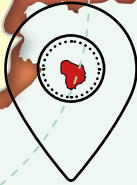


KIRYANDONGO DISTRICT Investment Profile



MINISTRY OF LOCAL GOVERNMENT
KIRYANDONGO DISTRICT



ACCESSIBILITY



MAIN ECONOMIC ACTIVITY



Agriculture



Trade

BRIEF DISTRICT PROFILE

Geography	
Location	Western Region
Neighbours	Nwoya, Oyam, Apac, Masindi, Buliisa
District area	3,624.1km ²
Arable land area	1,747km ²
Socio-economic characteristics	
Population (Est, 2019)	346,692
Population of refugees and asylum seekers	69,338
Languages	English, Ganda, Swahili
Main economic activity	Agriculture
Major tradeable commodities	Maize, cassava, sunflower, soya beans, groundnuts, tobacco
Infrastructure and strategic positioning	
Transport	Major road network
Telecommunications	MTN, Airtel, UTL, internet



PHOTO CREDIT: <https://gorillatrekk.com>

Geography

- Kiryandongo is located 218 km north of Kampala along the Kampala-Arua main road.
- The district has a land area of 3,624.1km² of which 1,747km² is arable area.
- It is located in the mid-western part of Uganda and borders Nwoya district in the north, Apac in the east, and Masindi in the south-west.
- The district has fertile soils, regular rainfall and presence of abundant water from the River Nile.
- The terrain is mostly plateau with few mountains.

Demography

- The total district population as of 2019 is 346,692. Kiryandongo refugee settlement has a population of 66,369. The majority of the population is below 30 years of age. The population is made up of 10% skilled labour force, 30% semi-skilled and 60% unskilled labour force. (District Planning Unit, Kiryandongo).
- There are four categories of refugees, both short and long-term:
 - i. South Sudanese nationals who fled and continue to flee from the politically triggered violence in South Sudan.
 - ii. The refugees from Kenya's 2007-08 post-election violence.
 - iii. The internally displaced persons (IDP) mainly from Acholi District who were victims of Kony's LRA rebel activities during 1990s.
 - iv. Persons displaced by the eastern region's Bududa landslide in 2010.

Hosting refugees and establishing modalities to integrate them in the host district's socio-economic activities is in line with Uganda's transformational approach to refugees that allows them freedom of movement and business. It ensures that making refugees in Uganda are self-reliant and integrated with host communities, thus alleviating their restriction and uncertainty.

Main economic activity

- Agriculture employs the the majority of the population.
- The main agriculture activities include food crops, livestock and aquaculture. Cash crops include maize, sunflower,

soya beans, potatoes, beans, groundnuts, sim sim, rice, and other vegetables.

- The district has approximately 100,000 cattle which provide substantial income to farmers, and four milk coolers: two in Bweyale and two in Masindi.

- Aquaculture is carried out on a small-scale on River Nile and in fishponds. The main fish include catfish, Nile perch and tilapia.
- Apiary is an upcoming business activity with many beehives located at the border between Murchison Park and Kiryandongo District along the park boundary.
- Tobacco is also a widely grown cash crop in the district and provides additional incomes.
- Commercial lending from SACCOs and micro-finance institutions, which typically lend at 3% interest rate per month, provides benefits to households.
- About 74% of the refugees are engaged in economic activities that include agriculture and retail trading.
- The markets for agricultural products exist in Mutundo and Kakworokwo sub-counties.

Why invest in Kiryandongo District?



Strategic location | Enabling environment | Extensive natural resources | Tourism potential



Attractive incentive regimes | Energy infrastructure | Good climate



Skilled labour | Mineral potential

Strategic location



- Kiryandongo is at the intersection of Uganda's prime productive northern and mid-western region. It connects easily to South Sudan and the Democratic Republic of Congo. The government is committed to supporting the economic developments of the district as demonstrated by infrastructure development.

Good climatic area



- The district is a plateau land with an altitude of 1,295m above sea level. Kiryandongo is endowed with favourable climatic conditions and has a bimodal rainfall pattern. The highest rainfall is August to November, and annual average rainfall of 1,200mm is suitable for large-scale agriculture.

Mineral potential



- According to the Department of Geological Survey and Mines, there is evidence that the district has high deposits of minerals such as nickel, platinum, chromium and iron. Exploratory tests carried out may reveal unexploited mineral reserves.

Extensive natural resources



- Kiryandongo has abundant natural resources, including sufficient fertile land and abundant water resources able to support agricultural production. The surface and subsurface water reserves are adequate for commercial agriculture.

