

The West African Initiative for Climate-Smart Agriculture

Critical transitions:



Productive & Regenerative Agriculture



Protecting & Restoring Nature



Stronger Rural Livelihoods

Innovation: Blended finance funds

Geographic focus: West Africa

\$: \$80 million target



The West African Initiative for Climate-Smart Agriculture is a blended finance fund, investing in climate-smart agricultural practices by smallholder farmers in west Africa. It aims to convert 185,000 hectares of farmland to CSA (climate-smart agriculture), mitigate 2 million tonnes of CO₂ per year and improve the food security and income of 90,000 smallholder households.¹¹⁵

The fund is composed of a financing facility (80 percent), managed by ECOWAS Bank for Investment and Development (EBID); and a technical assistance facility (20 percent) managed by the Regional Agency for Agriculture and Food (RAAF). The financing facility provides equity, loans, and guarantees below \$1 million directly to agribusinesses, or on-lends to local financial institutions at subsidised rates. The technical facility supports intermediary financial institutions to design investment products linked to CSA. Additionally, the technical facility helps farmers adopt CSA practices.¹¹⁶

Currently, ECOWAS and EBID have committed \$8 million to finance the first pilot, out of a total of \$18 million to spend over the lifetime of the fund. The fund plans to pilot its approach in six ECOWAS member states, and if successful, aims to scale up the fund’s engagement across all 15 member states.

Stakeholders:

Commission of the Economic Community of West African States (ECOWAS); ECOWAS Bank for Investment and Development (EBID); RAAF

Status:

● Pilot / In development