

Nutritious Foods Financing Facility

Critical transitions:



Innovation: Blended finance funds

Geographic focus: Sub-Saharan Africa

\$: \$50-60 million target



The Nutritious Foods Financing Facility (N3F) is an impact first fund which aims to unlock the potential of local food systems in Sub-Saharan Africa to increase access to nutritious and safe foods in the region, particularly for lower-income populations. The Facility will provide tailored financing and technical assistance to small- and medium-sized enterprises (SMEs) that operate along the food value chain to increase access to nutritious foods through wider distribution and improved affordability, variety, and desirability.

The fund aims to address the financing gaps for SMEs producing nutritious foods consumed domestically by the vulnerable population within sub-Saharan Africa. It will do so via a blended capital structure, which includes different capital tranches, and will be funded through a combination of public and private capital. The N3F will also mobilise capital from donors and philanthropies as grants for technical assistance to be provided to investees and as catalytic capital to mobilise additional private investment funding. Alongside the Fund, the Facility will also provide technical assistance to investee companies to improve their business models and increase their nutritional impact, with consideration of gender equity and environmental sustainability. In order to track and maximise the N3F's impact, GAIN and Incofin have developed a set of novel nutrition-focused criteria for the Facility: better measurement of the nutritional impacts of agribusinesses is essential, as such, indicators are rarely included in impact reporting frameworks.⁹⁴ The N3F's nutrition criteria and its measurement and impact framework will facilitate the selection of SMEs producing foods of high nutritional value, whilst also documenting and measuring the impact of the fund on increasing the supply of nutritious foods in the region.

The fund will be managed by Incofin Investment Management, a leading impact fund manager focused on microfinance and rural and agricultural finance. GAIN will act as the fund's sponsor and will manage the Facility's technical assistance component by providing technical assistance to the SMEs. The Facility has been developed with the support of the Netherlands Ministry of Foreign Affairs and has secured commitments from the Rockefeller Foundation and Irish Aid.

Stakeholders:

The Global Alliance for Improved Nutrition (GAIN) and Incofin Investment Management; with support from Rockefeller Foundation; Irish Aid; Netherlands Ministry of Foreign Affairs

Status:

Pilot / In development