



HAND-IN-HAND
INVESTMENT



■ UGANDA

Hand in Hand Investment Proposal

October 2026 Rome, Italy



UGANDA: ECONOMY OVERVIEW



- ▶ GDP : USD 63 billion
- ▶ Population : 45.9million
- ▶ Economic Growth rate : 6.3%
- ▶ Agriculture contributes 26.2% to GDP

▶ National Development Plan IV (2025/26-2029/30)

- ▶ Achieve 10-fold economic growth to USD 500 billion within 15 years
- ▶ Raise household incomes and living standards
- ▶ Expand employment opportunities
- ▶ Promote sustainable industrialization for inclusive growth
- ▶ Reduce poverty rate from 16.1% to 15.5%
- ▶ Increase GDP per capita from USD 1,051 to USD 2,008

ALIGNMENT WITH GOVERNMENT STRATEGIC DIRECTION



- ▶ The Hand in Hand (HiH) initiative aligns with Uganda's strategic priorities by aiming to accelerate agricultural transformation and sustainable rural development to eradicate poverty (SDG 1), end hunger, and eliminate all forms of malnutrition (SDG 2).
- ▶ This objective directly supports Uganda Vision 2040, which seeks to transition the country from a low-income to a competitive upper-middle-income status within 30 years, and it resonates with the National Development Plan IV (NDP IV), whose theme emphasizes sustainable industrialization for inclusive growth, employment, and wealth creation.



WHY INVEST IN UGANDA



Award for the Greatest Investment Catalyst in the World Go
Global Awards in the Rhode Island, USA

3rd Most rewarding economy to invest in Africa
Africa risk reward Index 2023



Best investment destination for foreign direct investment (FDI) in Africa
Annual Investment Meeting Awards- Abu Dhabi 2023



Top 10 in industrial development (Africa Development Bank (AfDB)
Africa Industrialization Index (2022)



Lowest Labour Cost in EAC region
Average yearly wage for unskilled production operative, \$440



Large domestic, regional and global markets (quotas and Tariff free)-(EAC ,
300m people), COMESA, (600m people) AFCTA, (China Trade Agreements



One Stop Centre for Investors - Applications, businesses registration, licensing,
Industrial Park land, Products and Services Certification, Environmental
regulations and requirements, Investment after care services

WHY INVEST IN UGANDA



Agricultural Sector

- ▶ 10-year tax holiday for export-oriented agro processors in industrial parks or free zones, land availability.
- ▶ Zero import duty on agro-processing machinery, and exemptions on most agricultural inputs from import duty and VAT.



Manufacturing Sector

- ▶ 10-year tax holiday for exporters producing at least 80% for export.
- ▶ VAT exemption on raw materials, deferred VAT on imported machinery, and zero import duty on machinery for setting up industries



