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Blended finance models to drive private investment in African agriculture

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Risk-sharing mechanisms and guarantees designed to unlock greater participation from commercial lenders in food systems financing



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Ecobank Group and the Alliance for a Green Revolution in Africa (AGRA) have entered into a strategic partnership designed to expand agricultural financing and strengthen food systems across Africa, as development institutions intensify efforts to address persistent credit gaps in the sector.

The agreement, formalised through a Memorandum of Understanding signed during the Africa Forward Summit in Nairobi, establishes a framework to improve access to finance for agribusinesses, cooperatives, farmer organisations, and small and medium-sized enterprises operating across agricultural value chains.

Under the partnership, both institutions will collaborate on the development of tailored financing solutions including working capital support, equipment financing, and trade finance products specifically structured for agriculture-linked enterprises. The initiative also focuses on expanding investment readiness and strengthening financial inclusion across rural economies.

A central component of the partnership is the reduction of lending risk in agriculture through blended finance mechanisms, including guarantees and risk-sharing structures aimed at encouraging greater private sector participation in agricultural credit markets. The programme is also designed to mobilise catalytic capital to support scalable investment in food systems transformation.

The collaboration places strong emphasis on inclusion, particularly through targeted support for women- and youth-led agribusinesses. This will be achieved by aligning Ecobankâ??s financial inclusion programmes with AGRAâ??s initiatives focused on empowering women entrepreneurs and youth-led enterprises in agriculture.

The initiative comes at a time when African agriculture continues to face structural financing constraints despite its central role in employment, food security, and economic growth. Both organisations have positioned the partnership as a step toward transforming agriculture into a more commercially viable and investment-ready sector.

By combining Ecobankâ??s pan-African banking network with AGRAâ??s agricultural development expertise, the partnership aims to accelerate the development of resilient, inclusive, and climate-adaptive food systems across the continent.