



Strategic, inclusive financing can propel Africa toward resilience and prosperity

By Charity Mutegi

Daunting, right? Deepening aid cuts, heightened global trade tensions and ongoing conflicts across the continent. Yet these challenges also present opportunities to rethink how Africa mobilizes resources and builds resilience.

Food systems financing must evolve from sporadic interventions to comprehensive, sustainable, and inclusive strategies that unlock the true potential of Africa's agri-food sector.

We can't run away from this vital truth: existing financing models need improvement, for example, to better accommodate youth and women, adequately address climate risks, and

incorporate the technical sophistication needed for scalable impact. To achieve this, Africa must adopt a radical rethinking of financial architecture.

This includes expanding digital financial services, leveraging innovative instruments like climate-smart impact bonds, and developing regional platforms that pool capital and share risks. Public-private partnerships will be essential—not just as funding channels but as strategic collaborations that align incentives and foster scalable solutions.

This entails far more than mobilizing capital. It requires embedding a mindset shift—seeing farmers not merely as recipients of aid but as strategic partners and entrepreneurs. It necessitates designing financial products that cater specifically to youth

and women—a critical demographic that can catalyze rural transformation.

Achieving food security and economic empowerment will demand simultaneous and concerted efforts across sectors: governments; financial institutions and fintech innovators; development partners and donors; regional bodies and the African Union all working together to turn aspirations into reality.

The theme of the FINAS 2025 Summit—Taking Ownership: Rethinking Sustainable Financing for Africa's Food Systems—held from May 20 to 22 in Nairobi, could not have been more fitting.

The theme resonates as both a rallying call and a blueprint for collective





action for African governments. The compelling message of the summit is clear: The foundation of Africa's future food security, economic growth, and resilience hinges on our collective ability to innovate, mobilize, and scale sustainable financing solutions.

The summit reminded us that solving the complex challenges faced by farmers, cooperatives, and stakeholders cannot be done in isolation. It requires ongoing dialogue, innovation, and collaboration.

The presence of government representatives, financial institutions, fintech innovators, development partners, donors, the East African Community, and the African Union showed strong commitment. This builds on the solid foundation set by the FINAS 2024 dialogue.

Together, these platforms reflect a shared vision to make agricultural finance a driver of sustainable development, economic resilience, and inclusive growth.

The overwhelming turnout, including senior government officials, confirmed a united resolve to address one of Africa's biggest barriers to inclusive growth: financing agri-food systems in a sustainable and scalable way.

It also reassured us that the goals of

FINAS align well with those of the government.

While we acknowledge that we are not yet where we need to be, we are beginning to witness bold and innovative responses to the financing gap. It is evident that bold strides are underway: from risk-sharing schemes and targeted input subsidies to digital solutions and impact investments; credit guarantees and risk-sharing schemes in support of lending to farmers.

There are also targeted input subsidy programmes to make seeds and fertilizers more affordable; crop and livestock insurance services to protect farmers from climate shocks; equipment leasing models to improve access to mechanization; inclusive financial products by non-bank institutions using alternative collateral; and banks rolling out youth- and women-friendly loan products among others.

These responses demonstrate the commitment among stakeholders to transforming Africa's food systems.

It was heartening to hear Kenya's Prime Cabinet Secretary Dr Musalia Mudavadi say "we are creating tailored financing instruments for women-led cooperatives and youth-driven agri-enterprises. However, national action must be reinforced by regional and continental collaboration. The African

Continental Free Trade Area (AfCFTA) is a strategic lever we must activate more deliberately."

Yet, our collective journey is still at its nascent stages. Over 80 percent of finance needs for small and medium-sized agribusinesses in sub-Saharan Africa remain unmet. Commercial banks extend less than 3.0 percent of their loans to agriculture, and public expenditure on agriculture remains insufficient. These figures underscore the urgency of deepening our efforts—making finance accessible, inclusive, and scaled.

The Summit has fostered a wealth of ideas and momentum and paved way for real change through scaled-up, impactful financing solutions that reach the smallholder farmers, women entrepreneurs, and agribusinesses that form the backbone of Africa's food systems.

The effort is ambitious yet attainable: to close Africa's agri-finance gap within one generation. As Prime Cabinet Secretary Musalia Mudavadi said, the future is within reach—but it demands political will, infrastructure investment, and smart regulatory harmonisation ■

Dr Mutegi is the Director, Financing Agri-Food Systems Sustainably (FINAS) 2025 Dialogue. Email c.mutegi@rootooba.com

When finance meets finesse — delegates enjoying vibrant entertainment at FINAS 2025 Summit at KICC, Nairobi. PHOTO CREDIT: FINAS

