Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative



Uganda

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

UGANDA

A fast-growing, policy-backed agrifood system with strong government coordination and expanding regional market access

KEY INVESTMENT SIGNALS

POPULATION

45.9M

(MILLION)

GDP

USD 63.0B

(BILLION)

AGRICULTURE CONTRIBUTION TO GDP

26.2%

(%)

INVESTMENT CASE

ENABLING PUBLIC INFRASTRUCTURE

- Public investment guarantees roads, electricity, water and internet
- One-stop center handles registration, licensing, land and certification
- Fully aligned with National Development Plan IV and Vision 2040

STRONG POLICY INCENTIVES

- 10-year tax holiday for export-oriented agro processors
- Zero import duty on agro-processing machinery and inputs
- VAT exemptions on raw materials and imported machinery
- 100% tax allowance on training and research costs

STRATEGIC MARKET ACCESS

- Duty-free access to EAC and COMESA consumer markets
- AfCFTA and China trade agreements open further export opportunities
- Lowest labour costs in the EAC region for production operations
- Recognized among the world's top-rated emerging investment destinations

UGANDA: INVESTMENT PORTFOLIO

Scaling processing capacity and value addition across Uganda's highest-potential agrifood value chains

INVESTMENT PLAN **UGANDA**	INVESTMENT CASE **1. DAIRY PROCESSING FACILITIES**	INVESTMENT CASE **2. ANIMAL FEED FACILITIES**	INVESTMENT CASE **3. MAIZE PROCESSING FACILITIES**
IMPACT TAGS	IMPACT TAGS	IMPACT TAGS	IMPACT TAGS
INVESTMENT **USD 953.8 million**	INVESTMENT **USD 425.2 million**	INVESTMENT **USD 184.3 million**	INVESTMENT **USD 18.3 million**
NPV **USD 260.9 million**	NPV **USD 43.8 million**	NPV **USD 167.9 million**	NPV **USD 1.9 million**
AVG IRR **28%**	IRR **25.8%**	IRR **26.7%**	IRR **29.4%**
DIRECT BENEFICIARIES **4.7 million**	DIRECT BENEFICIARIES **1.2 million**	DIRECT BENEFICIARIES **1.2 million**	DIRECT BENEFICIARIES **0.1 million**
INDIRECT BENEFICIARIES **8.8 million**	INDIRECT BENEFICIARIES **1.5 million**	INDIRECT BENEFICIARIES **2.0 million**	INDIRECT BENEFICIARIES **1.0 million**
AVG PER CAPITA INCOME INCREASE **+USD 411**	PER CAPITA INCOME INCREASE **+USD 700**	PER CAPITA INCOME INCREASE **+USD 677**	PER CAPITA INCOME INCREASE **+USD 286**
GHG IMPACT **-40.3 million tCO2-e**	GHG IMPACT **-1.5 million tCO2-e**	GHG IMPACT **-1.9 million tCO2-e**	GHG IMPACT **-5.2 million tCO2-e**

UGANDA: INVESTMENT PORTFOLIO (cont'd)

Scaling processing capacity and value addition across Uganda's highest-potential agrifood value chains

INVESTMENT PLAN **UGANDA**	INVESTMENT CASE **4. HIDES, SKINS & LEATHER FACILITIES**	INVESTMENT CASE **5. ONE-STOP & MECHANIZATION CENTRES**	INVESTMENT CASE **6. BANANA PROCESSING FACILITIES**
IMPACT TAGS	IMPACT TAGS	IMPACT TAGS	IMPACT TAGS
INVESTMENT **USD 953.8 million**	INVESTMENT **USD 57.2 million**	INVESTMENT **USD 11.3 million**	INVESTMENT **USD 51.7 million**
NPV **USD 260.9 million**	NPV **USD 6.6 million**	NPV **USD 1.5 million**	NPV **USD 39.1 million**
AVG IRR **28%**	IRR **31.6%**	IRR **22.5%**	IRR **30.4%**
DIRECT BENEFICIARIES **4.7 million**	DIRECT BENEFICIARIES **0.6 million**	DIRECT BENEFICIARIES **0.6 million**	DIRECT BENEFICIARIES **1.0 million**
INDIRECT BENEFICIARIES **8.8 million**	INDIRECT BENEFICIARIES **2.0 million**	INDIRECT BENEFICIARIES **1.2 million**	INDIRECT BENEFICIARIES **1.1 million**
AVG PER CAPITA INCOME INCREASE **+USD 411**	PER CAPITA INCOME INCREASE **+USD 300**	PER CAPITA INCOME INCREASE **+USD 150**	PER CAPITA INCOME INCREASE **+USD 350**
GHG IMPACT **-40.3 million tCO2-e**	GHG IMPACT **-1.5 million tCO2-e**	GHG IMPACT **-15.2 million tCO2-e**	GHG IMPACT **-15.0 million tCO2-e**

