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From school plates to farm finance

How the African Development Bank works with public development banks to make school meals a food-systems investment

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African Development Bank

Nutrition designed, financed and measured

OUR GOAL BY 2030

USD 9.5B

in cumulative nutrition-smart investment, committed at the 2025 Paris Nutrition for Growth Summit

Up from USD 4.9B at end-2023, growing at least 20% a year

Multisectoral Nutrition Action Plan (MNAP): three objectives, three initiatives

OBJECTIVE 1
Leverage the Bank's voice and leadership to catalyse action on nutrition across Africa

OBJECTIVE 2
Mainstream nutrition in the Bank's portfolio, pipeline and workplace

OBJECTIVE 3
Increase the production and consumption of safe and nutritious foods

African Leaders for Nutrition (ALN)

Mobilises political commitment and financing from Heads of State and finance ministers

Banking on Nutrition

Makes nutrition a standard design feature of the Bank's sovereign operations

Ending School-Age Hunger (ESAH)

Finances safe, diverse and nutritious school meals, sourced from local producers

MNAP 2018–2025 · anchored in the Ten-Year Strategy 2024–2033 and linked to Feed Africa · Goal: Global Nutrition Report commitment tracker

“Consumers must be at the heart of solutions.”

More than 7.7 billion shoppers have the power to change eating habits that have held for a century.

When demand moves to responsible, nutritious food

Manufacturers launch new products, farmers and input suppliers adapt to health needs, governments are pushed toward better policy, and investors back the companies making these products.

Incentives, not exhortation

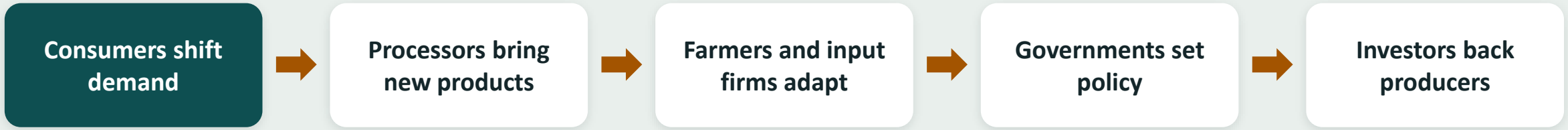
A WEF report argues that better incentives for farmers and consumers can drive the transformation, and sets out four transition pathways.

Source: World Economic Forum, “Consumers must be at the heart of food systems transformation” (January 2020)

THE DEMAND CHAIN

Demand moves food systems

The World Economic Forum's case: when consumers shift what they buy, the whole chain follows. Policy and investment respond to markets as much as they lead them.



In Africa, three demand anchors the Bank can shape

Urban consumers

Fast-growing cities buying processed and convenience foods

Public procurement

School meals, hospitals and the military as predictable buyers

Regional trade

AfCFTA corridors replacing imports with African supply

Adapted from World Economic Forum, "Consumers must be at the heart of food systems transformation"

A school-meal contract makes a food firm bankable

BUYER

School-meal programme

Signs a multi-year supply contract

PRIVATE FIRM

Processor or aggregator

Supplies eggs, flour, meals; buys from farmer co-ops

LENDER

National PDB or local bank

Lends against the contract, in local currency

BACKSTOP

AfDB and partners

Guarantee, credit line, first-loss cover

Why a lender says yes

A paid, multi-year contract is predictable revenue: it turns a small supplier into a borrower a bank can price and secure.

National agri-lenders already at scale

TADB in Tanzania · Cooperative Bank of Oromia in Ethiopia

Illustrative structure · demand-chain logic adapted from World Economic Forum (2020)

We work through PDBs: wholesale, not retail

Lend through them

Long-tenor credit lines, on-lent to agri-SMEs, co-ops and farmers

EBID: $50M + €50M trade line across 15 ECOWAS states

FirstRand (FNB), South Africa: $300M for MSME on-lending (2025)

Catalyse with them

Concessional ACFM capital for first-mover agri-SME lending

Development Bank of Nigeria: $8M for women-led agri-SMEs (2026)

FirstRand: $10M ring-fenced for women-owned agri firms

Share the risk

Guarantees that let banks lend to firms they see as too risky

Bank of Industry, Nigeria: $50M AFAWA guarantee, up to $100M of SME loans

Equity Bank, Kenya: $60M trade finance guarantee (2025)

Build the demand

Make school meals a reliable, bankable buyer

ESAH Trust Fund: $50M with CIFF in six countries

Ethiopia: school feeding inside a poultry value chain project (in design)

