Global Donor Platform for Rural Development

24 June 2026

Board Meeting

Participants

Board Members

- **Leonard Mizzi**, *European Commission (Co-Chair)*
- **Thijs Woudstra**, *The Netherlands (Co-Chair)*
- **Camilla Fusato**, *European Commission*
- **Ammad Bahalim**, *Gates Foundation*
- **Fabrizio Moscatelli**, *Gates Foundation*
- **Sven Braulik**, *GIZ (Representing Germany)*
- **Ron Hartman**, *IFAD*
- **Max von Bonsdorff**, *IFAD*
- **Federica de Gaetano**, *Italy*
- **Elisa Pettinati**, *Italy*
- **Alessandra Roversi**, *Switzerland*
- **Lisa van Nieuwkoop**, *The Netherlands*
- **Hugo Verkuijl**, *The Netherlands*

Guests

- **Courtney Hood**, *IFAD*
- **Hugues Vincent-Genod**, *Investisseurs & Partenaires (I&P)*

GDPRD Secretariat

- **Maurizio Navarra**
- **Michelle Tang**
- **Sierra Berardelli**
- **Woojae Shin**
- **Jim Woodhill**, *Senior Advisor*

Agenda

ISSUE	ITEM	DETAILS
1.	Welcome and Introduction	Co-Chairs
2.	FASA Learning Report: The Landscape of agri-SME funds in Africa	Hugues Vincent-Genod (I&P)
3.	Updates on Workstreams	Workstream Champions
4.	2026 Annual General Assembly	Jim Woodhill/Mark Montgomery (Ireland)
5.	2026 Senior Managers' Meeting	Secretariat
6.	Thematic Discussion: Shifting donor and geopolitical environment	Courtney Hood (IFAD)/Co-Chairs
7.	AOB and closing	Co-Chairs

Key Highlights/Issues

1. Welcome and Introduction

- Hugo Verkuijl (The Netherlands) Joined the call for the first time.

2. FASA Learning Report: The Landscape of agri-SME funds in Africa

PURPOSE OF SECTION:

Hugues Vincent-Genod, Director of Investisseurs & Partenaires (I&P), presented insight's from FASA's first learning report: The Landscape of agri-SME funds in Africa. Summary and PowerPoint presentation in annex.

ISSUES DISCUSSED:

- FASA (Financing for Agricultural SMEs in Africa) is a multi-donor fund-of-funds, established to unlock financing for underserved agri-SMEs across Africa. The learning report maps 175 agri-SME funds, including 117 currently fundraising, representing an estimated US$6 billion investment opportunity.
- Compared to previous generations, the current landscape is more additional, with fund managers deploying smaller ticket sizes to address the "missing middle", investing at earlier stages of business development, and providing more intensive technical assistance (TA) and venture-building support. Two-thirds of the funds are Africa-based and invest in frontier markets, versus 80% of the previous generation being Europe/US-headquartered.
- Local currency financing remains a persistent market gap. Only 19 of the 117 funds currently fundraising are deploying local currency funding, excluding many SMEs from accessing finance, which are often the most food-security-relevant businesses.
- Impact themes across the landscape demonstrate that while climate integration and livelihood outcomes are increasingly embedded across the sector, food security and gender integration remain comparatively underrepresented, presenting opportunities for stronger donor engagement.
- The US$ 6 billion being raised represents a highly additional investment opportunity to address pieces of the market that are currently underserved. However, around two-thirds are first-time fund managers, and the median fund size is only US$40 million, placing many outside of traditional DFI mandates. **FASA estimates that US$1.15 billion in catalytic capital would be required to unlock the full investment pipeline through blended finance mechanisms**.
- Recommendations for donors include strengthening catalytic capital interventions, size tranches and technical assistance by additionality and impact (not just capital mobilization rations), expanding local-currency financing, promoting stronger gender integration and impact practices, and continuing to invest in research and market intelligence to address evidence gaps. ***[I&P]***

Discussion and Q&A:

- What is preventing DFIs other institutional investors from financing this market at scale, given prohibitive transaction costs for small-ticket sizes? How can donors, DFIs and IFIs better support African fund managers, local currency financing and youth employment? ***[European Commission]***
    - A key challenge is the mismatch between market needs and investor preferences. While most agri-SMEs require relatively small investments (US$ 200,000–5 million),