Human Capital Development

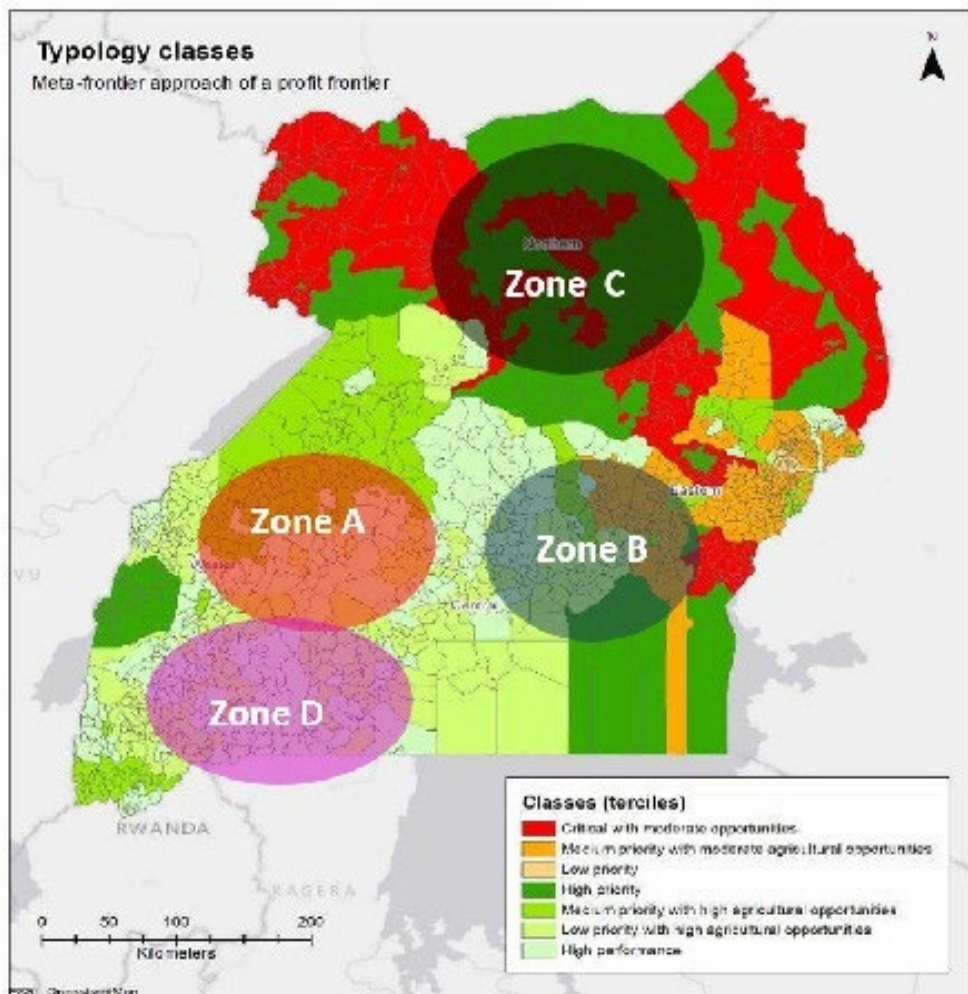
100% tax allowable on training costs and research.



Industrial Park Development

10 Year Tax holiday on income derived from letting out facilities of the Industrial Park.

Selected Zones for Hand in



Map 1: Selected 4 zones, FAO, 2023

Criteria of selection / justification

- ▶ High-Moderate poverty: 7.5%-20.5% (UNHS, 2023/24).
- ▶ Level of malnutrition and stunting still high-25%-35% Zones are medium priority but with high agricultural potential & proximity to lucrative markets (See map).
- ▶ Zones have much milk and maize that is sold in informal markets/Low value addition.

Zones Selected (Circled)

-  Mid-Western - Zone A
-  Central cattle corridor - Zone B
-  Northern-Lango & Acholi - Zone C
-  SouthWestern Grass Rangelands, Ankole - Zone D

KEY INVESTMENT OPPORTUNITIES

- ▶ Dairy/milk processing, animal feed manufacture, maize processing, hides/skins/leather processing, banana processing, and one-stop input & mechanization centers.
- ▶ **Investment target:** USD 967.51M (Private: USD 761.47M; Public: USD 206.04M).



- ▶ Public sector to provide infrastructure (land, roads, electricity, internet, water).
- ▶ Supported by catalytic investments and government/ development partners.

Investment Case 1: Dairy/Milk Processing

- ▶ Cattle population: 16.4M
- ▶ Annual milk production: 5.4B litres
- ▶ Domestic demand: 1.85B litres
- ▶ Exports: 2B litres (processed only)
- ▶ Capacity target: 139.68M litres processed annually in 4 new facilities
- ▶ Investment: USD 425.22M (private sector), plus public infrastructure (electricity, roads, water, breeding tech, extension services)



Outcomes: Economic growth, higher exports, poverty

- ▶ reduction, job creation

Beneficiaries:

- ▶ **500** direct jobs (factories & milk collection centres)
- ▶ **1.2M** direct beneficiaries (farmers & workers)
- ▶ **1.5M** indirect beneficiaries (local communities, women, youth)
- ▶ **Target regions:** Mid-Western, Central cattle corridor, Northern, Southwestern