Energy infrastructure



- Kiryandongo accesses electricity from the main national grid. The town councils that are connected with electricity include Masindi Port sub-county, Kigumba Town Council, Kiryandongo Town Council and Bweyale Town Council. Electricity connection has also been extended to Kikube parish and Mboira sub-county to Masindi. It is strategically located near the Karuma Hydroelectric Powerstation, which the government has just completed with a potential of 600 MWs. The Karuma hydropower project will significantly lower the cost of electricity and make industries competitive. This strategic location provides Kiryandongo with the huge potential for investments in agro-processing and industrialization.

Skilled Labour



- Kiryandongo is enriched with high-quality technical institutions. The key institutions include:
 - i. Kiryandongo Technical Institute specialized in mechanics, plumbing, construction and tailoring
 - ii. Uganda Cooperative College Kigumba, which specializes in management courses
 - iii. Uganda Petroleum Institute
 - iv. Bweyale Nursing School
 - v. Kigumba Business Institute
- These institutions provide a wide range of certificates and diplomas. The government has invested in schools to enhance education in Kiryandongo District. These include 73 government-aided primary schools, four government-aided secondary schools, and two government tertiary institutions.

Supportive local government structures



- The local government integrates the political structure under the District Chairman and the technical structure under the Chief Administrative Officer to effectively provide the necessary services. Investors are assisted by the different departments at the local government depending on the issues of the investors. Uganda Investment Authority is enhancing the existing local government investor services by promoting the One Stop Centre concept at the district level. In this regard, the District Commercial Officer is the facilitator of the new investors to assist them in fulfilling all required steps in investment.
- The District Investment Committee (DIC) is a ten-member task force composed of five local government employees, the District Chairman, the CAO, the DCO, District Planner and the Lands Officer. There are five members from the private sector.

Enabling environment



- The government has invested in strategic projects aimed at consolidating the infrastructural and institutional arrangements necessary to attract and retain increased investments at national and district levels. This consolidation and enabling environment includes road infrastructure development. The total road network is 1,064km while 65% are able roads, 35% are not able motor roads during the wet season. The road network comprises of 78 km tarmacked highway, 387 km gravel roads and 600km earth surface roads. The 65km first-grade road from Nyakadoli (Bweyale town council) to Diima sub-county through Mutunda sub-county connects farmers to potential markets. It has eased the movement of goods and services.

Attractive incentive regimes



- Uganda's incentive package for both domestic and foreign investors provides generous terms, particularly for medium- and long-term investors who import plant and machinery for investment projects. For the current incentive structure, refer to the link <https://www.ugandainvest.go.ug/wp-content/uploads/2019/12/Tax-Incentives-for-2019.pdf>.

Investment opportunities

Housing and hospitality

Investment opportunities exist in the development of middle and high-end hotels, residential buildings, warehouses and office premises. Kigumba and Bweyale periodically experience an influx of business-related visitors. This creates high demand for quality accommodation and amenities. There is a great demand for higher-end hotel accommodation in the Murchison Falls National Park area. The presence of technical institutions in the district is an opportunity for investors. The institutes provide affordable, trained/ skilled labour and attract the refugee community for labour and business.

Commercial agriculture

There is an opportunity for large-scale production of staple food crops like maize, cassava, sunflower, soya beans, groundnuts and sweet potatoes. The major cash crops include tobacco and cotton.

There are opportunities in supplying the services needed for food production, including availing arable land, provision of inputs, and farming advisory services as well as financing of agricultural production. Other areas of business:

- Provision of special extension services oriented to availing and promotion of irrigation services and equipment.
- Promotion and training in new methods of feeding livestock and preparation of feed.

Opportunities exist in the following areas:

- Provision of tractors for mechanization of maize production
- Establishment of maize storage and processing plants
- Establishment of irrigation systems for maize and cotton farmers as well as valley dams for livestock farmers to increase milk productivity in Kiryandongo district
- Establishment of milk coolers and processing plants
- Development of an industrial centre premised on agribusiness model
- Establishment of fertilizer stores for food and cash crop farmers
- Construction of post-harvest handling warehouses for grains
- Procurement of Boran bulls for cross-breeding
- Establishment of a model dairy farm, which will require the procurement of improved in-calf heifers to increase milk production.
- Construction of a modern abattoir with cold rooms and refrigerated vehicles
- Provision of farm mechanization services



PHOTO CREDIT: Shutterstock

Upgrading of the fish processing industry

Establishment of a fish hatchery in the district to produce quality fish fry for catfish, tilapia and mirror carp would fill a gap created by the lack of quality stock for farmers produced within the region. The farmers procure fish stock from the urban areas, especially from the capital city of Kampala, Wakiso and Mpigi Districts, which is not cost-effective. Establishment of a fish feed manufacturing factory for quality feeds with standard formulation would encourage fish farmers and engage in fish farming in the district.

