

24 March 2026

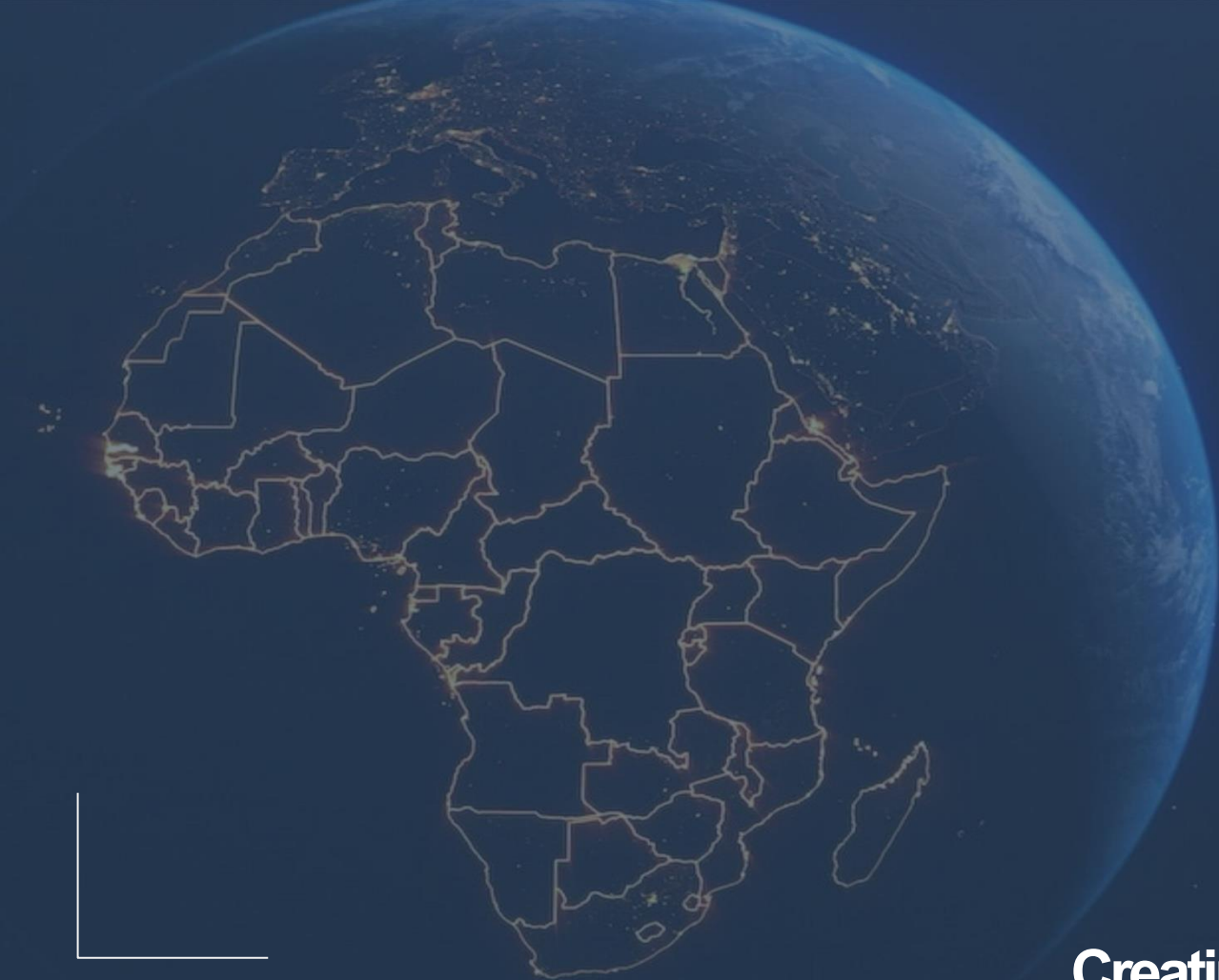
# Innovations Session N°26

Financing African Agrifood  
Entrepreneurs: Strategies to access  
investment

INNOVATIONS<sup>📶</sup>  
SERIES



Funded by  
the European Union



INVEST IN AFRICA  
ventures

**Creating African Champions**



**To create African champions by connecting businesses, markets and finance.**

*A prosperous Africa. Lives transformed for the better.*

**Strengthening** businesses' ability to access skills, markets and finance

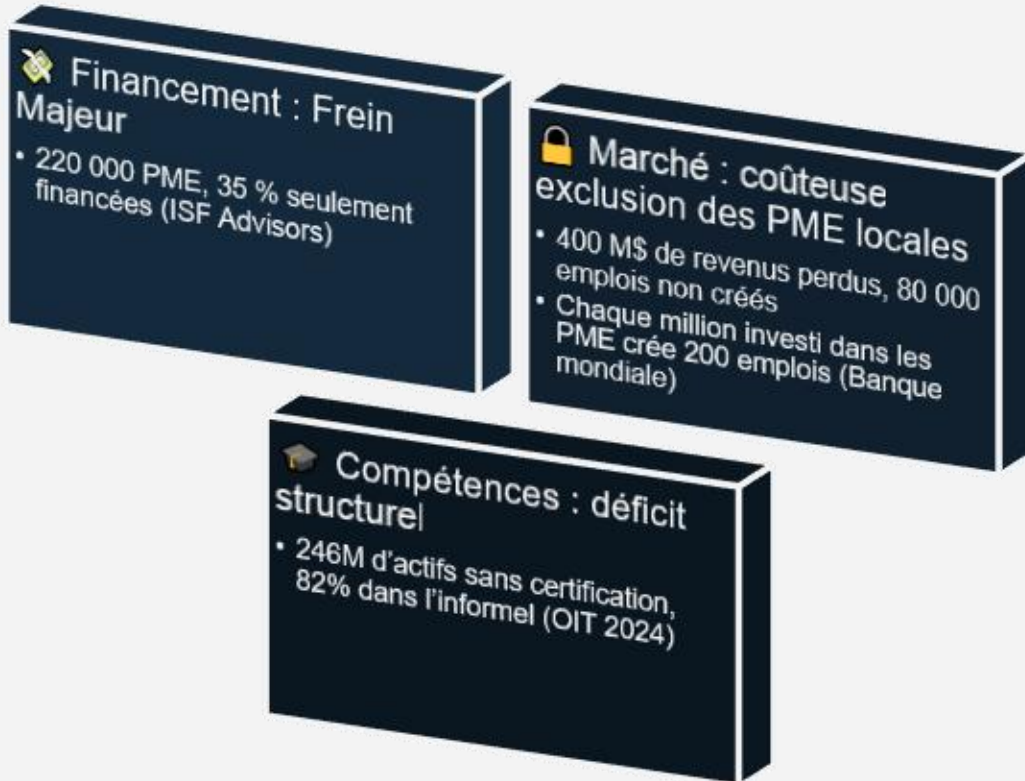
**Stimulate** inclusive growth that generates sustainable jobs.



**Our ambition**

# ABUNDANT but INACCESSIBLE funding


Massive potential held back. 70% of SMEs cannot secure financing



**⚠ Growth stalled: \$331 billion funding gap, 2.65 million SMEs**

**(B&B) and the group**

**➡ The result: businesses are prevented from growing, hire staff and transform the economy**

- 1**  **Taux prohibitifs**  
*15-30% (vs 5-8% marchés développés)*
- 2**  **Garanties excessives**  
*150% du montant demandé souvent exigé*
- 3**  **Données financières**  
*Absence d'états financiers certifiés*
- 4**  **Missing Middle**  
*Trop grandes pour micro finance, trop petites pour banques*

**📍 Saint-Louis, Senegal** 70% of SMEs struggle to secure financing → Lack of collateral + outdated management systems source: Invest in Africa baseline studies

# Not a financing issue, but an alignment issue

*Too early: immediate  