Bottlenecks

- ▶ **Low value addition** leading to low farmgate prices
- ▶ **Poor milk transport** systems affecting quality
- ▶ **Inadequate bulking**/cooling facilities causing milk losses

Investment Needs

- ▶ **Processing Plants:** 4 plants for UHT, pasteurized milk, yoghurt, milk powder; 34.92M litres annual capacity each (total 139.68M litres); USD 425M private investment
- ▶ **Milk Transport:** 6 modern tankers (20,000L each) =USD 456K +44K for fire extinguishers +washing costs totalling to USD 500,000
- ▶ **Cooling Facilities:** 100 coolers (3,000L each) with solar systems; USD 6.4M investment

Risks

- ▶ Disruption of small-scale processors and traders
- ▶ Market volatility and demand fluctuations
- ▶ Inconsistent supply (droughts, disease outbreaks, poor transport) High energy consumption
- ▶ Underutilization of tankers/coolers during off-peak seasons
- ▶ Accessibility issues for large tankers in remote areas

Mitigation Measures

- ▶ Capacity building and integration into supply chain
- ▶ Diversified product portfolio
- ▶ Improve production via disease/feed management, breeding, and transport infrastructure upgrades
- ▶ Use energy-efficient and renewable energy (solar, biomass).
- ▶ Contracts with dairy producers to ensure supply
- ▶ Government investment in rural road infrastructure
- ▶ Cooperative cost-sharing for operations
- ▶ Milk aggregation strategies during off-peak seasons

Dairy/Milk Processing

Product Focus

Processing Raw Milk into :

- ▶ UHT milk
- ▶ Pasteurized milk
- ▶ Yoghurt
- ▶ Milk powder

Annual Production Targets

- ▶ **130M** litres - UHT milk
- ▶ **50M** liters - Yoghurt
- ▶ **43M** tons - Milk powder
- ▶ **70M** liters - Pasteurized milk

Profitability Indicators

- ▶ **Total investment: USD 425M**
- ▶ **Net Present Value (NPV) per facility: USD 43.79M**
- ▶ **Internal Rate of Return: 25.83%**
- ▶ **Payback Period: 4 years**

Environmental Performance

- ▶ Carbon emission reduction: 1.5M tCO₂-eq over 10 years
- ▶ Efficient waste management to renewable energy (biogas)
- ▶ Sustainable, eco-friendly packaging
- ▶ Improved milk processing efficiency
- ▶ Solar energy utilization



Investment Case 2: Animal Feeds & Pastures

Cattle Feed	(Million tonnes)
Annual demand	1.07
Annual supply	0.43
Deficit	0.64
Pastures	
Annual demand	1.20
Annual supply	0.78
Deficit	0.42
Chicken / Poultry Feed	(Million tonnes)
Annual demand	5.47
Annual supply	2.19
Deficit	3.28
Pig Feeds	(Million tonnes)
Annual demand	6.46
Annual supply	3.88
Deficit	2.58

► **Current Situation:** Animal feed deficits are 40–60% of demand ►

► **Investment Outlay :** USD 184.29M

► **Expected Outcomes**
Economic growth, increased feedstock, poverty reduction, job creation

► **Target Regions:**
Mid-Western, Central cattle corridor, Northern, Southwestern

Beneficiaries:

432 direct jobs at facilities

1.2M direct beneficiaries
(livestock farmers, farm workers)

2M indirect beneficiaries (local communities, women, youth, transporters)



