

## ARDN WEBINAR 2.0

# Financing Rural Transformation: Innovative Models for African Communities

## Overview

The second edition of the African Rural Development Network (ARDN) Webinar convened practitioners, policymakers, researchers, and community leaders around a critical question: how can African rural communities access the financing they need to transform their economies? Under the theme “Financing Rural Transformation: Innovative Models for African Communities,” the session brought together a distinguished lead presenter and two experienced panelists to examine the scale of the financing gap, diagnose its underlying causes, and propose actionable solutions grounded in African realities. The webinar was hosted by Damilola Olajubutu, the Principal Coordinator of ARDN, who opened proceedings by contextualizing the importance of rural development financing across the continent.

## Speakers and Panelists

### Lead Presenter

Dr. Emmanuel Akogun – Director of Agriculture, Federal Ministry of Agriculture and Food Security (FMAFS), Federal Republic of Nigeria

### Panelists

- Mr. Ibrahim Ibisomi – Retired Executive Director and Chief Financial Officer, African Reinsurance Corporation, South Africa
- Mr. Spencer Korankye – Founder and Lead Consultant, Mpact Lane Consult, Ghana

## Session Highlights

### The African Agricultural Financing Gap — Dr. Emmanuel Akogun

Dr. Akogun opened the substantive session with a stark quantification of the challenge: Africa requires an estimated \$75 billion annually to adequately finance its agricultural sector. He outlined several government-led initiatives, including the recapitalization of the Bank of Agriculture, the establishment of the National Agricultural Development Fund, and the deployment of 2,000 tractors to accelerate farm mechanization.

Dr. Akogun identified four structural barriers that persistently impede rural finance: risk perception among formal lenders, critical infrastructure gaps, digital exclusion, and the systemic marginalization of women from financial services. To address these, he proposed a portfolio of complementary financing models: value chain finance, digital and mobile finance, community-based and cooperative finance, and climate finance, emphasizing that no single model is sufficient. Effective rural transformation requires blending these approaches within country-specific policy frameworks.

He concluded his presentation with six actionable recommendations for African governments:

- Create an enabling regulatory environment for fintech in the agricultural sector
- Establish national agricultural finance coordination agencies
- Invest in rural infrastructure as a precondition for financial inclusion
- Develop data ecosystems that can assess and verify farmer creditworthiness
- Leverage diaspora remittances as a structured development finance instrument
- Build grassroots financial literacy capacity

Dr. Akogun emphasized that the \$75 billion financing gap is not insurmountable; it is addressable through coordinated, blended financing. He cautioned that the continent's critical failure mode has been the gap between policy articulation and implementation. The urgency, he argued, lies not in designing new policies but in executing existing ones.

### **Q&A: Implementation, Security, and Financial Literacy**

A lively question-and-answer session followed Dr. Akogun's presentation, with participants raising concerns about large-scale investment barriers, persistent insecurity in agricultural zones, and the effectiveness of price control mechanisms. Dr. Akogun responded by emphasizing that making farming operations "bankable" requires credible business plans, widespread financial literacy, and cooperative lending structures that pool and de-risk smallholder participation.

### **Systemic Challenges in Rural Transformation — Mr. Ibrahim Ibisomi**

Mr. Ibisomi shifted the framing from financing instruments to implementation environment. He identified four systemic challenges that consistently undermine rural transformation efforts: the ineffectiveness of policy tools when deployed without local adaptation, climate vulnerabilities that destabilize agricultural planning, the underrepresentation of youth in rural economic activity, and insufficient private sector engagement.

A recurring theme in his remarks was the danger of transplanting financial models from other contexts without adaptation. He illustrated this with a case study of a one-size-fits-all fertilizer policy that failed because it did not account for local soil and crop variation. Mr. Ibisomi remained optimistic about the readiness of African financial institutions to support rural transformation, conditional on the formation of genuine public-private partnerships. He also confirmed that parametric (index-based) insurance exists in Nigeria, though its penetration remains limited compared to other African markets such as Senegal.



## **Reframing Rural Finance — Mr. Spencer Korankye**

Mr. Korankye offered the session's most provocative reframe: African rural communities are not poor but financially unstructured. This distinction matters, he argued, because it redirects the solution from aid and grants to architecture and ownership.

He identified three structural deficiencies that trap communities in financial fragility: dependence on short-term grants that create no lasting capital, fragmented micro-projects that cannot achieve scale, and the absence of equity participation that would give communities ownership stakes in productive assets. In response, he introduced a framework for rural finance built on five pillars: community ownership structures, asset mapping and valuation, capital pooling mechanisms, institutional governance, and pathways to external capital.

Mr. Korankye challenged the audience to move from diagnosis to action by establishing innovation labs, launching cross-country pilot projects, and collaborating to develop a Pan-African Rural Finance Playbook. His closing message was one of agency: transformation ultimately depends on communities mobilizing and valuing what they already have, rather than waiting for external actors to arrive with solutions.

## **Panel Discussion**

### **Fund Distribution and the “Grant Up” Model**

Moderated by Damilola Olajubutu and Dr. Theophilus Nkansah, the panel opened with a question about the persistent misappropriation of funds intended for rural development. Mr. Ibisomi proposed a structural remedy he described as the “grant up” approach: rather than channelling resources through multi-layered administrative systems where leakage and diversion are endemic, funds should be distributed directly to community cooperative societies. He emphasized that the primary challenge in African rural development is not budgetary insufficiency but budget utilization: money is allocated but rarely reaches intended beneficiaries in its full value.

### **Local Solutions and the Limits of External Intervention**

The panel converged on a consistent theme: sustainable rural transformation must be community-driven and locally rooted. Mr. Korankye observed that external actors, whether donors, governments, or NGOs, typically extract significant resources and institutional capacity when they exit, leaving communities no better positioned to self-finance. This implies that communities must build permanent capital and governance structures before, not after, external partnerships are sought.

The panelists also discussed operational levers for change, including the role of agricultural extension services in reaching remote communities, financial literacy as a precondition for productive credit access, and the importance of guaranteed farmgate prices in incentivizing production at scale.



## Closing Remarks and ARDN Overview

The session closed with remarks from Oluwatoyin Ojo, ARDN's Senior Membership and Engagement Associate, who provided an overview of the network's mission: connecting practitioners, researchers, policymakers, and community leaders committed to rural transformation across Africa. Participants were invited to join the network and amplify its reach. Final closing remarks were delivered by Ayodeji Oladimeji, Deputy Executive Director of Rural Nurture Initiative (RNI).

## Key Takeaways

- Africa's \$75 billion annual agricultural financing gap is addressable; the challenge is coordinated execution, not the absence of solutions.
- No single financing model is sufficient; blended approaches must be integrated within national policy frameworks.
- Structural barriers, including risk perception, infrastructure deficits, digital exclusion, and gender gaps, require targeted, context-specific interventions.
- Development funds frequently do not reach intended beneficiaries; direct distribution to community cooperative structures offers a more accountable alternative.
- Rural communities are financially unstructured, not financially hopeless; the priority is building ownership, governance, and permanent capital.
- Public-private partnerships, genuine local adaptation, and financial literacy are recurring prerequisites across all proposed solutions.

### Become a Member of ARDN

Connect with practitioners, researchers, policymakers, and community leaders dedicated to rural transformation across Africa.

[Click here to join](#) | Or visit [www.rnionline.org/ardn](http://www.rnionline.org/ardn)