



Food and Agriculture Organization
of the United Nations



Kenya



HAND-IN-HAND INITIATIVE | 2026 INVESTMENT FORUM

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

A diversified, reform-driven economy anchored by agriculture and regional trade leadership

KEY INVESTMENT SIGNALS

GDP

USD 130B+

(BILLION)

2026 PROJECTED GDP
GROWTH

5.4%

(%)

AGRICULTURE'S
CONTRIBUTION TO GDP

32%

(%)

INVESTMENT CASE



DIVERSIFIED, RESILIENT ECONOMY

- One of Sub-Saharan Africa's most diversified and resilient economies
- Inflation within Central Bank target (4.4%, Q1 2026); Central Bank Rate eased to 8.75%
- Forex reserves of US\$13.7 billion (~5.8 months import cover)



REGIONAL TRADE GATEWAY

- Gateway to EAC (300M people), COMESA (640M people), and AfCFTA
- Regional hub for finance, logistics, and transport
- Liberal, free-enterprise democratic governance



COMPETITIVE INVESTMENT INCENTIVES

- 10-year 0% corporate tax holiday under Export Processing Zones
- Reduced Special Economic Zone tax rates (10% for first 10 years)
- Zero-rated VAT and import duty exemptions for qualifying enterprises

KENYA: INVESTMENT PORTFOLIO



Unlocking productivity, value addition, and market access across Kenya's coffee value chain

INVESTMENT PLAN KENYA	INVESTMENT CASE 1. MODERNIZATION OF WET MILLS	INVESTMENT CASE 2. DEVELOPMENT OF DRY MILLS	INVESTMENT CASE 3. HONEY COFFEE PRODUCTION & REFINING	INVESTMENT CASE 4. NAIROBI COFFEE EXCHANGE	INVESTMENT CASE 5. CASCARA TEA PRODUCTION
IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS
INVESTMENT USD 26.6 million	INVESTMENT USD 13.7 million	INVESTMENT USD 3.2 million	INVESTMENT USD 4.6 million	INVESTMENT USD 2.2 million	INVESTMENT USD 2.9 million
NPV USD 32.3 million	NPV USD 13.7 million	NPV USD 0.5 million	NPV USD 4.8 million	NPV USD 1.1 million	NPV USD 12.3 million
AVG IRR 21.0%	IRR 29.5%	IRR 16.6%	IRR 17.1%	IRR 21.9%	IRR 19.9%
DIRECT BENEFICIARIES 1.5 million	DIRECT BENEFICIARIES 30.0 thousand	DIRECT BENEFICIARIES 300.0 thousand	DIRECT BENEFICIARIES 3.0 thousand	DIRECT BENEFICIARIES 1.2 million	DIRECT BENEFICIARIES 115
INDIRECT BENEFICIARIES 6.1 million	INDIRECT BENEFICIARIES 121.2 thousand	INDIRECT BENEFICIARIES 1.2 million	INDIRECT BENEFICIARIES 14.0 thousand	INDIRECT BENEFICIARIES 4.8 million	INDIRECT BENEFICIARIES 460
AVG PER CAPITA INCOME INCREASE +USD 85	PER CAPITA INCOME INCREASE +USD 54	PER CAPITA INCOME INCREASE +USD 162	PER CAPITA INCOME INCREASE +USD 193	PER CAPITA INCOME INCREASE +USD 8	PER CAPITA INCOME INCREASE +USD 8
GHG IMPACT +7,089 tCO2-e	GHG IMPACT +7,000 tCO2-e	GHG IMPACT +70 tCO2-e	GHG IMPACT N.A.	GHG IMPACT +8-10 tCO2-e	GHG IMPACT +8-9 tCO2-e

1. MODERNIZATION OF WET MILLS



Upgrading dilapidated primary processing infrastructure to boost quality, efficiency, and farmer incomes

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 13.7M
(MILLION)

NPV

USD 13.7M
(MILLION)

IRR

29.5%
(%)

RATIONALE

- Supports 800,000–1.2 million smallholder farmers dependent on primary processing quality
- 1,200 wet mills nationally are ageing and inefficient, causing quality losses at harvest
- Modernization targets 5–10% quality-grade improvement, unlocking premium export pricing
- 50% of new jobs allocated to women and youth

KEY BOTTLENECKS

1. High capital investment requirements / Aging infrastructure

Private

Govt contribution

- Modular wet mill upgrade package – eco-pulpers (5 tonnes/h), machine house, fermentation tanks, storage, solar drying infrastructure, across 100 factories (USD 13.7 million)
- Coffee Research Fund + 1,600 extension officers + productivity support

2. Fragmented aggregation and inconsistent quality

Govt contribution

Direct Settlement Scheme (capital recovery mechanism)

3. Market access and compliance challenges

Govt contribution

Cooperative-led traceability, certification, and compliance (EUDR, food safety)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
30.0K
(THOUSAND)



INDIRECT
BENEFICIARIES
121.2K
(THOUSAND)