 rejection  
 Well-positioned: fast-track access  
 Well prepared: maximum leverage*






*Key IIA actions:  
 qualify, guide, structure progressively*



SMEs	Quick overview	Diagnosis & Key Indicators	Next strategic step
Unstructured	Informal or highly fragile business	<ul style="list-style-type: none"> <li>No clear status</li> <li>No financial data</li> <li>No banking relationship</li> </ul>	Formalisation + introduction of accounting + digitalisation
Emerging	Operating SME but poorly structured	<ul style="list-style-type: none"> <li>Registered</li> <li>Basic accounting</li> <li>Turnover &lt;\$250k</li> <li>Limited banking relationship</li> </ul>	Organising finances + building a banking history + digitalisation
Growing	Structured SME with traction	<ul style="list-style-type: none"> <li>Reliable financial statements</li> <li>Turnover \$500k–\$3m</li> <li>Organisation in place</li> <li>Early-stage banking credibility</li> </ul>	Prepare investment projects + strengthen governance + ERP
Structured	Mature / expanding SMEs	<ul style="list-style-type: none"> <li>Audited financial statements</li> <li>Turnover &gt; \$3 million</li> <li>Formal governance</li> <li>Solid banking track record</li> </ul>	Accelerate industrialisation / strategic projects + full ERP




