

# Concept Note Learning Event(s):

## Financing the Future of Food - Kenya

### Introduction

The future of human health, tackling climate change and ensuring equitable economic development all require profound changes in how food is consumed, marketed, distributed and produced. At the same time population growth and increasing wealth in emerging economies is creating new market opportunities. Our entire food system needs to be rethought and transformed to ensure a prosperous and sustainable future for all. This will require new investments into food systems as well as the redirection of existing investments and economic incentives. Food systems transformation requires cooperation and collaboration across the entire agri-food sector and with the institutions financing the sector. Innovative financing mechanisms will be required. Including blended financing mechanisms that can enable effective public private partnerships.

### Food System Transformation in Kenya

Kenya's food system is at a critical juncture, marked by both opportunities and challenges that impact food security, agricultural productivity, and economic development. Agriculture remains a key sector, contributing about 33% of the country's GDP and employing nearly 60% of the workforce, with the majority being smallholder farmers. Despite its importance, Kenya's food system faces persistent issues that undermine its potential, such as: food insecurity, low agricultural productivity, climate vulnerability, post-harvest losses and limited value addition.

The government of Kenya is committed to food systems transformation to achieve sustainability, resilience and inclusive socio-economic prosperity, and improve public health and nutrition. Specifically, Vision 2030, ASTGS, NAIP and the bottom -up Agenda demonstrate this commitment. Vision 2030 sets the agenda for inclusive growth and people-driven sustainable development, particularly under its initiatives that prioritise agriculture and food security.



Kenya has seen an increase in public-private partnerships aimed at improving agricultural infrastructure, supporting smallholder farmers, and boosting food processing industries. These partnerships are crucial for mobilising investments in rural areas and developing sustainable agricultural practices.

The role of public & private finance in food system transformation is critical, as it provides the necessary resources to drive changes toward sustainability, resilience, and equity.

### **Food System Finance in Kenya - the challenge**

Agricultural finance in Kenya has grown, with banks like Equity Bank offering specialised products for farm mechanisation, irrigation, and supply chains. Shifting from value chain finance to food system finance is essential to address global food system challenges. While value chain finance targets specific stages, food system finance covers the full ecosystem—production, distribution, consumption, and waste—with a focus on sustainability, equity, nutrition, and resilience.

Value chain finance often supports linear processes vulnerable to climate, market, and geopolitical disruptions. In contrast, food system finance fosters resilience by addressing systemic risks and encouraging local, sustainable food systems that can endure shocks. This broader approach supports sustainable and equitable solutions for food systems, tackling environmental, social, and health issues beyond the scope of value chain finance.

The development of food system finance requires joint efforts from government, financial institutions, development partners, and the private sector. Key actions could for instance include early stage involvement of public and private financial actors in food system transformation strategies, creating diverse financial products, enhancing infrastructure, updating policies, etc. Addressing these can help Kenya build a sustainable, resilient, and inclusive food system.

### **Financing the Future of Food Learning Event - Kenya**

The food systems concept is relatively recent, having been given prominence by the 2021 UN Food Systems Summit. The Netherlands Food Partnership (NFP), Equity Bank, Foresight4Food and Rabobank feel that providing financial actors with insight into the concept of food systems transformation and specifically focussing on the current and potential future role of the financial sector (public, private and blended) in these transformation processes, could benefit both the financial sector and other relevant stakeholders in the transformation.

In September 2024 NFP, Foresight4Food and Rabobank Partnerships, in cooperation with FAO and IFAD, organised a Food System Finance learning event in the Netherlands. The event gathered 35 professionals, introducing the Food System Transformation concept and discussing the role of public



and private financial actors in driving food system transformation. For more information on this event please see this article: <https://www.nfpconnects.com/conversations/financing-the-future-of-food>

NFP, in cooperation with Equity Bank, Foresight4Food, IFAD and Rabobank Partnerships, will organise a series of Learning Events in Kenya in 2025, preferably one per quarter in 2025.

The events aim to convene public- and private-financial and relevant non-financial players currently active in the Kenyan agri-food sector, looking into existing food system transformation scenarios. For the first learning event, the food system transformation scenario of Nakuru County (currently being implemented by Foresight4food, IFAD.....) can be used as an example. Also, other counties can serve as a case during the following events.