   many institutional investors seek larger hard currency transactions. This requires strengthening intermediary vehicles, including fund-of-funds, that pool capital and grow investment pipelines. Donors should play a catalytic rather than sole investor role, using blended finance to de-risk investments and mobilize private and domestic capital. ***[I&P]***
   - On youth employment, FASA is beginning to track non-farm rural jobs created for people under 35, although data are not yet available. ***[I&P]***
- Switzerland has been investing in several of the funds mentioned, including Aceli, which does local currency investing. As a fund-of-funds, how are downstream impacts on food security, climate and gender measured? How many funds have impact-linked incentives? ***[Switzerland]***
   - FASA works closely with investee fund managers to strengthen impact frameworks and build capacity in areas such as climate risk assessment and adaptation metrics. Portfolio surveys and independent verification are used to strengthen data quality. Impact-linked incentives are becoming more common, although they remain technically complex and are more prevalent among larger funds. ***[I&P]***
- One of the report's findings is that smaller, locally rooted funds are among the most additional but also face the greatest fundraising challenges. Are donors unintentionally favoring scale over additionality? What mechanisms should support the emergence of African-based fund managers, and what evidence gaps should be prioritized to accelerate investment in African agri-SMEs? ***[IFAD]***
   - Around half of the fund managers are unlikely to reach a viable scale in the current financing environment. Many DFIs continue to perceive first-time fund managers as higher risk, because they lack a track record. However, risk perception diverges from the data, as evidence shows that newer fund managers often outperform expectations. Catalytic support can help address this gap. ***[I&P]***
- Given the emphasis on smaller investments and agricultural impact, what is the appropriate financing model for agri-SMEs? How can technical assistance be better linked to investments? ***[The Netherlands]***
   - Fund managers have a vested interest in the success of their portfolio companies, making them effective channels for technical assistance. Relatively small interventions (around EUR 10,000–20,000) can have a transformative impact when delivered through an appropriate intermediary architecture; an example is SNOOP. ***[I&P]***

Action Points:

- Board members interested in further engaging with FASA or discussing the findings of the report to reach out directly to Hugues Vincent-Genod (I&P).

3. Updates on Workstreams

PURPOSE OF SECTION:

For the workstream champions to present activities to date and upcoming opportunities for engagement.

ISSUES DISCUSSED:

- **Return on investment (ROI) in Agrifood Systems**:
   - The ROI Technical Advisory Group (TAG) held its inaugural meeting on 9 June, with strong participation from donors and technical experts. The TAG's main output will be to develop an external-facing framing paper that strengthens the investment narrative for agrifood systems, in the context of shrinking ODA budgets and

increasing scrutiny of public spending.

- TAG members agreed that the focus should move beyond traditional cost-benefit analysis to capture a multidimensional understanding of return on investment, considering different dimensions of ROI, investor perspectives and investment contexts, while drawing on existing evidence to strengthen the case for agrifood systems investments.
- The current timeline includes a second meeting in July, drafting through September, a third consultation in October, and the paper being launched alongside this year's Annual General Assembly (AGA).
- An application had been submitted for a side event at CFS 54 on *Investing Smarter: A Return on Investment Case for Agrifood Systems*. The group will also consider engaging strategically around key global moments (e.g., the fifty-fourth Session of the Committee on World Food Security (CFS 54), IMF/World Bank Autumn meeting). ***[Jim Woodhill, The Netherlands]***

• **AI and Data for Decision-making**:

- The workstream will launch a series of short webinars to provide practical snapshots of AI applications across agrifood systems and facilitate exchange among donors. The first webinar, scheduled for16 July, will be delivered in collaboration with SDC and GAIN, on *"AI for healthy diets through a comprehensive food systems approach".* Subsequent webinars could include partners like NASA Harvest, Rockefeller and Google, focusing on agricultural data, geospatial tools and satellite mapping.
- Following the initial webinar series, the workstream will expand discussions to AI governance, building on outcomes from forthcoming global conferences such as the AI for Good Global Summit in Geneva and CFS 54. ***[Switzerland]***

• **Multilateralism and Multi-sector Policy Engagement**:

- The workstream facilitates donor engagement in multilateral and policy processes through events and information sharing. Activities undertaken since the beginning of the year include a donor briefing on the Agrifood Systems Accelerator, a joint GDPRD–IFAD side event during the ECOSOC Financing for Development Follow-up Forum, and participation in UN Food Systems Coordination Hub regional meetings, and ongoing exchange among members on key multilateral developments.
- Looking ahead, the Platform will continue to identify opportunities for engagement through its priority areas and thematic working groups, including proposed side events during the CFS and at the One Health Conference in September. ***[IFAD]***

• **Blended Finance and Catalytic Capital**:

