



Food and Agriculture Organization
of the United Nations

Hand-in-Hand
Initiative

Sri Lanka

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

Small-island agrifood exporter with unrivaled port logistics, deep trade access, and strong investor incentives

KEY INVESTMENT SIGNALS

POPULATION

21.7M

(MILLION)

GDP

USD 108.0B

(BILLION)

AGRICULTURAL SHARE
OF GDP

7.1%

(%)

INVESTMENT CASE



STRATEGIC TRADE ACCESS

- Colombo Port ranked #1 globally performing port
- 4+ direct bilateral FTAs (India, Pakistan, Singapore, Thailand) plus SAFTA regional integration
- Preferential access to EU (GSP+) and UK (DCTS)



STRONG GOVERNMENT COMMITMENT

- National Agriculture Policy 2030 roadmap targets doubling resource-productivity and farmer profitability
- Dedicated agriculture budget of USD 840M (2025)
- 5 Board of Investment priority sectors for agri-investment



INVESTOR- FRIENDLY INCENTIVES

- 100% foreign ownership and capital repatriation
- 26 Investment Protection Agreements and 45 Double Taxation Relief Agreements
- 15% reduced Corporate Income Tax for export of services; customs duty/VAT exemptions on capital goods and raw materials

SRI LANKA: INVESTMENT PORTFOLIO



Unlocking premium, protected-origin agrifood value chains across high-demand export markets

INVESTMENT PLAN SRI LANKA	INVESTMENT CASE 1. CEYLON CINNAMON	INVESTMENT CASE 2. CEYLON COFFEE	INVESTMENT CASE 3. CEYLON BLACK PEPPER	INVESTMENT CASE 4. SEA CUCUMBER
IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS 	IMPACT TAGS
INVESTMENT USD 65.1 million	INVESTMENT USD 20.0 million	INVESTMENT USD 29.4 million	INVESTMENT USD 7.5 million	INVESTMENT USD 8.2 million
NPV USD 35.9 million	NPV USD 23.0 million	NPV USD 4.9 million	NPV USD 3.4 million	NPV USD 4.6 million
AVG IRR 26.0%	IRR 35.4%	IRR 23.3%	IRR 20.8%	IRR 24.7%
DIRECT BENEFICIARIES 21.1 thousand	DIRECT BENEFICIARIES 10.0 thousand	DIRECT BENEFICIARIES 3.6 thousand	DIRECT BENEFICIARIES 3.6 thousand	DIRECT BENEFICIARIES 3.9 thousand
INDIRECT BENEFICIARIES 84.3 thousand	INDIRECT BENEFICIARIES 37.0 thousand	INDIRECT BENEFICIARIES 14.8 thousand	INDIRECT BENEFICIARIES 18.5 thousand	INDIRECT BENEFICIARIES 14.0 thousand
AVG PER CAPITA INCOME INCREASE +USD 2,747	PER CAPITA INCOME INCREASE +USD 1,800	PER CAPITA INCOME INCREASE +USD 4,150	PER CAPITA INCOME INCREASE +USD 240	PER CAPITA INCOME INCREASE +USD 4,800
GHG IMPACT +126.6 thousand tCO2-e	GHG IMPACT +28.0 thousand tCO2-e	GHG IMPACT -26.3 thousand tCO2-e	GHG IMPACT +133.8 thousand tCO2-e	GHG IMPACT -8.9 thousand tCO2-e

1. CEYLON CINNAMON NUTRACEUTICAL



The world's only true cinnamon origin, moving from raw bark exports to a high-value nutraceutical industry

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 20.0M
(MILLION)

NPV

USD 23.0M
(MILLION)

IRR

35.4%
(%)

RATIONALE

- World's only true cinnamon origin, holding ~24% of global exports
- ~180x less coumarin than cassia, ideal for the booming nutraceutical market
- Mostly exported as raw bark today, leaving value on the table

KEY BOTTLENECKS

1. Absence of local Ceylon cinnamon extraction/encapsulation capacity

Private

300 MT/year Ceylon Cinnamon extraction & nutraceutical processing facility with integrated encapsulation and strategic inventory buffering (USD 19.7 million)

2. Absence of an established Ceylon Cinnamon nutraceutical brand

Private

Global Ceylon Cinnamon Nutraceutical brand build, anchored on GI status (USD 0.1 million)

3. Weak supply chain traceability undermining GI integrity & buyer confidence

Private

GMP-compliant, end-to-end traceable supply chain connecting 10,000 smallholder farmers, verified via standardized testing & third-party audits (USD 0.2 million)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
10.0K
(THOUSAND)



INDIRECT
BENEFICIARIES
37.0K
(THOUSAND)



PER CAPITA
INCOME INCREASE
+1,800
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
+28.0K
(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.