Investment Case 2: Animal Feeds & Pastures

Bottlenecks	Areas of investment	Risks	Mitigation measures
Shortage of pastures during the dry season	- Establish 4 Nucleus estates with; 4 silage bunkers (capacity of 816,000 tonnes/year) - A hay ban (capacity of 400,000 tonnes/ yr)	- Requires significant land - The demand for silage and hay fluctuate due to changes in livestock populations, climatic conditions, and market dynamics.	- Available government land (in free zones and Ranches) - Diversify product, and explore alternative markets such as exporting or supplying to livestock feed industries.
Inadequate animal feed processing plant resulting into inadequate supply of quality animal feeds	- Establish 4 animal feed processing facilities in the same Nucleus estate above with; - Dairy meal plants (capacity of 411,300 tonnes/year) - Poultry feeds plant (capacity of 1.0 million tonnes/yr) - Pig feeds plant (capacity of 1.05 million tonnes/yr). - Private investment of USD 184.29 million in animal feed manufacturing facilities	- High Water and Energy Consumption. - Fluctuation of prices of raw materials like maize, soybeans, and other feed ingredients due to market demand, and supply chain disruptions.	- Recycling systems, rainwater harvesting, and renewable energy sources like solar or biomass. - Diversified supplier network and engage in contract farming to ensure a steady supply of raw materials.



LIVESTOCK POPULATION

**122
MILLION**

Poultry

**17.4
MILLION**

Goats

**16.4
MILLION**

Cattle

**4.4
MILLION**

Sheep

**7.4
MILLION**

Pigs

Investment Case 2: Animal Feeds & Pastures

Objective: Reduce cattle feed burden and deficits by manufacturing dairy meal and conserving pastures & maize into silage and hay

Annual Feeds Target (4 Zones)

- ▶ **400,000** tonnes dairy meal
- ▶ **204,000** tonnes hay & silage
- ▶ **1,000,000** tonnes poultry feeds
- ▶ **500,000** tonnes pig feeds

Profitability Indicators

- ▶ **Investment per facility:** USD 46.07M
- ▶ **Total investment (4 facilities):** USD 184.29M
- ▶ **Net Present Value (NPV):** USD 167.93M
- ▶ **Internal Rate of Return (IRR):** 26.71%
- ▶ **Payback period:** 6 years 4 months

Environmental Performance

- ▶ **Carbon emission balance:** 1.9M t CO₂-eq
- ▶ **Climate-smart practices:** pasture-based carbon sequestration, tree planting, use of biogas



Investment Case 3: Maize processing

Production

- ▶ Uganda produces an average of 4.5M tonnes of maize grain annually (2018–2022) systems to support access to water for agricultural production.

Annual Domestic Demand (2023)

- ▶ **700 tonnes** of cornflakes
- ▶ **3,420 tonnes** of maize starch
- ▶ **18 tonnes** of maize oil

Current Situation

- ▶ All high-value maize products are
- ▶ imported High post-harvest losses
- ▶ Low value for farmers with high price fluctuationsexposure to chemicals - (DIGI Child tool; Training visual guides)

Expected Outcomes & Benefits

- ▶ Economic growth, increased maize value and quality, higher exports, rural development, job creation

Beneficiaries

- ▶ 216 jobs created at 4 facilities
- ▶ 100,000 direct beneficiaries (maize suppliers) 1,000,000 indirect beneficiaries (local communities, women, youth)

Investment Outlay

- ▶ USD 18.29M for 4 facilities

Public Investment Support

- ▶ Roads, electricity, and water infrastructure



Investment Case 3: Maize processing

Bottlenecks	Areas of investment	Risks	Mitigation measures
Below standard milling machines leading to low quality products	- Invest in modern machinery for maize processing - Private investment for 4 zonal modern maize processing facilities, USD 18.29 Million	High investment costs with high energy consumption	- Explore public-private partnerships - Use of renewable energy sources, such as solar
Limited Value-Added Products with low product diversity	- Invest in producing three high value maize products; - Cornflakes - Maize oil - Maize starch	Low domestic demand	Focus more on the export market
Poor Post-Harvest Handling	Investment in training and technology for value chain actors	Resistance to Change and adopt	Government to invest in training and Implementation of stringent quality control measure through the Food and Agriculture Regulatory Authority



Investment Case 3:Maize processing

Annual Target (4 Facilities)