- The Platform co-organized a side event during Rome Nutrition Week, *"From Commitment to Investment: aligning private sector engagement and nutrition outcomes"*, in partnership with Access to Nutrition Initiative, the UN Food Systems Coordination Hub, the SUN Movement, SDC, the Netherlands and the Agri-PDB Platform.
- The session brought together representatives from the World Bank, Tanzania Agricultural Development Bank, Agri-PDB Platform, El Salvador, GAIN and the Global Nutrition Report to discuss practical approaches to mobilizing private capital for nutrition and agrifood systems, in a hybrid format with full engagement in FAO's Sheikh Zayed Center and around 220 participants online.
- The session reinforced the emerging business case for nutrition investment, the need for clearer incentives, standards and benchmarks to scale private sector engagement. ***[European Commission]***

Discussion and Q&A:

• Given that the World Bank Annual Meetings will take place in Bangkok, it's unlikely many

Board colleagues will participate. The focus should therefore be on CFS 54 and the AGA as the main milestones for the ROI framing paper. ***[European Commission]***

  - Rather than finalizing the paper by October as originally intended, alongside these global meetings, the launch will be at the AGA, following Board feedback. ***[Jim Woodhill]***

- The EU can connect the AI workstream with experts from the Joint Research Centre, Copernicus and other AI initiatives for speakers and expertise for future webinars. ***[European Commission]***
  - Wageningen University and CGIAR are also contributing to this work and could be potential contributors to future webinars and discussions. ***[Netherlands]***
  - Beyond practical AI applications, governance considerations should also be addressed, including data sovereignty, the concentration of AI tools among a small number of providers, and the implications of the WFP–Palantir partnership for collaboration between public institutions and private companies. These issues may influence future engagement with the Rome-based Agencies and donor funding decisions. ***[Switzerland]***
- Further information on the proposed One Health Conference side event would be welcome should the proposal be approved. ***[Switzerland]***
- Are there opportunities to build on the Rome Nutrition Week discussion through future events, such as this fall? ***[The Netherlands]***
  - Potential opportunities could be explored through a Team Europe approach linked to the launch of the updated EU Nutrition Report later in the year, rather than through a broader multilateral event like the CFS 54. ***[European Commission]***

Action Points:

- The Secretariat will share information on proposed side events, pending their approval.

4. 2026 Annual General Assembly

PURPOSE OF SECTION:

Jim Woodhill presented initial ideas for the 2026 AGA.

ISSUES DISCUSSED:

- The 2026 AGA will be hosted by Ireland, in Dublin, as a one-day event on 2 December. The proposed theme is *"Mutual Benefits: Unpacking the Strategic Return on Investment Potential from Agrifood Systems",* building on the ROI workstream and positioning agrifood systems investment through a broader strategic and political lens.
- Alongside the central ROI theme, the programme will incorporate linkages with the Platform's other priority workstreams, including multilateral policy engagement, blended finance and AI. The event will also seek to engage stakeholders beyond the traditional agrifood community. As in previous years, an AGA Prep committee will be established, comprising the Co-chairs, Ireland, the Secretariat and interested Board members. A call for expressions of interest will be circulated.
- A Board meeting will be planned back-to-back with the AGA on 1 December, subject to final confirmation. ***[Jim Woodhill, GDPRD Secretariat]***

Discussion and Q&A:

- The AGA should be primarily in-person, to ensure ample interactivity. The ROI framing paper should serve as the flagship output and "breaking news" for the event, and the save-the-date should be circulated as early as possible. ***[European Commission]***

- The AGA should build on momentum from key global events throughout the year, including the Africa Food Systems Forum, COP processes and other relevant policy moments. Strong engagement from Irish stakeholders and networks should also be targeted. ***[European Commission]***
- The framing around "mutual benefits" effectively communicates the political and strategic dimensions of agrifood systems investment while broadening the discussion beyond a technical framing of ROI. The 2025 AGA's interactive format should serve as a foundation for this year's event, as it proved successful, and linkages between sessions will be important to ensure that discussions remain connected throughout the programme. ***[IFAD]***
    - In line with the feedback from the TAG, the ROI framing paper will be positioned as a political narrative, rather than solely a technical product. ***[Jim Woodhill]***

Action Points:

- The Secretariat to develop and circulate the AGA concept note, call for expressions of interest in the AGA prep committee, and the save-the-date.

5. 2026 Senior Managers Meeting

PURPOSE OF SECTION:

For Board members to provide guidance on the format and added value of the 2026 Senior Managers Meeting.