# The 6 Pillars of Bankability = Being 'Investor Ready'



Pillar	Key requirements (what funders check)	Risk if absent
1. <b>Formalisation</b>	Legal registration, tax clearance certificate, ≥ 2 years of existence	Immediate exclusion
2.  <b>Financial stability</b>	Reliable financial statements, structured accounting, minimum turnover	High perceived risk, loan refusal
3.  <b>Governance</b>	Clear business plan, organisation, internal	Low credibility of the project, failure implementation
4.  <b>Guarantees</b>	Collateral, banking history (may be offset by external guarantees)	Frequent blocking by banks commercial
5.  <b>Operations</b>	Quality standards (ISO, HACCP), controlled, potential for scale	Low appeal to international investors
6.  <b>Impact ESG</b>	Traceability, job creation (women/young people), climate	Ineligibility for impact funds and green financing

# Accessing funding solutions = an uphill struggle



Solution	Target / Use	Features	Entry threshold
 <b>Letter of credit (MTF)</b>	<b>Short term</b> (liquidity, import/export)	Terms 90-360 days, Pricing 4-7%	\$100k
 <b>Integrated model</b> Export Credit Agency Regional lenders	<b>Medium/long term</b> (productive investment) EU export-related projects <b>Major projects</b> (infrastructure, industry), blended finance	5-10 years, Financing up to 85%, Favourable rates, required, Procurement + Combined, single contract	~€3m Structural projects
 <b>Tailor-made partnership</b>	<b>Mixed</b>	Creative combined financing	A variety of projects

# IIA turns “unbankable” SMEs into opportunities

Africa Partner Pool (APP) Platform: Technical and Partnership Support + Matchmaking



## BEFORE

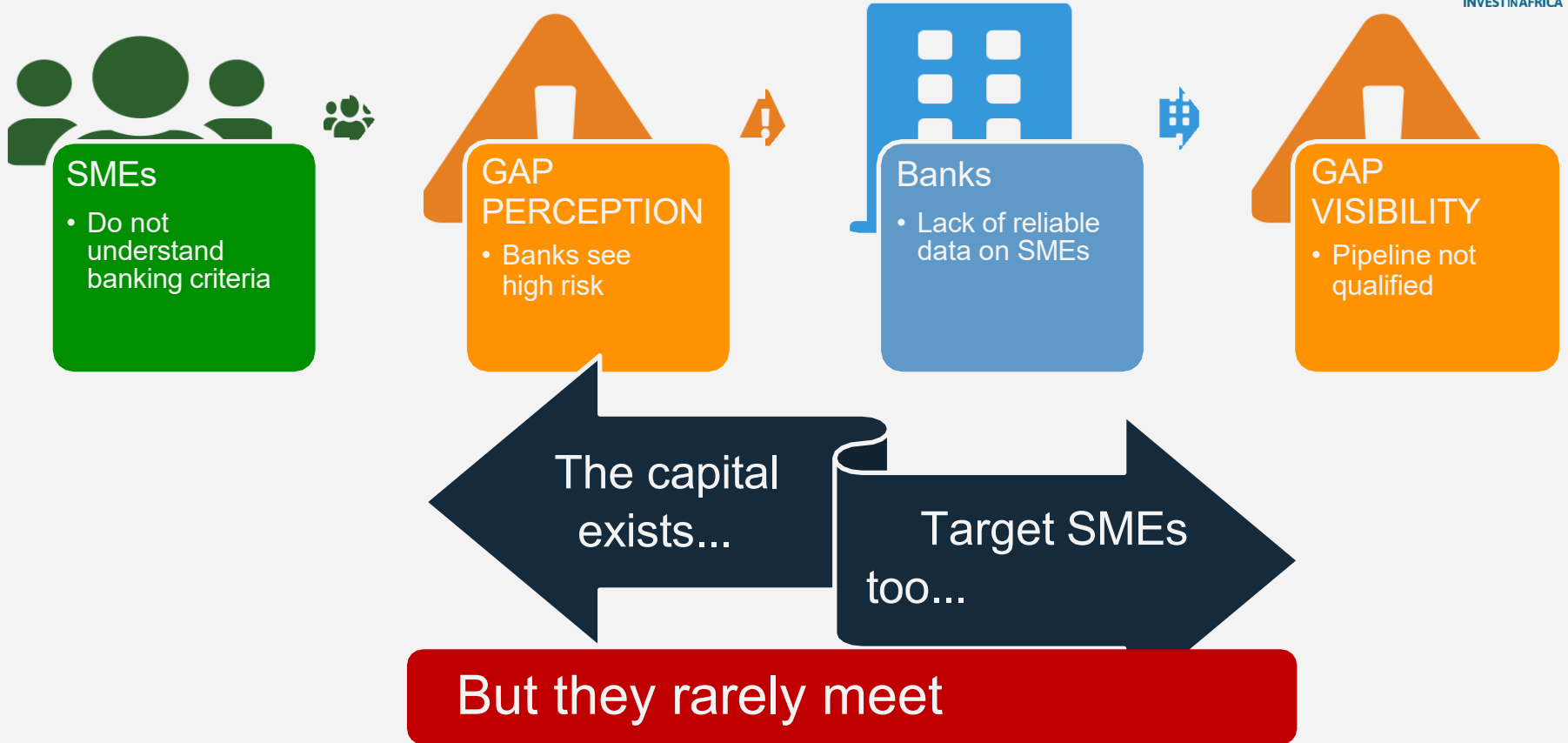
- Outdated management systems
- Lack of audited financial statements
- No QHSE/HACCP compliance
- Governance centralised in the hands of the director
- Prohibitive interest rates (15–30%)
- Guaranteed requirements > Amount requested

