

# Financing Africa's food systems: The power of data-driven intelligence

Nadine Gbossa, Director of Food Systems Coordination at International Fund for Agricultural Development (IFAD)



By Zablon Oyugi

**A**t the recently held Financing Agri-Food Systems Sustainably (FINAS) 2025 Summit in Nairobi, Kenya, Nadine Gbossa, Director of Food Systems Coordination at International Fund for Agricultural Development (IFAD), emphasised the urgent need to track financial flows to food systems in Africa. She introduced a financial tracking tool, developed by IFAD and the World Bank in collaboration with various global partners, aimed at empowering governments with financial intelligence.

"Very few countries had information on the state of food finance systems," she remarked, highlighting the critical gap in data on domestic budgets, public expenditures, and sector investments in food systems.

The goal of the financial tracking tool is to provide governments with comparable financial data, insights, and trends, helping them spot opportunities, anticipate risks, and devise effective financing strategies.

Following the 2021 Food Systems Summit, estimates revealed that transforming the global food system

would require US\$350-\$400 billion annually. This investment, though substantial, is realistic when compared to the US\$750 billion agricultural subsidies provided by Organization for Economic Co-operation and Development (OECD) countries each year. Africa faces an even more pressing challenge: the African Union estimates that US\$76 billion per year is needed to build high-performing, resilient, and sustainable food systems across the continent.

Gbossa outlined five key areas





where food system financing must be directed:

- **Agricultural development and value chains** - Strengthening food production and processing.
- **Infrastructure** - Building markets, rural roads, irrigation systems, and storage facilities.
- **Nutrition and health** - Ensuring access to nutritious food and improving public health.
- **Social assistance** - Providing emergency food aid for vulnerable populations.
- **Environmental & natural resources** - Enhancing sustainability and resilience against climate shocks.

Developing economies—particularly the Least Developed

Countries (LDCs)—struggle with fiscal constraints, high debt distress, and limited financial capacity. Out of 48 LDCs, 33 are African nations, making food system transformation exceptionally difficult. To bridge this gap, African countries rely on three key sources of financing: domestic public funding, international development assistance, and private sector investments. Gbossa stressed that these sources must be managed in a complementary manner, ensuring that funding aligns with national priorities.

With collaboration from GAIN, FAO, Academia 2063, AGRA, and OECD, IFAD and the World Bank have been supporting governments in financial tracking. Using a dashboard-style tool, policymakers can now analyse funding sources, assess spending quality, and formulate strategic responses.

### Niger's case study

Niger was among the first to pilot the tracking tool, yielding valuable results. Over a four-year period (2019-2022), the country increased its food system budget by 70 percent, rising from \$569 million to \$959 million. Gbossa highlighted that this was the first time the Nigerien government had full visibility on its food system investments.

"We feared that we were investing more in meeting immediate needs rather than in transformative investments," Gbossa recalled a conversation with the Minister of Agriculture. However, a closer analysis revealed that 66 percent of the budget was directed toward infrastructure and agricultural development, with only 8.0 percent allocated to environmental sustainability—despite Niger's high climate vulnerability ranking (169 out of 182 countries).







Despite the increased funding, Niger still faced a rising prevalence of undernourishment (up 54 percent during the same period). The financial tracking tool allowed leaders to question whether spending priorities were effectively addressing key food security challenges. It also revealed Niger's heavy reliance on development assistance, which had grown by 60 percent, compared to a 73 percent increase in domestic revenue spending.

Further insights from the tool showed Niger's top donors, including the United States (34 percent), Germany (20 percent), France (11 percent), Luxembourg (7.0 percent), and Denmark (5.0 percent). These findings sparked important discussions about adjusting national financing strategies and diversifying funding sources.

### The Kampala Declaration

The January 2025 Kampala Declaration marked a pivotal shift in Africa's agricultural financing policies. Previously, under the Comprehensive Africa Agriculture Development Programme (CAADP), African governments were expected to allocate 10 percent of their national budgets to agriculture. However, the new declaration expands this financial commitment to resilient, sustainable agri-food systems, effective January 2026.

Gbossa explained the significance of this shift: "African governments will now monitor 10 percent of their budgets not just for agriculture, but for agri-food systems—including private sector investment, public expenditure allocation, and reinvestment into the food sector."

Organisations like Academia 2063, which support the African Union, are using the tracking tool piloted by seven African countries to help implement these financial commitments across the continent.

Beyond tracking domestic budgets, this tool is now being integrated into



Africa's biannual agricultural reviews, providing real-time assessments of public spending, development assistance, and private sector contributions. Until now, African governments lacked a methodology for measuring total food system expenditures—a gap this initiative aims to close.

### Regional financial trends

Financial tracking has also provided a broader view of international development assistance to Africa's food systems. Between 2018 and 2023, funding to African food systems increased by 20 percent, but its overall share of global food financing (42 percent) remained constant. The analysis also confirmed Africa's reliance on highly concessional funding (82 percent), primarily from bilateral (46 percent) and multilateral (50 percent) donors.

Key findings include:

- Bilateral donors (e.g., U.S., Germany, France, UK, Japan) tend to focus on social assistance and food aid.
- Multilateral donors (e.g., World Bank, IFAD, African Development Bank) prioritise agricultural development and infrastructure.
- Philanthropic donors (e.g., Bill & Melinda Gates Foundation, Mastercard Foundation) contribute a smaller portion (3.5 percent) but play a crucial role.

Tracking has also revealed that 11 African countries receive nearly 60 percent of food system development

funds, a strong concentration. These include Morocco, Egypt, Nigeria, Kenya, Ethiopia, Sudan, Niger, Burkina Faso, and South Sudan—countries that either have large populations or suffer from conflict and food insecurity.

Gbossa reflected on these findings: "Financial flows to food assistance in Africa are driven by population, fragility, conflict, and food insecurity."

Understanding these dynamics allows governments to prioritise transformative investments, anticipate donor shifts, and ensure financial stability for food systems.

"This is just a snapshot of what it means for an African government to be empowered with data intelligence on food system financing," Gbossa stated.

While financial data alone does not dictate financing strategies, it serves as an essential foundation for informed decision-making. Through initiatives like IFAD and the World Bank's tracking tool, governments across Africa are gaining the transparency and strategic insight needed to strengthen food security, boost resilience, and adapt to shifting global funding trends.

With data-driven intelligence, strategic investments, and robust international collaboration, African countries can pave the way for equitable, sustainable, and resilient food systems—ensuring food security for generations to come ■