Specific opportunities for fishing in Kiryandongo include:

- Fish solar drying, packaging, preservation centre
- Establishment of a fish hatchery
- Aquaculture parks for fish and fish products
- A fish processing plant for value addition

Tourism

Kiryandongo provides a viable gateway to the Murchison Falls. Plans are underway to create a gate for visitors to access the Murchison Falls National Park. The gate will provide significant opportunities for investors in the tourism sectors. These include:

- Development of a tourism information centre
- Development of a religious tourism site
- Tourism development including hill walks and viewpoints, and a bird sanctuary. For example, the Panyandoli hills provide an excellent site with scenic views and mountain biking on the slopes.
- Environmental protection services on the River Nile Banks
- Construction of an eco-tourism site for forest walks, bird watching, primate identification, butterfly identification, conservation education, and research among others

Logistics Management

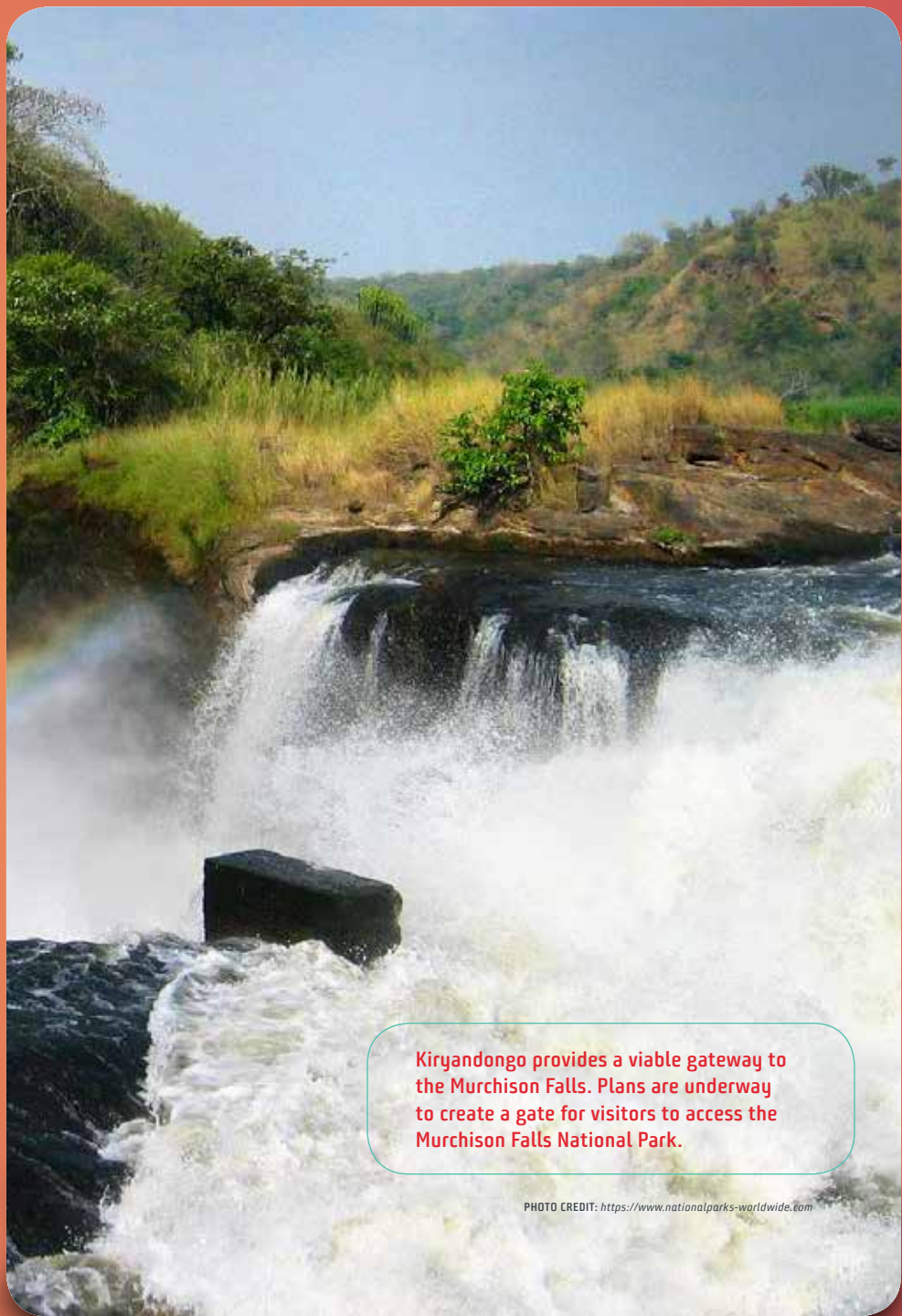
Bweyale Township in Kiryandongo has organically developed as a transit or stop-over area for bulk goods movement from the western, southern and central districts toward the northern districts and South Sudan and DRC. Kiryandongo is situated with major highways and junction areas, which are only 58kms apart. These are:

- Masindi- Kigumba
- Kigumba-Masindi port and Kampala –Gulu roads junction
- Karuma-Karuma–Pakwach, Arua, Karuma-Gulu/Lira, and Kampala-Gulu.