1. DAIRY PROCESSING FACILITIES

Converting abundant raw milk into high-value dairy products for domestic and export markets

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 530.2M
(MILLION)

NPV
USD 43.8M
(MILLION)

IRR
25.8%
(%)

RATIONALE

- Uganda's cattle herd is among the largest in East Africa, ensuring raw milk supply
- Strong unmet regional export demand for UHT, powdered and pasteurized milk products
- Government-backed infrastructure and breeding programs de-risk long-term production growth
- Modern cooling and transport investment reduces spoilage and improves product quality

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Low value addition leading to low farmgate prices / Poor milk transport systems affecting quality	**Private** — 4 processing plants (UHT, pasteurized, yoghurt, milk powder); including 6 modern tankers + fire extinguishers + washing costs (USD 425.2 million)
2. Enabling infrastructure & services / Inadequate bulking/cooling facilities causing milk losses	**Public** — Electricity, access roads, water infrastructure, improved dairy breeds/breeding tech, extension & animal-health services; including 100 solar-powered coolers (3,000L each) (USD 105.0 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
1.2M
(MILLION)

INDIRECT BENEFICIARIES
1.5M
(MILLION)

PER CAPITA INCOME INCREASE
+700
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-1.5M
(MILLION 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. ANIMAL FEED FACILITIES

Closing Uganda's feed supply gap to unlock livestock productivity across the value chain

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 229.8M
(MILLION)

NPV
USD 167.9M
(MILLION)

IRR
26.7%
(%)

RATIONALE

- Feed deficits of 40–60% across cattle, poultry and pig segments limit livestock output
- Rapidly growing poultry and pig sectors drive rising demand for quality feed
- Nucleus estate model integrates pasture conservation with feed processing at scale
- Diversified export markets available for surplus feed and silage products

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)	
1. Shortage of pastures during the dry season	Private	4 silage bunkers (816,000 t/yr) + hay barns (400,000 t/yr) (USD 14.0 million)
2. Inadequate feed processing capacity	Private	4 facilities: dairy meal, poultry feed, pig feed plants (USD 170.3 million)
3. Enabling infrastructure & services	Public	Access roads, water infrastructure serving nucleus estates, extension, quality-assurance and regulatory services (USD 45.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
1.2M
(MILLION)

INDIRECT BENEFICIARIES
2.0M
(MILLION)

PER CAPITA INCOME INCREASE
+677
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-1.9M
(MILLION 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. MAIZE PROCESSING FACILITIES

Capturing untapped value in Uganda's maize surplus through modern processing and product diversification

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 22.8M
(MILLION)

NPV
USD 1.9M
(MILLION)

IRR
29.4%
(%)

RATIONALE

- Uganda produces a large annual maize surplus, yet most value-added products are imported
- High post-harvest losses limit farmer incomes and product quality
- New product lines — cornflakes, starch and oil — open higher-margin markets
- Export-oriented strategy reduces reliance on volatile domestic demand

KEY BOTTLENECKS

1. Below-standard milling machines / Limited value-added product diversity
2. Poor post-harvest handling

PROPOSED INVESTMENTS(*)

Private

Modern processing machinery, 4 zonal facilities; including cornflakes, maize oil, maize starch production lines (USD 18.3 million)

Public

Training & technology for value chain actors, plus roads/electricity/water infrastructure (USD 4.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
0.1M
(MILLION)

INDIRECT BENEFICIARIES
1.0M
(MILLION)

PER CAPITA INCOME INCREASE
+286
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-5.2M
(MILLION 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. HIDES, SKINS & LEATHER FACILITIES

Building Uganda's leather value chain to substitute imports and grow export earnings