ISSUES DISCUSSED:

- The Senior Managers Meeting (SMM) is held annually to strengthen engagement by senior managers in the Platform, provide strategic guidance on priorities and facilitate discussion of emerging issues requiring cross-donor alignment and strategic influencing.
- Over the past year, the Secretariat has convened several strategic discussions on the Platform's direction, approach and evolving international context. In addition, the composition of the Board has evolved, with Board representatives in several cases now also serving as senior managers. The Secretariat therefore invited the Board to reflect on the continued purpose and added value of convening a separate SMM in 2026. ***[GDPRD Secretariat]***

Discussion and Q&A:

- Convening a separate SMM would provide limited added value this year, given the increasing overlap between Board members and senior managers and the challenges of securing participation from more senior leadership. ***[European Commission, Gates Foundation, IFAD, The Netherlands, Switzerland]***

Action Points:

- Rather than convening a standalone SMM, a Board meeting will be held on 1 December, immediately ahead of the AGA, to provide an opportunity for broader strategic discussion.

6. Thematic Discussion: Shifting donor and geopolitical environment

PURPOSE OF SECTION:

Courtney Hood, Head of the IFAD New York Liaison Office, provided an overview of the current UN80 process and its potential implications.

ISSUES DISCUSSED:

- UN80 is a system-wide reform process launched by the UN Secretary-General to improve efficiency, reduce fragmentation and identify cost savings across the UN system. The process focuses on three priority areas: improving efficiencies within the UN Secretariat; reviewing mandates assigned by Member States; and structural reform, including potential mergers and changes to the UN's country-level presence.
- Discussions on country-level reform focus on streamlining the UN presence based on country needs, strengthening coordination through Resident Coordinators, and developing an "expertise on demand" model to enable countries to access expertise from across the UN system. Several pilot initiatives are underway, although the approach remains at a conceptual stage.
- For the Rome-based Agencies, discussions remain focused on strengthening collaboration, reducing duplication and clarifying comparative advantages rather than institutional mergers. A blueprint is being developed jointly by FAO, IFAD and WFP to clarify roles in fragile settings and strengthen collaboration across the humanitarian-development nexus.
- Leadership transitions across the UN system and continued budget uncertainty may influence the pace and direction of the reform process. ***[IFAD]***

Discussion and Q&A:

- Updates on the RBA blueprint and wider UN80 process would be appreciated if shared with the Board, once further information becomes available. ***[Switzerland]***
  - The Platform should continue monitoring UN80 developments and revisit the discussion during the December Board meeting and at the AGA. ***[European Commission]***
  - A proposal has also been made for a joint meeting of the FAO Council, IFAD Executive Board and WFP Executive Board in September to discuss progress. Member States continue to emphasise stronger coordination, clearer mandates, reduced duplication and greater efficiency across the Rome-based Agencies. ***[IFAD]***
- Is there value in aligning Board members around aspects of the UN80 reform process? ***[Gates Foundation]***
  - We should be mindful of our apolitical platform; influencing reform discussions falls beyond the mandate, but being informed on discussions is indeed useful. ***[The Netherlands]***

Action Points:

- Include UN80 as an agenda point for both the December Board and AGA.

7. AOB and Closing

ISSUES DISCUSSED:

- On 18-19 June, the SDG 2 Roadmap TWG and the Kofi Annan Foundation held a closed-door convening in Geneva, bringing together donor governments, partner countries, foundations and technical experts. The discussions applied a political viability and financial feasibility lens to food systems governance recommendations of the Kofi Annan Commission on Food Security Final Report, identifying three priority areas for future work: data, anticipatory action and finance. A summary report and revised Terms of Reference for the Working Group will be shared in the coming weeks, with the possibility of reconvening later this year. ***[Gates Foundation]***
- While the overall budget remains unchanged, humanitarian assistance will increase from 26% to 40% of SDC's portfolio. The new strategy will place greater emphasis on least

developed countries and fragile contexts, alongside changes to geographic priorities and institutional responsibilities between SDC and SECO. ***[Switzerland]***

- The Netherlands national budget is still under parliamentary discussion. An increase in the overall development budget is anticipated, but the allocation across sectors remains uncertain. ***[The Netherlands]***
- Discussions on the next Multiannual Financial Framework are ongoing. While the overall envelope remains under negotiation, priorities across food security, humanitarian assistance, climate, digitalization, critical raw materials and competitiveness have yet to be determined. ***[European Commission]***

The Landscape of Agri-SME Funds in Africa

FASA
Financing for Agricultural SMEs in Africa
Managed by I&P

April 2026

Scope of the study

175

agri-SME funds mapped across Africa

117 fundraising | 58 fully raised funds

First systematic review of agri-funds currently raising capital, alongside established funds