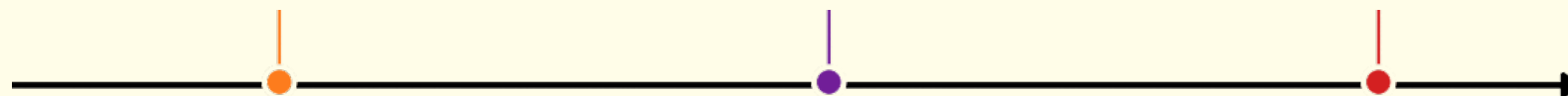
- ▶ **28,800 tonnes** of maize grain
- ▶ **96,000 tonnes** of cornflakes
- ▶ **39,000 litres** of maize oil
- ▶ **58,000 tonnes** of maize starch

Profitability Indicators

- ▶ **Total investment: USD 18.29M**
- ▶ **Net Present Value (NPV): USD 1.89 M**
- ▶ **Internal Rate of Return (IRR): 29.40%**
- ▶ **Payback period: 6 years 10 months**

Environmental Performance

- ▶ **Carbon emission balance:**
5,160,000 t CO₂ -eq
- ▶ **Climate-smart practices:**
use of climate-smart techniques, encourage tree planting



Investment Case 4: Hides, Skins & Leather processing



UGANDA'S SKIN PRODUCTION

Hides - **35,000 Tonnes**

Goat skins - **4,650 Tonnes**

Sheep skins - **2,100 Tonnes**

TOTAL - 41,750

Current Situation

High imports of leather products
Low SME capacity for leather processing
into finished products
High domestic demand for leather products

Expected Outcomes

Economic growth, improved leather
quality, higher exports, rural
development, job creation

Beneficiaries

- ▶ 600,000 direct beneficiaries (livestock suppliers)
- ▶ 2,000,000 indirect beneficiaries (local communities, women, youth)

Investment Outlay

- ▶ USD 70.66M for 2 facilities

Public Investment Support

- ▶ Roads, electricity, and water infrastructure



Investment Case 4: Hides, Skins & Leather processing

Bottlenecks	Areas of investment	Risks	Mitigation measures
Poor Quality of Raw Materials: The quality of hides and skins is often compromised due to poor animal husbandry practices and improper preservation methods. This affects the overall quality of the leather produced.	- Establish two (2) central tanneries to serve 4 zones - Private investment of USD 7.8 million in each tannery	- Low supply of quality hides and skins - Environmental contamination associated with hides processing, air pollution and waste disposal	- Invest in Specialized Processing Technology: - Backward Integration/Supply Chain Development - Strong Environmental Management: Invest in advanced effluent treatment plants from the outset to ensure compliance and sustainability (Construct waste disposal infrastructure & use of blood and bone waste as raw materials)
High expenditure on shoe and bag imports	Private investment of USD 41.4 million in a shoe & leather factory	Environmental contamination associated with hides processing, air pollution and waste disposal	Construct waste disposal infrastructure & use of blood and bone waste as raw materials

Investment Case 4: Hides, Skins & Leather processing

Annual Target (4 Facilities)

7.8M kg of hides & skins to be processed into:

- ▶ 780,864 kg gelatin
- ▶ 1.7M kg crust leather
- ▶ 1.5M kg finished leather
- ▶ 2.7M kg wet blue leather
- ▶ 209M pairs of shoes 37M units of handbags

Profitability Indicators

- ▶ **Total investment (2 facilities):** USD 57.2M M
- ▶ **Net Present Value (NPV):** USD 6.62M
- ▶ **Internal Rate of Return (IRR):** 31.61%
- ▶ **Payback period:** 4 years, 1 month

Environmental Performance

- ▶ Carbon emission balance 1.5M t CO₂-eq
- ▶ Climate-smart practices: use of efficient tannery technologies with less waste, encourage tree planting



Investment case 5:

One-stop inputs & mechanization centres



Current Situation

- ▶ Low-quality inputs
- ▶ Lack of support services (e.g., tractor hire)

Expected Outcomes & Benefits

- ▶ Economic growth, improved input /service quality, increased production, rural development, job creation.