2. CEYLON COFFEE



From an unknown origin to the world's next great single-origin specialty coffee story

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 29.4M
(MILLION)

NPV

USD 4.9M
(MILLION)

IRR

23.3%
(%)

RATIONALE

- Cupping scores already in specialty range, no quality risk
- Tiny export base versus Ethiopia or Colombia means true first-mover upside
- Can ride the global trust already built by "Ceylon tea"

KEY BOTTLENECKS

1. Dry processing locks Ceylon Coffee into commodity grade

Private

6 wet processing facilities, 4,200 MT green beans/year, guaranteeing 80+ cupping scores & traceability (USD 11.8 million)

2. Coffee from Sri Lanka lacks visibility in the global market

Private

Roaster linkages & strategic market promotion to unlock premium pricing (USD 0.2 million)

3. Low on-farm productivity limits supply volume & commercial viability

Private

PPP

- 200-ha nucleus farm for coffee cherry production, incl. training/demonstration (USD 2.4 million)
- 1,800 ha of new contract grower plantations on underutilized land, with tailored financing schemes (USD 15.0 million)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
3.6K
(THOUSAND)



INDIRECT
BENEFICIARIES
14.8K
(THOUSAND)



PER CAPITA
INCOME INCREASE
+4,150
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
-26.3K
(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. CEYLON BLACK PEPPER



High-piperine black gold from a 9th-ranked exporter on the rise

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 7.5M
(MILLION)

NPV

USD 3.4M
(MILLION)

IRR

20.8%
(%)

RATIONALE

- Export earnings roughly tripled in two years
- Fetches a real premium in Europe, but sold mostly unprocessed
- Local extraction and branding would capture margin lost abroad

KEY BOTTLENECKS

1. Inconsistent product quality from inadequate drying & processing infrastructure

Private

Drying & processing facility of 8,000 MT green berries/year, with hybrid solar + mechanical drying and SOP-driven operations (USD 3.9 million)

2. Raw commodity export dependency from absence of local extraction capacity

Private

500 MT dried pepper/year extraction facility producing oil, oleoresin & piperine, secured through forward buyer contracts (USD 3.1 million)

3. Lack of branded retail presence limits access to premium consumer markets

Private

Ceylon Pepper brand development leveraging GI status for premium retail & specialty food markets (USD 0.4 million)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
3.6K
(THOUSAND)



INDIRECT
BENEFICIARIES
18.5K
(THOUSAND)



PER CAPITA
INCOME INCREASE
+240
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
+133.8K
(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.

4. SEA CUCUMBER



A ready, verified, de-risked investment platform

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 8.2M
(MILLION)

NPV

USD 4.6M
(MILLION)

IRR

24.7%
(%)

RATIONALE

- Government has set aside 2,000 acres exclusively for this industry
- Hatchery technology already proven locally, de-risking production
- Duty-free access to major Asian markets with strong demand

KEY BOTTLENECKS

1. Lack of commercial hatchery infrastructure; reliance on seasonal wild harvesting

Private

10 commercial hatcheries with nursery facilities, 4 million juveniles/year, incl. biosecurity protocols & disease monitoring (USD 0.9 million)

2. Limited sea pen infrastructure across production zones

Public

800 sea pen units (1 acre each) across Kilinochchi, Jaffna & Mannar, sited through rigorous selection (USD 0.8 million)

3. No GMP-certified processing facility; high post-harvest losses

Private

Processing facility, 108 MT dry sea cucumber/year, with standardized testing, traceability & third-party ISO/GMP certification (USD 6.5 million)

SUSTAINABILITY BENEFITS



DIRECT
BENEFICIARIES
3.9K
(THOUSAND)



INDIRECT
BENEFICIARIES
14.0K
(THOUSAND)



PER CAPITA
INCOME INCREASE
+4,800
(USD/PERSON)



GHG IMPACT
FAO EXACT CARBON TOOL
-8.9K
(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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*Click here to see full
Investment Note:*



*Click here to request a
bilateral meeting:*

