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News Release

Bayer Foundation and United Nations Capital Development Fund partner on new investment vehicle for food systems enterprises

- $4.5 million in new funding from Bayer Foundation to UNCDF for catalytic investments in innovative food security enterprises
- Innovative financing model combines philanthropic capital from Bayer Foundation with UNCDF's mandate as dedicated investment partner for underserved markets
- First investments planned to be deployed in 2025

Leverkusen / New York, August 26, 2025: Bayer Foundation and the United Nations Capital Development Fund (UNCDF) partner to launch the "Food Systems Innovation Finance Facility", an initiative aimed at addressing global food security challenges and promoting sustainable agricultural practices through innovative, high-impact food systems enterprises operating in underserved markets across developing countries.

The partnership between UNCDF and Bayer Foundation aims to mobilize flexible, concessional, and catalytic capital to support innovative food systems enterprises, particularly in high-risk market settings across Africa, Asia Pacific and Latin America. These small and medium enterprises benefit underserved communities, smallholder farmers, and women involved in food systems value chains and contribute to the Sustainable Development Goal 2 – Zero Hunger.

The Facility is managed by UNCDF and will leverage targeted contributions from foundations and development partners into investments aligned to the Zero Hunger agenda in the form of loans and guarantees. It enables Bayer Foundation to increase the impact of its capital beyond traditional grant giving thanks to multiple rounds of reinvestment. In addition, the funding from Bayer Foundation is projected to catalyse more than 3 times in additional capital flow from future private donors to innovative food systems enterprises in low- and middle-income countries. In total, Bayer Foundation is providing $4.5 million to the Facility from 2025 to 2027.

An innovative financing model for development funding

“The Food Systems Innovation Finance Facility represents a transformative approach to tackling hunger and malnutrition by serving as an example of how Corporate Philanthropy can create value in collaboration with an innovative and committed finance partner like the UNCDF”, said Chitkala Kalidas, Executive Director of Bayer Foundation. “By leveraging our resources and expertise, we aim to catalyse the flow of capital to innovative solutions that create lasting impact in the lives of millions. Philanthropic capital will be recycled and can benefit multiple social enterprises in the fight against hunger and malnutrition.”

“This partnership is a perfect example of UNCDF fulfilling its unique role within the UN Development System. By channeling the Bayer Foundation's philanthropic capital through our innovative financial instruments, we are derisking local businesses and paving the way for other investors to follow”, said Pradeep Kurukulasuriya, Executive Secretary of UNCDF. “We are pleased to be working with a number of philanthropies to make their capital go farther, unlock and catalyse investments where capital traditionally doesn't flow, and lift early-stage innovators and small businesses in food systems in underserved communities and high-risk markets.”

The partnership will also focus on establishing a collaborative ecosystem of like-minded investors and funders dedicated to enhancing food security and promoting sustainable agricultural practices. Other capital providers, such as foundations, interested in funding food security solutions are welcome to join the Facility. The first investments are planned to be deployed in 2025 leveraging UNCDF’s structured investment process, derisking financial instruments and an active pipeline of enterprises spotlighting high impact, private sector-led agricultural and food security solutions in underserved markets.

Indicative of the Facility’s innovation focus is the first signed investment, Nilus Peru, which is a social enterprise operating in Latin America that develops technology to make nutritious food affordable and accessible for low-income people living in food deserts.

Since its inception, Bayer Foundation has been committed to advancing societal progress through innovative social financing. The Food Systems Innovation Finance Facility aligns with this mission by supporting social entrepreneurs and organizations that are making a difference at the intersection of health, food security, and environmental sustainability.

About Bayer Foundation

Bayer Foundation, as Bayer's corporate foundation, generates impact by supporting breakthroughs in social innovation and science for a world with ***Health for all, Hunger for none***. The foundation enables aspiring social entrepreneurs, scientists, students and impact organizations who work in the areas of health and food security. Bayer Foundation provides catalytic funding for mature social innovations impacting millions of beneficiaries. Flagship programs of Bayer Foundation are the annual "Women Entrepreneurs Award" and the "Fellowship Program" for life science students and Phds.

More information about Bayer Foundation can be found here: www.bayer-foundation.com

About UN Capital Development Fund

United Nations Capital Development Fund (UNCDF) mobilizes and catalyses an increase in capital flows for impactful investments in high-risk markets, especially in Least Developed Countries, Small Island Developing States and countries in special situations. By crowding in capital through the deployment of risk-absorbing financial instruments, mechanisms and structuring advisory, UNCDF contributes to job creation and sustained economic growth in more than 70 countries.

In partnership with UN entities and development partners, UNCDF operates with speed and agility to deliver scalable, blended finance solutions to drive systemic change and pave the way for commercial finance and scale up by development finance institutions and multilateral development banks.

Learn more at uncdf.org or follow @UNCDF.

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