## AFTER SUPPORT

- ↳ ERP & formalised procedures
- ↳ Audited financial statements (3 years)
- ↳ ISO/HACCP certifications obtained
- ↳ Clear governance structure
- ↳ Secure access to blended finance
- ↳ Equipment financing secured

**Result: double-digit growth in sales & revenue Investment ready in 6 months Qualified for investors**

# Appendix – The Trust Gap



# APPENDIX – TANGIBLE ACHIEVEMENTS TO DATE



## Markets

Suppliers 2008

Tenders 57

Value \$400M

Won by local suppliers 87%

Buyers

International	5
Local	12



## Skills

Capacity-building programmes	3
Workshop supplier briefing	8
Total access to skills funding	\$3.5M
Training partners	7



## Finance

Approved \$4M

Pending \$8.8M

Investor Readiness Programme /  
MasterCard Foundation 100 SMEs

# APPENDIX: Detailed Investment Readiness Criteria

## 6-Step Process (IIA)

1. Understanding lenders' criteria
2. Analysis of the company's strengths and weaknesses
3. Development of a robust business plan
4. Preparation of financial statements (3 years)
5. Pitch simulation in the 'deal room'
6. Investor pipeline connection ✓ Structured governance

## BLP (Business Linkages Programme) criteria

- ✓ Formalised legal status
- ✓ Minimum net capital required
- ✓ Demonstrated growth potential
- ✓ Potential partnership with large organisations
- ✓ Technical capacity assessed

## Expected international standards

• **Quality standards:** ISO 9001, HACCP, GlobalGAP, sector-specific certifications | • **Compliance:** Anti-corruption (ABC), Food safety | • **Reporting:** Impact KPIs (jobs, local value, taxes), real-time dashboards

# APPENDIX: Adapting Finance to Agriculture

## Sector-Specific Challenges IIA Solutions for the Agri-Food Sector

### Seasonality

Production cycles of 3–12 months depending on the crop →

*Repayments aligned with harvests*

### Heavy equipment


Cold stores, processing → *Financing cycles 3–10 years*

### Informal sector

Limited financial documentation → *Digitalisation BoostProç*

### Strict standards

Food safety (HACCP) → *Technical assistance for certifications*

 **Example: Casamance mangoes:** Raw materials available 3–5 months a year → Priority investment

: cold storage + processing to spread production → Blended financing over 3–5 years



### Local Directories by Sector

Cereals, fisheries, dairy products, fruit/vegetables → Targeting equipment & certification initiatives



### GTA Project (Ndiago)

SME assessment according to HACCP and perishable stock management for export



### Challenge Funds

Grants/subsidised loans for rural agri-food innovation

## APPENDIX: Structural Weaknesses of SMEs

**76.9%**

No digital presence

**74%**

No quality certification

**~80%**

Informal management

**65%**

Weak internal structure



Thank  
you!

If you have any questions, please  
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# Thank you