

Innovative Agriculture Financing in Africa

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Mr. John Wasielewski, Director of the Office of Credit and Investment from USAID moderated the interactive course and gave an overview of what this course was going to address: innovative financing mechanisms for mobilizing private sector investment in the agriculture sector in Africa.

Mr. Antony Bugg-Levin from the Rockefeller Foundation described how programmes on business solutions to rural poverty could be designed and implemented in Africa. The lack of information about rural development in Africa, and lack of access to capital and credit could lead to the marginalization of many rural businesses and smallholder farmers. It was urgent to find a solution to catalyze rural capital markets and to develop money saving methods in rural areas. Impact investors could play an intermediary role in catalyzing funds. Private foundations around the world, in cooperation with various capital providers: micro-finance institutions, commercial banks and private equity managers, could be catalysts in mobilizing funds to extend lending to rural businesses and smallholder farmers. Specific roles for private foundation investment could be in: a) risk areas – where others failed; b) seriously underprovided areas of public goods; and c) areas where infusion of capital could add scale.

Mr. William Foote from the Root Capital, a social investment fund, spoke on how to combat rural poverty through providing capital access and financing education and training for grassroots businesses in the agriculture sector. Intermediary services provided have been focused particularly on small agriculture enterprises in rural areas. Given purchase guarantees and other types of support, such rural agro-businesses have been able to forge partnerships with financial institutions and foreign businesses which enabled access to global markets.