Investment Outlay

- ▶ USD 11.28M for 4 centres

Public Investment Support

- ▶ Roads, electricity, water infrastructure



Maize Seed Demand:

- ▶ 8,440 tonnes

Beneficiaries

- ▶ 132 jobs created at 2 facilities
- ▶ 550,000 direct beneficiaries (seed multipliers)
- ▶ 1.2M indirect beneficiaries (local communities, women, youth)

Key Challenges

- ▶ Counterfeit and costly inputs (e.g., maize seeds) Agro-chemicals

Investment Case 5: One-stop inputs & mechanization centres

Bottlenecks	Areas of investment	Risks	Mitigation measures
Weak Seed Quality Control and Regu-latory Enforcement	Invest in Regulatory and quality control inspections at MAAIF at a cost of USD 50 million	Low yields and erosion of farmer trust in the input sys-tems	- Due Diligence on all input suppliers. - Traceability Systems/Prioritize Certified and QDS (Quality Declared Seed)
Poor seed and input (fertilizers & agro-chemicals) Storage and Post-Harvest Handling	- Invest in large seed and input storage facilities. - USD 1,000,000 + (for larger, more sophisticated versions of both, potentially including a dedicated cold room).	Erosion of farmer trust, finan-cial losses for farmers, legal and reputational risks	- Strategic Stock Management and Stor- age: Appropriate Storage Facilities: - Invest in well-ventilated, cool, dry, and pest-free storage facilities at your one- stop centers.
High Initial Capital Cost of Machinery & Seasonal and Sporadic Demand	Stock Farm Equipment (Including Tractors): USD 1,000,000 per facility		- Phased Investment & Incremental Growth strategy - Develop Robust Operational and Finan-cial Management - Build Strong Farmer Relationships and Support
Limited Technical Skills for Operation, Maintenance, and Repair	- Recruit and train personnel - USD 200,000 per facility	Machinery Breakdowns and Downtime	Implement a rigorous, scheduled pre-ventive maintenance program

Investment Case 5: One-stop inputs & mechanization centres

Sales Distribution (per facility)

- ▶ **Seeds: 25%** → USD 1,434,217
- ▶ **Farm Inputs: 35%** → USD 2,007,904
- ▶ **Fertilizers: 40%** → USD 2,294,748

Profitability Indicators

- ▶ Total investment (4 facilities): **USD 11.28M**
- ▶ Net Present Value (NPV): **USD 1.51M**
- ▶ Internal Rate of Return (IRR): **22.52%**
- ▶ Payback period: **6 years, 4 months**

Environmental Performance

- ▶ Carbon emission balance: 15,160,000 t CO₂-eq
- ▶ Climate-smart practices: convert part of land from annual fallow or other vegetable crops; encourage tree planting

Purpose:

Restructure agro-inputs distribution and offer mechanization services



10 Tractors for Hire

Investment Case 6: Banana Processing

UGANDA'S BANANA PRODUCTION

Annual average banana production: **13.6M tonnes**

Annual banana exports: **0.28M tonnes**

Plantain & cooking banana surplus: **6.96M tonnes**

Ethanol supply gap: **8.09M litres**

Current Situation

- ▶ Low banana value addition and low exports

Expected Outcomes & Benefits

- ▶ Economic growth, increased production, rural development, and job creation



Beneficiaries

- ▶ 100 jobs per facility (400 total for 4 facilities) 1M
- ▶ direct beneficiaries (banana/corn suppliers)
- ▶ 1.1M indirect beneficiaries (local communities, women, men, youth, transporters)

Investment Outlay

- ▶ USD 51.73M for 4 facilities

Public Investment Support

- ▶ Roads, electricity, and water infrastructure

Investment Case 6: Banana Processing

Bottlenecks	Areas of investment	Risks	Mitigation measures
Low banana fruit value addition leading to high post-harvest losses.	- Establish four banana processing facilities in 4 zones. - Private investment of USD 36.8 million in a banana juice and wine factory.	- Low supply of banana fruits - Environmental contamination associated with factory processing, air pollution and waste disposal.	- Establish banana growers' co-operatives/groups. - Construct waste disposal infra-structure.
- In Uganda, almost all farm-ers leave the banana pseu-do-stems in their gardens after harvest. - Few individual entrepreneurs are currently involved in the extraction of banana fibre to make products such as carpets, hair extensions, and paper bags.	- Establish a banana fibre and eth-anol processing line. - Private investment of USD 24.5 million in a banana juice and wine factory.	- High cost of transporting the bulky raw materials. - Environmental contamination associated with factory processing, air pollution and waste disposal.	- Do primary processing of corms at farm level to ease transportation. - Construct waste disposal infra-structure.