Raising $6bn, out of the $75bn gap for agrifinance in Africa

Investing $4bn into African agri-SMEs

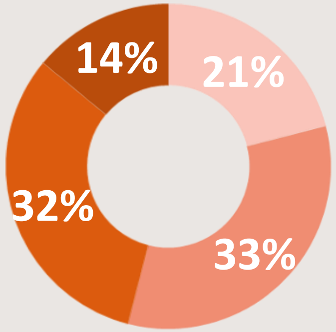
Median fund size of $40m

79 data points per fund: strategy, instruments, impact, fundraising, team

Produced under **FASA's learning agenda**

A diverse fund landscape across the agri-SME lifecycle

Fund size distribution



FUND SIZE

21%	Below $20m
33%	$20m - $50m
32%	$50m - $100m
14%	Over $100m

49%

Of funds have already reached first close

Early-Stage SME funds

27 funds
$630M target

First institutional capital
USD 100k-1M tickets
Deep management support

Growth SME funds

13 funds
$1.2B target

Scaling proven models
USD 500k-5M tickets
Equity & mezzanine

Debt funds

51 funds
$1.9B target

Largest segment (44%)
Flexible debt instruments
Bridging to bank finance

Venture Capital funds

22 funds
$700M target

Agri-tech & innovation
Sub-$500k first tickets
Highest risk tolerance

New funds fill gaps that the previous generation could not reach

78% Deploy investments below $2M (vs 27% in previous generation)

18% Are Venture Capital funds, investing early in innovative startups

66% Are Africa-based teams investing across the continent (3x the prior generation)
65% of funds invest in LDCs

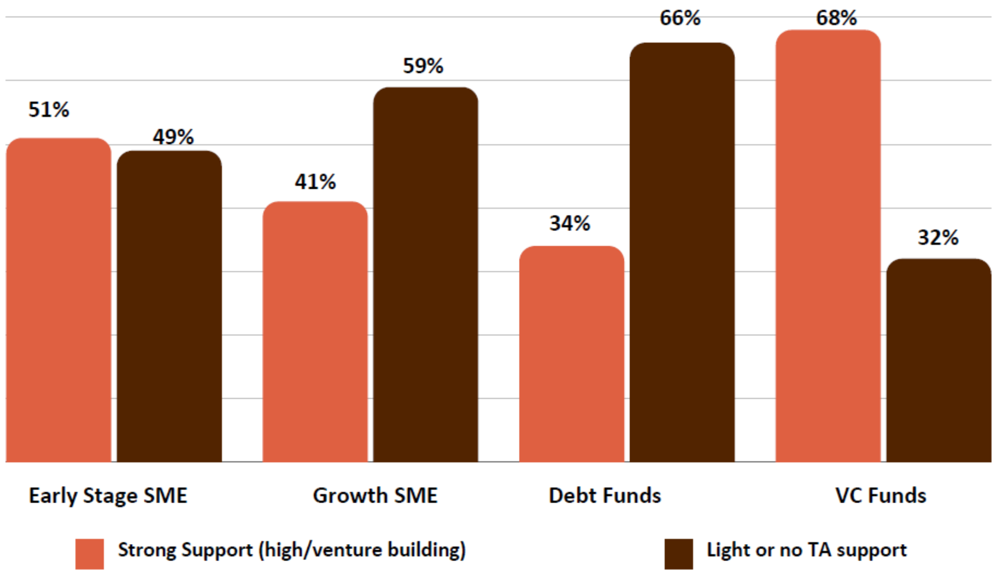
Technical Assistance has become ubiquitous to manage this additionality

77% of funds adopt deliberate TA strategies.

59%
Deploy high-touch TA models

48%
Combine post investment & pre-investment TA

BREAKDOWN OF TA SUPPORT MODELS ACROSS FUND STRATEGIES



- **Pre-investment TA is spreading fast as a way to** convert businesses that would fail screening into investable opportunities.
- **The majority of funds deploy dedicated teams or external specialists**, and venture studio models.
- Most pronounced **among Early-stage SME funds and VC funds**.

Catalyzing early-stage innovation in food systems through institutional capital

Farm to Feed

Investment Fund: Catalyst Fund

Ticket Size: $450K

Instrument: SAFE & Seed Equity

Impact Theme: Food Security & Nutrition

Geography: Kenya

Problem & opportunity for impact

In Kenya, 30-40% of the harvest is lost post-farm gate, costing the economy an estimated USD 500–600 million per year. Much of this loss is in perfectly edible produce rejected for size, shape, or surplus. Food loss generates 10% of global greenhouse gas emissions, and in Kenya smallholders who produce 75% of output bear the full cost as lost income.

Solution brought by the company

Farm to Feed's B2B platform aggregates surplus and "rescue-grade" produce from 6,500 smallholder farmers (43% women) and sells it to restaurants, caterers, and processors. To date they sold 2.1 million kg of produce, avoiding 247 tCO_2e, and raising farmer incomes up to 41%, with less than 1% food loss in its own chain.

