Sustainable Financing Initiative for School Health and Nutrition

School meals as a food systems investment

The Role of Agri-PDBs

Thursday 22 October 2026 - 2:00 – 3:30 PM CEST



School meals demand and PDB Finance

School meals create recurring demand. PDBs have significant agricultural finance.

SCHOOL MEALS DEMAND

466m
children reached globally

$84bn
annual spending on school meals

57%
of programmes aim to benefit smallholders

PUBLIC DEVELOPMENT BANKS

≈⅔
of formal agricultural finance

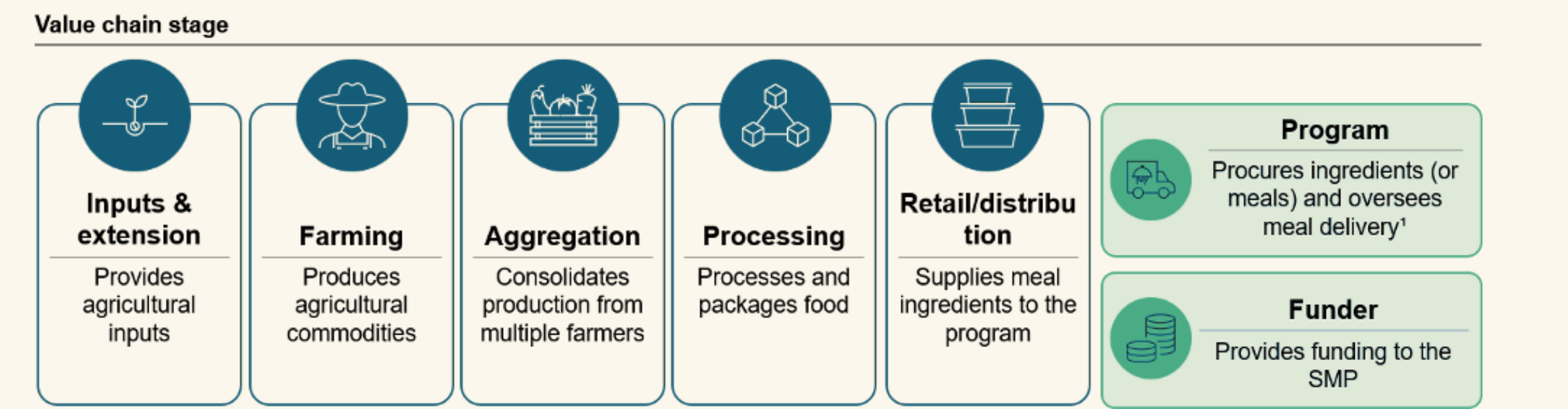
≈$1.4tn
Annual investment

The opportunity: Leverage school meals demand to unlock investment in local food value chains, while shaping more nutritious, inclusive and climate-resilient food systems.

Sources: WFP (2025); GCNF (2024); Agri-PDB Platform (2024 annual report).

School meals demand reaches across the food value chain

Agri-PDBs can finance value chain actors at different nodes



School meals procurement can create structured demand – farmers, cooperatives, and agribusinesses need the capacity and financing to respond.

Homegrown school feeding requires both demand and supply

Well-designed procurement can open reliable markets for smallholder farmers and local agribusinesses

WHAT
menu (commodities) and quality

HOW MUCH
Quantities and contract sizes

PRICE
Fair prices for buyers and suppliers

DELIVERY
when, where, how

PAYMENT
Predictable and timely payments

DEMAND-SIDE POLICY

Credible public purchasing commitments

Predictable demand, appropriate procurement terms, and timely payments

SUPPLY-SIDE SUPPORT

Building actors' capacities across the school meals value chain

Training, inputs, technology, infrastructure and appropriate financing

From school meals demand to investment-ready value chains

Agri-PDBs and partners can help bridge the gap by strengthening value chain actors' capacities and investment readiness

1 DEMAND FOR FOOD

Demand is structured through procurement systems and procedures

Governments set menus, volumes, prices, supplier rules, delivery conditions and payment terms.

↓

2 THE BRIDGE – CAPACITY STRENGTHENING AND INVESTMENT PREPARATION

Non-repayable finance in the form of grants + targeted TA

Strengthen the technical and financial capacities of those in the value chain to be able to access credit in the future

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3 DEMAND FOR FINANCE

Agri-PDBs and partners can help develop a pipeline of viable investments

Prospective borrowers can seek working-capital and asset loans where cash flows support repayment.

