Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative

El Salvador

HAND-IN-HAND INITIATIVE | INVESTMENT FORUM 2026

IMPORTANT NOTES

FAO'S HAND-IN-HAND INITIATIVE

The investment opportunities presented in this document derive from government-led investment plans developed under FAO's Hand-in-Hand (HIH) Initiative. The Initiative supports countries in identifying high-impact agrifood system investments through a combination of data-driven territorial analysis, value chain assessments, and close collaboration with national counterparts. Using the Hand-in-Hand Geospatial Platform, the Initiative integrates geospatial, biophysical, and socio-economic data to identify priority "green zones" where agricultural potential and poverty incidence overlap, creating strong opportunities for transformative investment. Based on these analyses, national governments lead the development of investment plans that identify priority value chains, key bottlenecks, and potential investments required to accelerate agrifood system transformation. These investment opportunities aim to raise incomes, improve nutrition, and empower poor and vulnerable populations, while strengthening resilience to climate change and supporting the sustainable management of natural resources. The Initiative focuses on territories where targeted investments can generate the greatest impact in reducing poverty and hunger, contributing to progress towards Sustainable Development Goals SDG1 (No Poverty), SDG2 (Zero Hunger), and SDG10 (Reduced Inequalities), while balancing economic growth, social inclusion, and environmental sustainability.

IMPORTANT CLARIFICATIONS

The opportunities presented in this document are derived from government investment plans and reflect national development priorities identified through the Hand-in-Hand Initiative. FAO provides analytical and technical support in the identification and assessment of these opportunities and facilitates engagement with potential partners. The concepts presented are indicative and require further structuring and discussion with the relevant governments and potential investors. This document therefore presents a pipeline of government-prioritized agrifood investment opportunities that have been pre-screened using FAO's Hand-in-Hand analytical tools. FAO can support interested partners by facilitating technical exchanges and follow-up discussions with relevant government counterparts.

IMPACT TAGS

Investment cases are classified across four impact areas to highlight their primary development contributions and ensure comparability across countries and value chains.

- **Livelihoods** Income, productivity, jobs, and market access
- **Gender & Youth** Inclusion and opportunities for women and young people
- **Planet & Environment** Climate resilience and sustainable resource management
- **Digital** Use of technology to improve efficiency and access

EL SALVADOR

Strong fundamentals for sustainable agrifood investment

KEY INVESTMENT SIGNALS

POPULATION
6.1M
(MILLION)

GDP
USD 35.4M
(MILLION)

POVERTY RATE
28.5%
(%)

INVESTMENT CASE

STABLE MACRO ENVIRONMENT

- US dollar is legal tender (zero currency risk)
- Fully integrated with US financial system.
- Predictable inflation and monetary conditions.
- Population of 6.1M with steady 0.5% growth.

STRONG GOVERNMENT SUPPORT

- National Trade & Investment Policy targets 60%+ FDI stock
- Dedicated sector institutes coordinate public and private actors
- Major multilateral backing: IDB, FAO, Italian Cooperation
- Dramatic improvement in citizen security and rule of law

OPEN TRADE ACCESS

- Preferential access to 41 countries via trade agreements
- Tariff-free exports to Canada, EU, Saudi Arabia, Australia
- Strategic Pacific location between North and South America
- Diversified export base across products and destinations

EL SALVADOR: INVESTMENT PORTFOLIO

A high-impact portfolio driving coffee sector transformation

INVESTMENT PLAN **EL SALVADOR**	INVESTMENT CASE **1. COFFEE PRODUCTION**	INVESTMENT CASE **2. COFFEE PROCESSING**
IMPACT TAGS	IMPACT TAGS	IMPACT TAGS
INVESTMENT **USD 22.3 million**	INVESTMENT **USD 17.3 million**	INVESTMENT **USD 5.0 million**
NPV **USD 78.7 million**	NPV **USD 67.9 million**	NPV **USD 10.9 million**
AVG IRR **22.0%**	IRR **19.0%**	IRR **23.0%**
DIRECT BENEFICIARIES **1.5 thousand**	DIRECT BENEFICIARIES **N.A.**	DIRECT BENEFICIARIES **N.A.**
INDIRECT BENEFICIARIES **8.5 thousand**	INDIRECT BENEFICIARIES **N.A.**	INDIRECT BENEFICIARIES **N.A.**
AVG PER CAPITA INCOME INCREASE **+USD 1,525**	PER CAPITA INCOME INCREASE **+USD 2,366**	PER CAPITA INCOME INCREASE **+USD 685**
GHG IMPACT **-196.1 thousand tCO2-e**	GHG IMPACT **N.A.**	GHG IMPACT **N.A.**