These junctions and highway intersections create and sustain a natural concentration of bulk movement traffic. Investment opportunities arising out of these include:

- A logistics service aimed at organizing a conducive traffic stop over facilities in the form of paid-for terminals. Terminals would offer all necessary amenities for servicing, refuelling, weighing, loading and offloading the bulk vehicles as well as conveniences like shops, lodges, restaurants etc. for the operators and drivers. This will provide employment opportunities for the population in Kiryandongo, including the refugee communities.
- Establishment of a transportation cooperative for the efficient management of vehicles and related logistics. In the cooperative model, the vehicles are managed by hired personnel using appropriate transportation ICT applications.





Kiryandongo provides a viable gateway to the Murchison Falls. Plans are underway to create a gate for visitors to access the Murchison Falls National Park.

PHOTO CREDIT: <https://www.nationalparks-worldwide.com>

Specific investment project

Establishment and management of a tourist lodge



Kiryandongo District has great potential in the tourism sector because of its proximity to the Murchison Falls National Park, which has a wide range of wildlife, waterfalls, birds and fauna and flora.

Hotel capacity

The tourist lodge will have the capacity to accommodate 15 individuals daily in the first year of production at a charge of USD30 (per person/per night). The core business of the tourist lodge is the provision of accommodation services to tourists and travellers.

Setting up

The business project implementation process involves the acquisition of land, construction of the accommodation and the corresponding leisure facilities at the sites permitted from either Uganda Wildlife Authority or National Forestry Authority and undertaking all the necessary business registration and securing sector-level secondary licenses.

Capital investment requirement

The estimated capital requirement for this scale of investment is estimated at \$574,076, to yield about \$1,370,649 after investment. The average number of guests expected is 18 per day. The expenditure would be 60% equity and 40% loan financing due to the large amount of capital required. For the first 12 months of operation, the minimum scale of investment should cover the purchase of an acre of land, construction of self-contained accommodation units such as single rooms and double rooms and the corresponding leisure facilities and services such as a bar and restaurant, internet connection services or café and laundry services. The cost of preliminary expenses and working capital for the project is estimated to be \$23,281.

Capital investment requirements	USD
Land	24,000
Land works and development	300,000
Lodge facilities and equipment	54,900
Furniture equipment and tools	107,588
Cottage, furniture and mattresses	49,588
Vehicles	38,000
Total Investment Cost (USD)	574,076

Source: Uganda Investment Authority's SME Business Ideas Handbook 2019/2020 (further details on setting up and the phased investment and viability can be accessed from the handbook).

Challenges

- Weather-related challenges like drought, hailstorms and floods
- Deforestation
- Poaching
- Lack of organized drying and storage infrastructure
- The majority of farmers hold fragmented land parcels. Small areas belong to the production category. These farmers have limited risk mitigation measures such as agriculture insurance and irrigation .
- Inability to sustain the supply of raw materials due to weak production capabilities and prohibitive costs of production such as high electricity tariffs and limited access to credit.

Cost of doing business



- Commercial rentals: **UGX 200,000**
- Commercial rentals, per month: **UGX 200,000 - UGX 300,000**
- Labour cost per month: **UGX 150,000-UGX 200,000**
- Accommodation average, room per night: **UGX 30,000-UGX 50,000**
- Rental residential average, per room, per month: **UGX 100,000**

Success stories

Mukwano Group

- Mukwano Group is one of the leading companies in Uganda. Its agriculture operations are in the Lango and Bunyoro sub-regions. The company has a commercial farm in Kiryandongo focussing on growing sunflower, maize, and soya beans, which are raw materials for the group's industries. The company also works in partnership with out-growers. The benefits for the community and the country include:
 - Provision of employment to over 45,000 out growers
 - Development of a steady and reliable market
 - Establishment of socioeconomic infrastructure in the form of better feeder roads
 - Provision of farming knowledge to the farmers through extension services
 - Corporate Social Responsibility in social services like education and health

Agilis Farms

- The farm is in Kiryandongo, and it majorly grows soya bean, sunflower and maize.

Mukwano Group has a commercial farm in Kiryandongo focussing on growing sunflower, maize, and soya beans, which are raw materials for the group's industries.



PHOTO CREDIT: Google Photo

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