agnes Kalibata, Chair of the GAFSP Steering Committee and former Rwandan Minister of Agriculture.

“The significance of Farmers' Organizations Financing Programme – Rwanda represents a broader shift towards innovative financing solutions. Innovation goes beyond technology, it is also about finance, institutions, partnerships and entrepreneurship. FOFP-R is expected to reduce risk, attract additional investment and expand opportunities for rural entrepreneurs, farmers' organizations and small-scale producers," said Gérardine Mukeshimana, Vice-President, IFAD.

Harvey Presence
Marchmont Communications
+44 7582 195497
email us here

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