

UK invests \$100m to enhance Africa's food security and trade

By [Simon Jessop](#)

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Development lender British International Investment said on Monday, 25 March, it had agreed to a \$100m finance facility with the Eastern and Southern African Trade and Development Bank to boost trade finance, farming and food security in the region...



Source: Kate HoltAusAID via [Wikimedia Commons](#)

The finance will help fund trade, including importing and exporting goods, on a continent where many debt-burdened African economies face currency depreciation and rising debt and inflation compounded by issues such as climate change.

Providing more capital to help bolster trade finance in the region is important as many international lenders have pulled back from offering it, leading to a finance gap of up to \$120bn a year, African Development Bank research shows.

By providing the financing to TDB, local companies will be able to buy essential materials such as fertilisers and machinery, helping boost output and cross-border trade, food security, job creation and economic resilience, the lender said.

Supporting African economies

"This investment underscores the UK government's commitment to supporting economic and agricultural development across Africa," said Andrew Mitchell, Britain's Minister for Development and Africa.

BII, which has investments in over 1,470 businesses in emerging economies across 65 countries and total assets of £8.1bn, said that between 2022 and 2026 at least 30% of its total new commitments by value will be in climate finance.

The financing facility with TDB is the fourth of its kind to be struck with the lender and would help the bank address supply chain disruptions and forex shortages, said Admassu Tadesse, TDB Group President and Managing Director.

It would also help the group play an important role, "often working counter-cyclically to contribute to the security of supply of essential commodities in high priority sectors such as agriculture and healthcare", he added.

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