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 104.0M
(MILLION)

NPV
USD 6.6M
(MILLION)

IRR
31.6%
(%)

RATIONALE

- Domestic demand for finished leather goods is high yet mostly met through imports
- Uganda has a large, under-processed base of hides and skins available annually
- Central tannery model improves quality control and processing consistency
- Waste-to-value practices reduce environmental impact and processing costs

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)	
1. Poor quality of raw materials	Private	2 central tanneries (USD 15.6 million)
2. High expenditure on shoe & bag imports	Private	1 shoe & leather factory (USD 41.4 million)
3. Enabling infrastructure for collection, preservation, grading & processing	Public	Access roads, electricity and water supply (USD 47.0 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
0.6M
(MILLION)

INDIRECT BENEFICIARIES
2.0M
(MILLION)

PER CAPITA INCOME INCREASE
+300
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-1.5M
(MILLION 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. ONE-STOP & MECHANIZATION CENTRES

Strengthening farmer access to quality inputs and mechanization services across priority zones

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 12.8M
(MILLION)

NPV
USD 1.5M
(MILLION)

IRR
22.5%
(%)

RATIONALE

- Counterfeit and low-quality inputs undermine yields and farmer trust
- Limited access to tractors and machinery constrains productivity gains
- One-stop model combines seed, fertilizer and mechanization services locally
- Strengthened regulatory oversight improves input traceability and quality assurance

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)	
1. Poor seed/input storage and post-harvest handling	Private	Large seed & input storage facilities (4 centres) (USD 4.0 million)
2. High initial capital cost of machinery	Private	Farm equipment incl. tractors (4 centres) (USD 4.0 million)
3. Limited technical skills for operation & repair	Private	Personnel training and operational capacity development (4 centres) (USD 0.8 million)
4. Limited availability and accessibility of quality-assured seed	Private	Initial seed inventory (maize, soybean, sunflower) across 4 centres (USD 2.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
0.6M
(MILLION)

INDIRECT BENEFICIARIES
1.2M
(MILLION)

PER CAPITA INCOME INCREASE
+150
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-15.2M
(MILLION 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. ONE-STOP & MECHANIZATION CENTRES (cont'd)

Strengthening farmer access to quality inputs and mechanization services across priority zones

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 12.8M
(MILLION)

NPV
USD 1.5M
(MILLION)

IRR
22.5%
(%)

RATIONALE

- Counterfeit and low-quality inputs undermine yields and farmer trust
- Limited access to tractors and machinery constrains productivity gains
- One-stop model combines seed, fertilizer and mechanization services locally
- Strengthened regulatory oversight improves input traceability and quality assurance

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
5. Weak seed quality control and regulatory enforcement	Public — Regulatory & quality control inspections at MAAIF (separate national investment of USD 50.0 million)
6. Enabling infrastructure & support	Public — Site development, demonstration/training facilities, machinery testing & maintenance, technical advisory services (USD 1.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
0.6M
(MILLION)

INDIRECT BENEFICIARIES
1.2M
(MILLION)

PER CAPITA INCOME INCREASE
+150
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-15.2M
(MILLION 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.

6. BANANA PROCESSING FACILITIES

Turning Uganda's banana surplus into juice, wine, fiber and ethanol products for new markets

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 54.2M
(MILLION)

NPV
USD 39.1M
(MILLION)

IRR
30.4%
(%)

RATIONALE

- Uganda holds a substantial plantain and cooking banana surplus beyond domestic use
- Discarded banana pseudo-stems are an untapped fiber and ethanol resource
- Diversified product lines reduce farmer exposure to single-market price swings
- Waste-to-value processing model supports environmental sustainability goals

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Low banana fruit value addition, high post-harvest losses	Private: Banana juice & wine factory (4 facilities) (USD 32.0 million)
2. Underused pseudo-stems, limited fibre extraction	Private: Banana fibre & ethanol processing line (USD 19.7 million)
3. Enabling infrastructure & support services	Public: Feeder roads, electricity/water extension, aggregation/collection/post-harvest infrastructure, technical extension, food safety, quality assurance & certification support (USD 2.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
1.0M
(MILLION)

INDIRECT BENEFICIARIES
1.1M
(MILLION)

PER CAPITA INCOME INCREASE
+350
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-15.0M
(MILLION 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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