How accessing capital increases impact?

Catalyst Fund was the first investor (at pre-seed), providing venture building support and capital, which **unlocked $1.2M in follow-on** seed funding from a diverse group of investors. This follow-on round is enabling the company to scale its operations across Kenya, invest further in its digital platform, and expand into value-added product lines to access higher-value markets.

Local currency financing: a structural gap with direct consequences

Only **14% of new funds** (11% of capital) genuinely commit to local currency deployment, down from 19% in the previous generation. For agri-SMEs earning in local currency, hard-currency financing passes **FX risk** directly to the enterprise.

Local-currency funds (19 funds) tend to be the hardest to back for LPs and donors

83% Generalist funds

65% Early-stage

83% Below $50M fund size

65% Equity vehicles

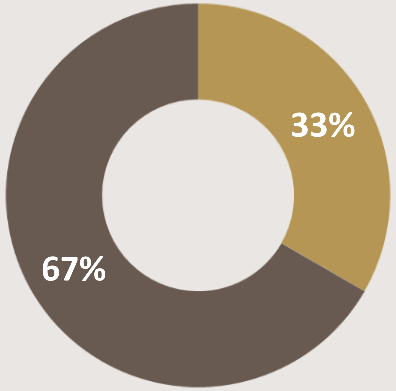
70% Open-ended vehicles

64% Mono-country

Recommendation:
Unlock local-currency investing at both ends. Support early-stage generalist funds with local footing, and provide FX hedging / first-loss for larger debt funds.

Specialist and generalist funds: complementary models

Overview



33% Agri specialist funds (100% focused)

67% Agrifocused Generalist funds (min 30% agri exposure)

Specialist Funds (33%)

- 100% focus on agriculture and food systems
- Represent 63% of risk capital going to agri-SMEs
- **Deep sector expertise**, explicit food security and climate mandates
- Specialist funds receive strong concessional support via junior tranches

Agrifocused Generalist Funds (67%)

- >30% allocated to agri-SMEs, alongside other sectors
- **~$1.58bn expected to agri-SMEs (37% of total capital)**
- 83% of **local-currency** funds are generalist
- Operate where specialists cannot: frontier markets and single country funds

Average agri exposure of the sample 63%

Agri-SME Funds are embedding impact themes

Improved livelihoods

56% of funds position livelihoods at the core (63% on a capital-weighted basis)

Climate integration

54% of funds put climate at the core (69% capital-weighted, ~$4bn)

Food security

19% Only position food security as core (68% show partial awareness)

Gender integration

35% place gender at the core (gender-smart)

How can we fund this fragmented landscape?

Opportunity

$6bn

with $4.6bn to be raised

Targeted by **117 fundraising funds**

Challenges

65%
First time fund managers

$40m
Median fund size

$1.15bn
Of catalytic capital needed to unlock the full landscape

Recommendations for donors

Fundraising infrastructure	**Scale catalytic intermediaries** (DFI facilities, fund-of-funds, regional platforms) to address the fragmented sector; back first-time managers with warehousing & working capital; grow LP education.
Concessional capital	Size junior tranches and de-risking tools by **additionality and impact**, not only mobilization targets, to deploy capital to the most additional funds and reach the most underserved agri-SMEs.
Technical assistance	Provide **operating support that is adapted to smaller funds**; index TA on agri-SME count and needs, not on fund size; fund pre-investment TA; harmonise multi-donor TA platforms.
Local-currency financing	2 actions: grant-fund **FX hedging facilities** for agri-specialist pan-African funds; and back smaller, locally-rooted agri-focused generalist funds that mobilise domestic capital and invest in local currency.
Gender integration	Prioritise deeper gender integration as a core driver of impact and performance, especially in larger and agri-specific funds; support **diversity in fund teams and decision-making**.
Impact practice	Strengthen measurement of **livelihoods, food security and climate** outcomes; develop climate-adaptation frameworks tailored to agri-SMEs and fund the TA to implement them.
Research & market intelligence	Close evidence gaps on impact outcomes, financial performance and LP expectations; **track the agri-SME fund fundraising cohort over time**.

Key takeaways

A diverse landscape

117 funds actively fundraising, targeting $6bn, across investment types, managed by a new generation of Africa-based investment teams.

More additional, with wider impact

Investing in early-stage businesses, across geographies, and derisking agri-SMEs for follow-on commercial capital. 4 impact themes embedded in fund structures: **Livelihoods (57%), climate (54%), gender (35%), food security (19%)**

Constrained by funding

The impact opportunity depends on the fundraising success of **emerging fund managers with small fund sizes**, who face a highly challenging fundraising environment.