Three financing opportunities across the SMP value chain

The appropriate financing instrument depends on the value chain actor

1 SEASONAL CREDIT

Farmers and producer groups

Inputs and crop-cycle production costs

Repayment from crop sales

2 WORKING CAPITAL

Cooperatives and aggregators

Buy harvests and bridge payment lags

Repayment from verified buyer receipts

3 ASSET FINANCE

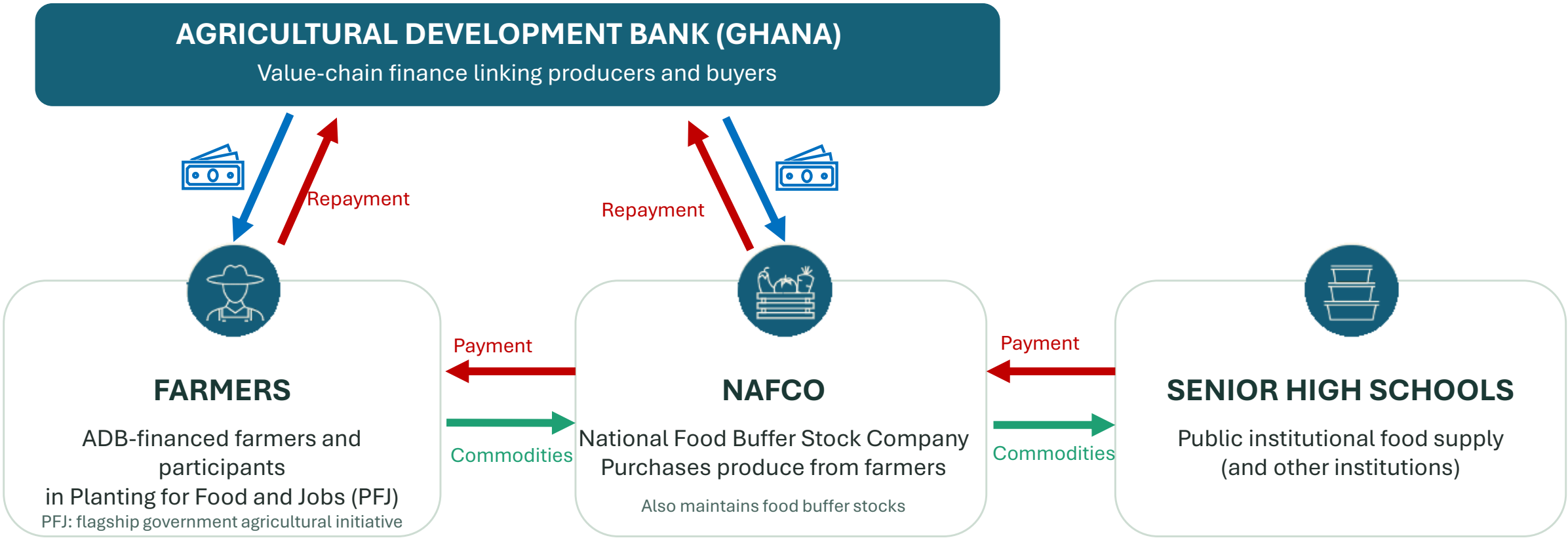
Processors and logistics firms

Storage, processing and kitchen equipment

Longer-term cash flow from operations

Ghana: one bank financing both ends of the chain

In 2021, ADB linked farmer credit with working capital for an agricultural buyer serving public institutions.



The purpose: connect ADB-financed farmers and PFJ participants to an institutional food market

Source: Authors elaboration based on ADB Ghana, 2021 Annual Report, p. 30

Agri-PDBs can develop markets — not just finance transactions

School meals are typically funded through education and social protection budgets, while the associated investment opportunities lie within agricultural value chains.

1 RECOGNISE OPPORTUNITIES

Connect procurement to agricultural finance

Identifying financing opportunities arising from school meals demand and link them to agricultural investment portfolios

2 COORDINATE ACROSS SECTORS

Align procurement and value chain support and finance

Work with governments and partners to coordinate procurement, technical assistance, grants and financing

3 DEMONSTRATE AND SCALE

Finance viable investments and bring others in

Act as early adopters, demonstrate viable financing models and crowd in other financiers over time

The development role: not simply to finance the agricultural supply response, but to help shape which markets develop, who participates, and what nutritional, social and environmental outcomes they deliver.