The objectives of the learning events are:

1. Bring together public- and private-financial and relevant non-financial players in the agri-food sector who wish to learn about and exchange on: 'finance as a driver of Kenyan food system transformation'.
2. Outline the key aspects of a food systems approach.
3. Identify key issues and opportunities related to the future of financing of food systems transformation
4. Establish a forward agenda for financing the future of food in Kenya, where possible supported by NFP.

## Learning Event #1 - Preliminary Programme

The learning event will be a half-day in-person conference with the following elements:

- **What is on the horizon for investing in the agri-food sector (food system)? Emerging issues, opportunities and risks – an investor's perspective.** Inputs from the finance sector how they see the future of investing in food.
- **What is the food system framing all about, and what needs to be transformed?** Introduction to the basic concepts of food systems, what is currently driving change, and the types of transformations needed for improved social, economic, health and environmental outcomes in the long-term
- **Presentation on 'Financial Flows to Food Systems' (3FS) tool by IFAD:** The Tracking Financial Flows to Food Systems (3FS) tool, developed by IFAD and the World Bank, provides a harmonised methodology to measure financial flows to food systems. It generates updated information on: how much financing goes to food systems at country and global levels, to which areas, is financing aligned with national priorities for food systems transformation,



Where are the financing gaps? 3FS is currently under development. In a number of countries the public finance flows have been mapped, while the mapping of private finance flows is under development.

- **Interactive discussion around a real life case, Food System Scenario's Nakuru, Kenya by Foresight4Food:** Foresight4Food will present actual Food System Transformation scenarios of Nakuru County, Kenya. With the conference participants, through an interactive session, we will put a finance lens on the scenario(s): what could the role of public and private finance actors be in realising these scenarios? Which role can public and private finance already pick up and under which conditions? Where is the need for blended solutions? Where are the gaps and how can they be catered for?
- **Wrap up and joint agenda setting.** First conclusions on the role of public, private and blended finance will be jointly formulated. Desired follow-up actions will be jointly formulated, ranging from further more in-depth learning, follow-up face-to-face or online sessions organised by the CoP, support to 3FS private flows to FST, e-course development, organise similar sessions in LMIC countries, ..... etc. etc.



## Preliminary Agenda Learning Event #1

Time	Item
8:30-9:30	Walk in & registration
9:30 - 9:40	Official Welcome & Presentation Agenda
9:40 - 9:45	Opening Remarks by the <i>Embassy of the Kingdom of the Netherlands</i>
9:45 - 9:50	Start & Introduction by co-hosts <i>mingle &amp; introduction participants</i>
9:50 - 10:00	The challenge of financing food systems transformation by <i>Rabobank and the Kenyan Government (TBC)</i>
10:00 -10:25	Introduction to food systems thinking and the challenges of transformation by <i>Foresight4Food</i> and Q&A
10:25 - 10:40	Presentation on the 3FS tool by <i>IFAD</i>
10:40-10:55	<i>Break</i>
10:55 - 11:50	Panel: What roles can the financial sector play in helping to transform food systems and what is needed for it to be effective in these roles <i>Panelists: IFAD, Rabobank, Equity Bank, Invest International (TBC)</i>
11:50- 12:00	Q&A questions from the audience (to panelists)
12:00 - 12:15	<i>Break</i>
12:15 - 12:30	Food System Transformation Scenario Nakuru County by <i>Foresight4Food</i>
12:30 - 13:15	The Role of Public & Private Finance in Nakuru Food System Transformation
13:15 - 13:30	Plenary feedback
13:30 - 13:35	Setting a forward agenda and wrap-up (input from the tables)
13:35	<i>Lunch</i>

**Target group:**

50 participants

At least 95% of participants will be from the financial sector focussing on financing agri-food in Kenya:

- \* impact investors
- \* government representatives focussing on agri-food-finance or FST finance
- \* donors, NGOs focussing on agri-food finance or FST finance

The other 5% of participants can be FST experts from for instance NGOs and knowledge institutes with a relevant interest in finance.

**Date and location:**

Date: Friday 4 April 2025

Location: Nairobi, Kenya