21 recommendations for donors

- **Support catalytic capital interventions at scale for the sector**
- Invest in research to refine the impact opportunity and success factors
- Expand **local-currency financing** for agri-SMEs that impact food security

Thank you

FASA
Financing for Agricultural SMEs in Africa
Managed by I&P

GDPRD Board Meeting

The Landscape of African Agri SME Funds

Date: **24 June 2026**

FASA Learning Report: Landscape of Agri SME Funds in Africa

Hugues Vincent-Genod (FASA) presented the first in a series of learning reports, focused on mapping the landscape of Agri SME funds across Africa.

FASA's unique market position: as the main catalytic investor in African Agri SME funds, FASA receives exhaustive sector-wide information and our goal is to use this position to disseminate data and insights to donors, private and commercial investors.

Scope of the Mapping Exercise

- 175 Agri SME funds mapped across Africa.
- 58 already investing (past generation); 117 currently fundraising (new generation).
- $6B in aggregate fundraising targets tracked.
- 79 data points per fund: strategy, team composition, fundraising status, impact themes, etc.

Key Finding 1: The New Generation Is Significantly More Additional

- 78% deploy small ticket sizes, directly addressing the "missing middle" of SME finance.
- Many are venture capital funds taking early-stage risk.
- Two thirds of fundraising funds are now Africa-based, vs. 80% of the previous generation being Europe/US-headquartered.
- Many invest in frontier markets and LDCs, beyond the main hubs of Kenya and Nigeria.
- Example: Catalyst Fund (FASA's first investment) invests $100k–$500k at a very early stage, co-builds companies, and helps them raise follow-on capital; one portfolio company addressing food waste in Kenya has since raised over $1M.

Key Finding 2: Higher-Touch Technical Assistance Is a Defining Feature

- The previous generation relied on lighter-touch TA; the new generation goes as far as venture building.
- Dedicated teams are embedded with portfolio companies, providing operational and strategic support beyond capital.

Key Finding 3: The Local Currency Financing Gap Is Widening

- Only 19 of 117 fundraising funds are credibly deploying local currency solutions.
- Funds doing so tend to be smaller, single-country, equity-focused, and below the radar of most current donor interventions.
- SMEs excluded from hard-currency funds are often the most food-security-relevant businesses.
- Two intervention types recommended: (1) subsidise hedging facilities for specialist pan-African funds; (2) back smaller, country-focused funds that organically mobilise domestic capital.

Key Finding 4: Gender Integration Is Weak; Food Security Is the Hardest Impact Theme

- Women are the backbone of Agri value chains, yet gender integration in Agri SME funds lags behind comparable funds in other sectors. This is flagged as both a risk and an opportunity for improvement.

- Directly linked to the hard-currency problem: most funds invest in export-led value chains because local staple crops require local currency vehicles. Solving local currency means solving food security alignment.

Funding Gap and Catalytic Capital Thesis

- The $6B being raised represents roughly 10% of the Agri SME finance gap today.
- It is a highly additional 10%: Agri SME fund investments typically unlock 2–5x follow-on bank funding and later-stage investors for their portfolio companies.
- However, two thirds of fundraising funds are first-time fund managers, sitting outside typical DFI mandates.
- Median fund size: $40M, below the threshold of most institutional investors.
- Estimate: $1B+ in catalytic capital is needed to unlock the full $6B, based on observed mobilisation ratios where 20–25% catalytic tranches unlock African capital, family offices, and foundations.

Donor Recommandations (Summary)

- Strengthen intermediation infrastructure: fund of funds, DFI windows, regional platforms with enough granularity to match a fragmented market.
- Size TA and investment by additionality and impact, not just capital mobilisation ratios.
- Prioritise local currency interventions: hedging subsidies for pan-African funds; direct backing of domestic-capital-mobilising country funds.
- Improve gender integration and impact practice across the board.
- Close evidence gaps on food security and climate adaptation outcomes.

Board Q&A: Key Questions and Responses

Leonard Mizzi (EU Commission): Scale and Transaction Cost Concerns

- Why aren't EDFIs and the World Bank doing this at scale, given prohibitive transaction costs for small ticket sizes?
- Skepticism on local currency: why finance in Naira if it depreciates sharply in an already high-risk country?
- Asked about the typology of Agri value chains being funded: local staple crops or export crops?
- Raised youth employability as a gap: World Bank AgriConnect has this as a priority; little evidence presented on what these Africa-based funds are doing for under-35 employment.
- Asked who should do what in a context of limited ODA and geopolitical difficulty.