PER CAPITA
INCOME INCREASE
+54
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
+7,000
(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. DEVELOPMENT OF DRY MILLS



Establishing Western Kenya's first regional dry mill to close a critical secondary-processing gap

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 3.2M
(MILLION)

NPV

USD 0.5M
(MILLION)

IRR

16.6%
(%)

RATIONALE

- Western Kenya's emerging coffee regions lack sufficient dry milling capacity
- Parchment coffee is under-processed and vulnerable to quality loss and theft in transit
- Joint venture with New KPCU consolidates processing across multiple cooperatives
- Shared-use facility design enables year-round utilization across other value chains

KEY BOTTLENECKS

1. High capital costs and seasonal utilization / Coffee theft & quality losses

Private

Integrated dry milling plant (10 tonnes/hour) with shared-use model to maximize year-round utilization (USD 3.2 million)

2. Limited access to dry milling services in emerging coffee regions

Govt contribution

Land provision + co-financed access roads/electricity

PROPOSED INVESTMENTS(*)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
300.0K
(THOUSAND)



INDIRECT
BENEFICIARIES
1.2M
(MILLION)



PER CAPITA
INCOME INCREASE
+162
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
+70
(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.

3. HONEY COFFEE PRODUCTION & REFINING



Diversifying farmer incomes and strengthening pollination services through integrated apiculture

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 4.6M
(MILLION)

NPV

USD 4.8M
(MILLION)

IRR

17.1%
(%)

RATIONALE

- Kenya captures only 19.5% of its estimated national honey production potential
- EU imports 350,000+ tonnes of honey annually and remains just 63% self-sufficient
- Layering apiculture onto existing coffee cooperatives creates a second income stream
- Bee pollination services also improve coffee yields directly

KEY BOTTLENECKS

1. Informal honey aggregation and processing

Private

10 modular honey production & aggregation hubs – modern beehives, storage facilities, working capital for logistics (USD 4.6 million)

2. Weak quality, traceability, market compliance

Govt contribution

National honey quality/traceability/certification standards

3. Limited investment in honey value chain

Govt contribution

DSS-backed check-off financing for beehive/apiary setup + government mobilization of blended finance, de-risking, research and innovation

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
3.0K
(THOUSAND)



INDIRECT
BENEFICIARIES
14.0K
(THOUSAND)



PER CAPITA
INCOME INCREASE
+193
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
N.A.

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

4. NAIROBI COFFEE EXCHANGE



Building Kenya's national digital marketplace for transparent, direct, and traceable coffee trade

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 2.2M
(MILLION)

NPV

USD 1.1M
(MILLION)

IRR

21.9%
(%)

RATIONALE

- ~80% of Kenya's clean coffee exports already trade through the Nairobi Coffee Exchange
- Underlying trading infrastructure remains manual, opaque, and hard to scale
- Digitization unlocks direct farmer-to-buyer access and real-time price discovery
- Embedded financial services extend credit access to cooperatives

KEY BOTTLENECKS

1. Restricted and inefficient market access

Private

National digital coffee trading platform via long-term BOT concession with the Nairobi Coffee Exchange (USD 2.2 million)

2. Weak price discovery and limited value capture

Private

Real-time bidding and fixed pricing functionality built into the platform

3. Low traceability and fragmented supply chains

Private

Farm-to-cup traceability infrastructure integrated into the platform

4. Limited access to embedded finance and market services

Private

Warehouse receipting and embedded financial products (invoice financing, cherry advances)

PROPOSED INVESTMENTS(*)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
1.2M
(MILLION)



INDIRECT
BENEFICIARIES
4.8M
(MILLION)



PER CAPITA
INCOME INCREASE
+8
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
+8-10
(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.

5. CASCARA TEA PRODUCTION



Converting discarded coffee pulp into a premium export product for the global superfood beverage market

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 2.9M
(MILLION)

NPV

USD 12.3M
(MILLION)

IRR

19.9%
(%)

RATIONALE

- Kenya discards 200,000+ tonnes of coffee pulp annually as waste
- Global cascara market is worth US\$1.8 billion, growing at 10% CAGR
- Commercializing this by-product creates a new export revenue stream for cooperatives
- Converts an existing environmental liability into a circular-economy asset

KEY BOTTLENECKS

1. Underutilized coffee processing waste

Private

Cascara production unit with solar PV drying and storage, targeting 300 farmers per hub (USD 2.9 million)

2. Low awareness and market development

Govt contribution

Government-supported promotional marketing and branding campaigns at scale

3. Limited cascara innovation and commercialization

Govt contribution

Piloting Dedan Kimathi University of Technology (DeKUT) cascara innovations, HACCP/organic certification and training

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
115



INDIRECT
BENEFICIARIES
460



PER CAPITA
INCOME INCREASE
+8
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
+8-9
(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.



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Hand-in-Hand
Initiative

Kenya



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*Click here to see full
Investment Note:*



*Click here to request a
bilateral meeting:*

