Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative

Madagascar

HAND-IN-HAND INITIATIVE | 2026 INVESTMENT FORUM

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

MADAGASCAR

A vast, underexploited agricultural frontier backed by land reform, regional market access and a growing pipeline of public and private investment

KEY INVESTMENT SIGNALS

POPULATION

32.3M

(MILLION)

GDP

USD 17.4B

(BILLION)

AGRICULTURAL LAND

30M+ ha

(MILLION HECTARES)

INVESTMENT CASE

UNTAPPED GROWTH POTENTIAL

- Low yields signal strong upside from intensification
- Land reform underway: easier certification, leases of 30 to 99 years
- Investment-ready zones (ZEA) mapped across multiple regions
- Young, abundant rural workforce available nationwide

REGIONAL MARKET ACCESS

- Preferential access to COMESA, SADC and Indian Ocean markets
- Trade agreements with the EU and USA open export channels
- Supply deficits create import-substitution upside
- Rising urban population driving demand for staples and red meat

INVESTOR-FRIENDLY FRAMEWORK

- MIGA member state; national food and agriculture compact (2022-2028)
- Free-zone status: 0% tax on profits for 5 years, reduced rate after
- One-stop shops ease land access and company setup
- Duty and VAT exemptions on equipment; free repatriation of profits

MADAGASCAR: INVESTMENT PORTFOLIO

Scaling climate-smart production, agroecology and value addition across staple food and livestock value chains to meet rising domestic and regional demand

INVESTMENT PLAN **MADAGASCAR**	INVESTMENT CASE **1. RICE**	INVESTMENT CASE **2. MAIZE, SOYBEAN AND ONION**	INVESTMENT CASE **3. RED MEAT**
IMPACT TAGS	IMPACT TAGS	IMPACT TAGS	IMPACT TAGS
INVESTMENT **USD 141.0 million**	INVESTMENT **USD 33.3 million**	INVESTMENT **USD 71.7 million**	INVESTMENT **USD 36.0 million**
NPV **USD 36.5 million**	NPV **USD 6.2 million**	NPV **USD 18.5 million**	NPV **USD 11.8 million**
AVG IRR **22.1%**	AVG IRR **19.7%**	AVG IRR **21.7%**	AVG IRR **25.3%**
DIRECT BENEFICIARIES **8.4 thousand**	DIRECT BENEFICIARIES **3.2 thousand**	DIRECT BENEFICIARIES **5.1 thousand**	DIRECT BENEFICIARIES **142**
INDIRECT BENEFICIARIES **31.7 thousand**	INDIRECT BENEFICIARIES **7.5 thousand**	INDIRECT BENEFICIARIES **16.1 thousand**	INDIRECT BENEFICIARIES **8.1 thousand**
AVG PER CAPITA INCOME INCREASE **+USD 843**	AVG PER CAPITA INCOME INCREASE **+USD 580**	AVG PER CAPITA INCOME INCREASE **+USD 990**	AVG PER CAPITA INCOME INCREASE **+USD 1,827**
GHG IMPACT **-456.4 thousand tCO2-e**	GHG IMPACT **+40.1 thousand tCO2-e**	GHG IMPACT **-205.0 thousand tCO2-e**	GHG IMPACT **-291.5 thousand tCO2-e**

1. RICE

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Closing Madagascar's rice deficit through climate-smart, low-emission production systems

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 33.3M
(MILLION)

NPV
USD 6.2M
(MILLION)

IRR
19.7%
(%)

RATIONALE

- Persistent national rice deficit despite rice being the staple food nationwide
- Wide yield gap versus potential signals strong room for productivity gains
- Land tenure reforms and long-term leases reduce risk for private operators
- Regional and premium export markets open for certified, low-emission rice