Sources: AfDB press releases 2023–2026 · ACFM = Agri-Food SME Catalytic Financing Mechanism · AFAWA = Affirmative Finance Action for Women in Africa

EXISTING COOPERATION

From a regional PDB to national partners

EBID · ECOWAS Bank for Investment and Development

$50M + €50M
dual-currency trade finance line

$30M
via Africa Growing Together Fund

15
ECOWAS states

- The Bank's first financing to EBID (signed October 2023)
- EBID lends directly and on-lends through local banks
- Reaches SMEs, co-ops, farmers and women-owned firms
- Agricultural value chains are a priority sector

The school-meal link: the same pipe can carry working capital to the aggregators and processors that supply school meals.

SOUTH AFRICA · 2025

FirstRand (FNB)

Concessional ACFM line for women-owned agricultural SMEs, within a $310M MSME package

$10M

KENYA · 2026

Family Bank

Trade finance line for SMEs in agriculture, manufacturing, health and energy

$10M

NIGERIA · 2026

Development Bank of Nigeria

Gender credit line plus ACFM and AFAWA funds, with agriculture a priority

$61M

ETHIOPIA · WORK IN PROGRESS

Poultry value chain project

schools in a planned school-feeding component reaching 300,000 children

1,200

Sources: AfDB (EBID 2023; FirstRand Nov 2025; DBN May 2026); AllAfrica (Family Bank, Oct 2026) · Ethiopia: project design estimates

One instrument, one national PDB, one country

Instrument	National PDB · country · amount	What it reaches
Long-tenor line of credit	**Land Bank · South Africa · ZAR 1bn (~$117M)**	On-lending to farmers and agri-businesses: 2,700 loans to emerging farmers, ~14,000 jobs planned
Equity to grow the balance sheet	**TADB · Tanzania · $66M (2023)**	More capital for agricultural lending, plus $0.95M AFAWA and $0.25M climate TA
Gender credit line with concessional capital	**Development Bank of Nigeria · $61M (2026)**	$50M line, $8M ACFM, $3M grant; DBN lent ₦300bn to ~180,000 MSMEs in 2025
Portfolio risk-sharing guarantee	**Uganda Development Bank · UGX 16bn (~$5M, 2024)**	AFAWA guarantee via AGF covering loans to women-, youth-led and green SMEs
Regional trade finance line	**EBID · ECOWAS · $50M + €50M (2023)**	On-lent through local banks to agri value chains in 15 states
Technical assistance grant	**Development Bank of Rwanda (BRD) · $0.73M FAPA**	Alongside an $8M credit line for agriculture and agro-processing SMEs

Sources: AfDB (Land Bank 2012; TADB Dec 2023; DBN May 2026; EBID 2023); UDB (Jan 2024); New Times Rwanda (BRD 2013); Blueprint (DBN 2025 lending)

What makes school-meal finance replicable

	IN PLAIN TERMS	A REAL CASE	WHAT TO COPY
1 **Budget certainty**	Banks lend only if they know the money will be there next year	Nigeria fed 9M+ pupils, then stopped in 2024; the 2025 budget covers under a third of need	**Protect school meals in a multi-year budget line, as Brazil does in law**
2 **Paid contracts**	A contract is only worth lending against if it is paid on time	Ghana's caterers waited weeks for pay; all contracts were cancelled in May 2025	**Standard contracts with fixed payment dates a bank can take as security**
3 **Bankable projects**	Private money follows deals that are ready and already backed	Nigeria's agro-processing zones drew $600M+ of private capital before construction	**Line up buyers and anchor investors before the loan is signed**
4 **A visible pipeline**	Lenders need a steady, known list of suppliers to lend to	Brazil reserves ~45% of R$5.5bn a year for family farmers, from 2026	**Publish supplier lists and purchase targets so PDBs can pre-qualify**
5 **Proven return**	Finance ministries keep funding what pays back	Each $1 returns about $9; Nigeria's programme supported ~35,000 jobs	**Measure the return to protect budgets and cut the cost of finance**

Replicable anywhere when: the money is protected, contracts are paid, deals are ready, suppliers are visible and the return is measured.

FOR DISCUSSION

Three proposals to move from pilots to a pipeline

1. **Pilot a school-meal supplier finance window** with one or two national PDBs in ESAH countries

2. **Co-design contract-backed working capital,** pairing AfDB risk-sharing and TA with PDB products

3. **Bring the results to Finance in Common 2027** through the Agri-PDB Platform

Thank you · George Ouma, African Development Bank · [email]