Investment Case 6: Banana Processing

Objective: Increase value addition on banana fruit and waste materials through juice, wine, fibre, and ethanol production

Annual Target (4 Facilities)

- ▶ Banana juice: 3,694 litres
- ▶ Banana wine: 1,642 litres
- ▶ Fibre: 179,550 kg
- ▶ Ethanol: 1,154,250 litres

Profitability Indicators

- ▶ Total investment: **USD 51.73M**
- ▶ Net Present Value (NPV): **USD 39.12M**
- ▶ Internal Rate of Return (IRR): **30.40%**
- ▶ Payback period: **4 years, 1 month**

Environmental Performance

- ▶ Carbon emission balance: 15,000,000 t CO₂-eq
- ▶ Climate-smart practices: convert part of land from annual fallow/other crops, encourage tree planting



Investment plan for Uganda

967.51 Million USD	28%	13.45 Millions	4.65 Millions	8.8 Millions	40.3 Millions
Investment cost	Average IRR (%)	Total Beneficiaries	Direct Beneficiaries	Indirect Beneficiaries	tCO ₂ -e sequestered

Investment case 4 Dairy Processing facilities

Total Investment:
425.22 Million USD

Investment Gap:
390.20 Million USD

IRR:
25.83%

NPV :
43.79 Million USD

Direct beneficiaries
1,200,000

Indirect beneficiaries:
1,500,000

Per capita income increase:
700 USD (64%)

Total Carbon Emissions
1.5 Million tCO₂-e

Investment case 4 Animal feed facilities

Total Investment:
184.29 Million USD

Investment Gap
150.1 Million USD

IRR:
26.71%

NPV :
167.93 Million USD

Direct beneficiaries
1,200,000

Indirect beneficiaries:
2,000,000

Per capita income increase:
677 USD (62%)

Total Carbon Emissions
1.9 Million tCO₂-e

Investment case 4 maize processing facilities

Total Investment:
18.29 Million USD

Investment Gap
8.28 Million USD

IRR:
29.40%

NPV :
1.89 Million USD

Direct beneficiaries
100,000

Indirect beneficiaries:
1,000,000

Per capita income increase:
286 USD (26%)

Total Carbon Emissions
5,16 Million tCO₂-e

Investment plan for Uganda

967.51 Million USD	28%	13.45 Millions	4.65 Millions	8.8 Millions	40.3 Millions
Investment cost	Average IRR (%)	Total Beneficiaries	Direct Beneficiaries	Indirect Beneficiaries	tCO ₂ -e sequestered

Investment case 2 Hides, skins & leather facilities

Total Investment:
57.2M Million USD

Investment Gap
24.08 Million USD

IRR:
31.61%

NPV :
USD 6.62M Million USD

Direct beneficiaries
600,000

Indirect beneficiaries:
2,000,000

Per capita income increase:
300 USD (62%)

Total Carbon Emissions
1.5 Million tCO₂-e

Investment case 4 One-stop and mechanization centres

Total Investment:
11.28 Million USD

Investment Gap
9.75 Million USD

IRR:
22.52%

NPV :
1.51 Million USD

Direct beneficiaries
550,000

Indirect beneficiaries:
1,200,000

Per capita income increase:
150 USD (26%)

Total Carbon Emissions
15.2 Million tCO₂-e

Investment case 4 Banana processing facilities

Total Investment:
51.73 Million USD

Investment Gap
49.28 Million USD

IRR:
30.40%

NPV :
39.12 Million USD

Direct beneficiaries
1,000,000

Indirect beneficiaries:
1,100,000

Per capita income increase
350 USD (27%)

Total Carbon Emissions
15 Million tCO₂-e