

Bayer Foundation and the UN Capital Development Fund announce inaugural investments of Food Systems Innovation Finance Facility in agri-businesses Omia and SokoFresh

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As part of a strategic partnership, the United Nations Capital Development Fund (UNCDF) and Bayer Foundation today announced the first investments under the Food Systems Innovation Finance Facility (FSIFF), committing catalytic capital to support innovative food systems enterprises in underserved markets.

The facility's inaugural investments include a \$500,000 local currency loan from UNCDF to Omia Agribusiness Development Group Limited in Uganda and a \$500,000 local currency loan from UNCDF to SokoFresh in Kenya, marking the transition from pipeline development to active capital deployment. These first transactions anchor a dynamic, fast-moving pipeline of investments designed to scale agribusiness innovation and strengthen food systems across multiple markets.

This comes at a critical moment for development finance. According to the OECD, official development assistance fell by 23.1% in 2025, the largest annual decline on record, returning to levels last seen in 2015. As concessional resources contract, the need to mobilize additional capital into high-impact sectors such as food systems has become increasingly urgent.

The Food Systems Innovation Finance Facility (FSIFF), managed by UNCDF with funding from Bayer Foundation, addresses these challenges by investing in high-impact food system enterprises operating in underserved and frontier markets across Africa, Asia Pacific, and Latin America. These businesses are critical to strengthening food security and smallholder livelihoods but often lack access to appropriately structured capital, as grants are limited and traditional financing is frequently too costly or restrictive.

The FSIFF responds by deploying catalytic concessional capital through tailored financial instruments, enabling viable enterprises to scale while helping to build a dynamic pipeline of investable opportunities that can crowd in private capital over time.

Omia: Scaling inclusive agribusiness models in fragile and last mile contexts

Omia Agribusiness Development Group Limited, founded and led by Ugandan entrepreneur Iganachi Razaki Omia, is a locally rooted agri-business providing agricultural inputs, extension services, and market access to smallholder farmers in Northern Uganda — a region shaped by historic conflict, refugee inflows, limited infrastructure, and increasing climate risks.

The \$500,000 local currency loan will support Omia's expansion of farmer services and market linkages. Omia currently serves more than 90,000 smallholder farmers, and the investment is expected to reach over 75,000 additional farmers, including 30,000 women and 20,000 refugees.

The financing includes an innovative performance-based incentive mechanism, linking loan terms to the achievement of impact targets, particularly outreach to women and refugee farmers.

Iganachi Razaki Omia, CEO of Omia Agribusiness, said: "This investment enables us to significantly expand our reach while strengthening farmer incomes, resilience, and food security. Partnering with UNCDF allows us to grow sustainably while deepening our impact in some of the most underserved communities in Uganda. This complements the important support we have previously received from other UN partners including World Food Programme."

SokoFresh: Reducing food loss and increasing farmer incomes in Kenya

In Kenya, the FSIFF is investing \$500,000 through a four-year local currency loan in SokoFresh, a Kenyan enterprise addressing post-harvest losses and limited market access for smallholder farmers through solar-powered cold storage solutions and market linkages across fresh produce and cereal value chains.

The investment will enable SokoFresh to bring cold storage and reliable market access to more than 5,000 smallholder farmers annually, contributing to a projected 10% increase in farmer incomes while significantly reducing post-harvest losses across fresh produce value chains. By improving produce quality, storage, and aggregation, SokoFresh supports more efficient food systems while increasing income stability for farmers and other value chain actors.

"Strengthening food systems and reducing post-harvest losses is critical to improving outcomes for smallholder farmers across Sub-Saharan Africa," said Denis Karema, CEO of SokoFresh. "This catalytic financing from the United Nations Capital Development Fund enables us to deliver inclusive market access and financial solutions that ensure smallholder farmers have access to reliable markets, prompt payments, and fair pricing. This partnership will accelerate our mission to drive sustainable, inclusive growth and economic empowerment for rural communities reliant on agriculture."

Investing beyond grants to unlock sustainable food systems

The Food Systems Innovation Finance Facility reflects a growing recognition that grant funding alone is insufficient to meet the scale of today's development challenges.

By deploying concessional capital through direct investments and blended finance structures, UNCDF enables partners such as Bayer Foundation to use their capital catalytically — derisking early-stage investments, improving risk-return profiles, and building markets where private capital can follow.

Chitkala Kalidas, Executive Director of Bayer Foundation, said: "These inaugural investments demonstrate how philanthropic capital can be used catalytically to strengthen food systems, increase incomes for smallholder farmers, and

address structural gaps in agricultural value chains. Together with UNCDF, we are supporting enterprises like Omia and SokoFresh that combine commercial viability with measurable social impact. By partnering with UNCDF, our philanthropic capital can play a stronger, catalytic role in unlocking additional investment and advancing inclusive market development in underserved communities.â?•

Pradeep Kurukulasuriya, UNCDF Executive Secretary, added: â??These investments truly signal a new approach to financing development that goes beyond grants. Together with Bayer Foundation, we are paving the way for increased capital to flow to companies like Omia and SokoFresh, demonstrating the investment case in last mile communities and aligning investment capital with the shared food security objectives for Uganda, Kenya and the UN development system.â?•

With official development assistance declining, scaling food systems transformation will require significantly greater participation from private capital.

UNCDF and Bayer Foundation are actively inviting new foundations and philanthropies to join the Food Systems Innovation Finance Facility, contributing capital to a dynamic, fast-moving pipeline of investments that strengthen food systems, build investable markets, and scale impact across underserved economies.