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Low use of modern inputs/mechanization; limited improved seed	Public, Private Equipment and storage for 2,131 rainfed and 1,041 irrigated smallholdings; quality seed production via CMS and research center (USD 10.1M)
2. Poor tanety soils; limited water control in lowlands	Public, Private Green manure cover cropping and lime soil amendment on 13,750 ha (USD 4.7M)
3. Absence of modern mills; no export certification	Private 10 paddy collection, storage and milling units (2,500 MT/year each) (USD 3.0M)
4. Weak irrigation and rural road infrastructure	Public Rehabilitation/construction of 1,200 ha irrigation; rehab and construction of 146 km rural roads (USD 11.8M)
5. Limited finance access; weak market information; low mechanization services	Public, Private Technical assistance, digitalization, credit facilitation, mechanization services (USD 3.7M)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
3.2K
(THOUSAND)

INDIRECT BENEFICIARIES
7.5K
(THOUSAND)

PER CAPITA INCOME INCREASE
+580
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
+40.1K
(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.

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2. MAIZE, SOYBEAN AND ONION

Building resilient agroecological value chains to meet rising feed and food demand

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 71.7M

(MILLION)

NPV

USD 18.5M

(MILLION)

IRR

21.7%

(%)

RATIONALE

- Feed industry demand for maize and soy far outpaces current domestic supply
- Agroecological practices build soil health while lowering production risk
- Growing regional demand offers room to expand onion exports
- Import-substitution potential across all three crops strengthens food security

KEY BOTTLENECKS / PROPOSED INVESTMENTS(*)

Key bottlenecks	Proposed investments(*)
1. Low productivity; drought exposure; soil degradation; limited seed	Public, Private Equipment and storage for 4,262 maize/soy and 775 onion smallholdings; quality seed via CMS and research center (USD 27.0M)
2. Low input/mechanization use; degraded soils	Public, Private Green manure cover cropping and lime soil amendment on 27,500 ha (USD 9.7M)
3. No modern collection/storage; lack of standards	Private 12 maize, 10 soy and 10 onion collection and storage units (USD 10.3M)
4. Difficult market access; high transport costs	Public Rehabilitation/construction of 302 km rural roads (USD 17.5M)
5. Limited finance access; weak market information	Public, Private Technical assistance, digitalization, credit facilitation, mechanization services (USD 7.1M)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES

5.1K

(THOUSAND)

INDIRECT BENEFICIARIES

16.1K

(THOUSAND)

PER CAPITA INCOME INCREASE

+990

(USD/PERSON)

GHG IMPACT

FAO EXACT CARBON TOOL

-205.0K

(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.

3. RED MEAT

Modernizing Madagascar's cattle value chain to meet surging urban and regional demand

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 36.0M

(MILLION)

NPV

USD 11.8M

(MILLION)

IRR

25.3%

(%)

RATIONALE

- Domestic red meat consumption is set to double as urban demand grows
- Underused rangeland and a large national herd offer room for productivity gains
- Accredited abattoirs unlock export access to Indian Ocean Commission markets
- Genetics and animal health investment reduce production risk for operators

KEY BOTTLENECKS / PROPOSED INVESTMENTS(*)

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Extensive systems; limited access to water and pasture	Public, Private: Equipment and infrastructure for 140 fattening/ranching units, incl. 8,500 ha fodder crops and improved pasture (USD 17.0M)
2. Low value addition; poor pasture quality	Public, Private: Green manure cover cropping and lime soil amendment on 10,000 ha of pasture land (USD 4.5M)
3. Difficult market access; no modern abattoirs	Private: 2 collection, transport and modern abattoir units (3,500 MT/year each) (USD 2.8M)
4. High transport costs; poor rural roads	Public: Rehabilitation/construction of 138 km rural roads (USD 8.0M)
5. Limited access to quality genetics; weak animal health services; limited finance	Public, Private: Genetics/semen imports, AI centers, veterinary services, technical assistance and credit facilitation (USD 3.7M)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES

142

INDIRECT BENEFICIARIES

8.1K

(THOUSAND)

PER CAPITA INCOME INCREASE

+1,827

(USD/PERSON)

GHG IMPACT

FAO EXACT CARBON TOOL

-291.5K

(THOUSAND tCO_2-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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