Alessandra Roversi (SDC, Switzerland): Impact Measurement and Incentive Design

- As a fund of funds, how does FASA measure impact on food security, gender, and climate when so far removed from the SME level?
- How many of the 117 funds have impact-linked bonus mechanisms for fund managers?
- Context: Switzerland has already invested in ACELI (valued for its local currency approach) and the nutrition food financing facility, and is actively trying to understand constraints in this space.

Ron Hartman (IFAD): Additionality vs. Scale Tension and Evidence Gaps

- Are donors unintentionally favouring scale and mobilisation ratios over additionality?
- What specific mechanisms can accelerate food security impact?
- What are the structural barriers to African fund managers scaling, and what role should donors and IFIs play?
- What is the single most important evidence gap to fill to accelerate investment in African Agri SMEs?

Thijs Woudstra: TA Effectiveness and Linkage to Investment

- What is the right TA model for this segment? Concern: some funds consume enormous TA budgets with very little result; NGO-led TA often fails to connect to actual financing.
- How can TA be better linked to investment outcomes, especially for smaller funds?

Hugues' Responses (Consolidated)

Core paradox to solve: the market needs small, local-currency tickets, while the main funders want large, hard-currency deployments.

- Very few Agri companies in Africa can absorb $20–30M directly; the bulk of Agri SMEs need $200k–$5M.
- Banks underfinance them due to low collateral.
- To grow companies to $20–30M tomorrow, they must be backed at $500k–$1M today; without that, the pipeline never develops.
- Financial architecture must be adapted to match this reality and meet Agri SMEs where they are.

Intermediation is a key solution to address this fragmentation

- Agrifi (EU) cited as a positive example pulling large capital to intermediaries that address this segment, but described as the exception that confirms the rule, as other DFIs have retreated from Agri funds and emerging SME funds due to risk perception and scale concerns.
- Funds of funds are plugging this gap: the FASA model has raised $86M from donors and is now raising $100M from private/commercial investors. Other examples include Ci-gaba (Ghana), backed by FMO and FSD Africa (~$20M) and raising $50M from Ghanaian pension funds on top, and the EU's Boost Africa in the VC space, cited as a replicable model for Agri SME intermediation.
- Donors can help launch and scale these funds of funds.

Another way to solve the paradox: mobilising African capital solves the local currency problem.

- African investors already live with their currency risk; their revenues are in local currency and they can absorb it.
- I&P has raised capital from 72 African investors across 7 countries, including Ivory Coast, Senegal, Madagascar, and Burkina Faso.
- Donors can have a catalytic role: seed new local currency funds so domestic capital can capitalise them at scale.
- This is the path to scale: catalyse, then let local and private capital fund the bulk.

First-time fund managers: a chicken-and-egg problem.

+ DFIs treat new managers as high risk because they lack a track record, but they cannot build a track record without a first fund.
+ Data from I&P's portfolio of 25 funds in Africa shows that new fund managers tend to outperform if well supported; risk perception is increasingly diverging from the data.
+ Warehousing capital is a proven tool to help new managers build traction and raise capital, already used in gender-lens investing (2Xignite, KfW-backed, among others) and replicable to Agri.

TA at scale is achievable at low cost.

+ I&P has executed 1,000+ TA interventions at an average cost of approximately €10–20k per SME intervention.
+ Architecture can be designed so donors deploy meaningful ticket sizes in a platform, while SMEs receive €10k–€20k interventions that are genuinely transformative.
+ Key insight: fund managers have a vested interest in their portfolio companies succeeding, making them efficient TA intermediaries.
+ SSNUP (link shared in chat by Switzerland) cited as a relevant model.

Impact measurement in a fund of funds.

+ I&P builds the capacity of fund managers to design best-practice impact frameworks adapted to their context.
+ Specific focus areas: climate risk assessment and climate adaptation metrics, where many Agri funds are currently weak; partnership with CGIAR/Impact SF to deliver TA to fund managers on building the right frameworks.
+ Independent, portfolio-wide SME surveys are conducted by a third party to provide a second opinion on reported metrics.

Impact-linked incentives.

+ Common in funds above $75M; rare in smaller funds due to complexity and technical demands that can complicate fundraising from less experienced LPs.
+ I&P has set up impact-linked structures in funds below $10M, so it is achievable.

Youth employment.

+ Tracking non-farm rural jobs created for under-35s.
+ No data yet; tracking is just beginning, acknowledged as an important gap to address.

Next Steps

+ **Read the FASA landscape report in full:** https://www.fasafund.com/fasa-first-learning-report/
+ Follow up bilaterally with Hugues on areas of specific interest, as well as with NORAD and FCDO, who are active members of GDPRD.
    + Areas of particular interest: local currency mechanisms, first-time fund manager support, TA architecture, and the type of fund managers that FASA backs.