1. COFFEE PRODUCTION: PRODUCTIVITY & ECOSYSTEM RECOVERY

Hand-in-Hand Initiative

Restoring productivity through climate-smart coffee renovation

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 17.3M
(MILLION)

NPV
USD 67.9M
(MILLION)

IRR
19.0%
(%)

RATIONALE

- Aged plantations and degraded soils are dragging yields below potential
- 10,000 hectares of agroforestry restore productivity and capture 196,000 tCO_2e
- Strengthens climate resilience against drought and water stress
- Builds national soil analysis capacity and on-farm technical assistance

KEY BOTTLENECKS / PROPOSED INVESTMENTS(*)

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Low productivity from aged plantations and degraded soils	Private Public — Restore forest cover by establishing agroforestry systems across 10,000 hectares (USD 13.4 million)
2. High climate vulnerability	Private Public — Sustainable production training program with plant biotechnology (USD 0.2 million)
3. Limited national soil analysis capacity	Private Public — Reinforce two government laboratories for soil analysis (USD 1.7 million)
4. Weak field-level technical assistance and low-tech adoption	Private Public — Hire and equip 15 specialist coffee technicians for three years to deliver on-farm advice, monitoring, and pest management (USD 2.0 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
N.A.
(THOUSAND)

INDIRECT BENEFICIARIES
N.A.
(THOUSAND)

PER CAPITA INCOME INCREASE
+2,366
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
N.A.
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

Hand-in-Hand Initiative

2. COFFEE PROCESSING: VALUE ADDITION

Capturing more value through processing, quality, and market access

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 5.0M
(MILLION)

NPV

USD 10.9M
(MILLION)

IRR

23.0%
(%)

RATIONALE

- Inconsistent processing and reliance on intermediaries leave value at origin untapped
- Specialty varieties already fetch up to USD 269/kg (quality demand is proven)
- Modern processing, a national brand, and direct buyer access capture that premium
- Salvadoran Coffee Institute provides credible quality control and sector governance

KEY BOTTLENECKS / PROPOSED INVESTMENTS(*)

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Weak cooperative management	Private / Public Three-year technical assistance package for 10 coffee processing cooperatives covering strategy, finance, supplier management, and sales (USD 0.8 million)
2. Inconsistent post-harvest quality	Private / Public Specialist advisory on processing and transformation (USD 1.3 million)
3. Outdated and insufficient processing infrastructure	Private / Public Build an ecological processing center for hands-on training (USD 0.4 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
N.A.
(THOUSAND)

INDIRECT BENEFICIARIES
N.A.
(THOUSAND)

PER CAPITA INCOME INCREASE
+685
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
N.A.
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

2. COFFEE PROCESSING: PROCESSING CAPACITY & POSITIONING

Capturing more value through processing, quality, and market access

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 5.0M
(MILLION)

NPV
USD 10.9M
(MILLION)

IRR
23.0%
(%)

RATIONALE

- Inconsistent processing and reliance on intermediaries leave value at origin untapped
- Specialty varieties already fetch up to USD 269/kg (quality demand is proven)
- Modern processing, a national brand, and direct buyer access capture that premium
- Salvadoran Coffee Institute provides credible quality control and sector governance

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Limited access to premium markets	Private / Public • Participation in 6 international coffee fairs, trade missions, and buyer events using the International Buyers Protocol (USD 0.2 million) • Export-readiness training for cooperatives and private firms (USD 0.3 million)
2. Insufficient quality and governance infrastructure	Private / Public Design and launch a national coffee franchise with specialized training for 20 operators in coffee evaluation and valuation (USD 0.2 million)
3. Insufficient quality and governance infrastructure	Private / Public • Equip the Salvadoran Coffee Institute (ISC) with specialized quality-analysis equipment and training (USD 1.1 million) • Governance processes strengthening (USD 0.6 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
N.A.
(THOUSAND)

INDIRECT BENEFICIARIES
N.A.
(THOUSAND)

PER CAPITA INCOME INCREASE
+685
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
N.A.
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

Food and Agriculture Organization
of the United Nations

Hand-in-Hand
Initiative

El Salvador

HAND-IN-HAND INITIATIVE | INVESTMENT FORUM 2026

Click here to see full Investment Note:

Click here to request a bilateral meeting: