

Europe Day

Agribusiness to benefit from yield fund

Details. The Fund seeks to support businesses with a clear competitive advantage and ambitious local management.

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The European Union, International Fund for Agricultural Development and National Social Security Fund (NSSF) are working together to catalyse investment in the agriculture value chain.

This has been done through the introduction of the Yield Uganda Investment Fund arranged by Deloitte Uganda and Pearl Capital Partners Uganda (PCP), which was launched last year.

An initial Euros 12 million (about Shs46 billion) was made available to provide much needed access to capital for small and medium agri-businesses in Uganda.

Yield is a partnership between public and private investors that will offer innovative and tailored financial solutions, using equity, semi-equity and debt, to about 20 Small and Medium Enterprises (SMEs) having the potential to gener-



ate both strong financial returns and significant social impact.

The Fund will be managed by PCP Uganda who will make investments in the range of Euros 250,000 (about Shs958.3m) to Euros 2m (about Shs7.7b).

The Fund targets agriculture-

related businesses across all value chains, including supply of agricultural inputs, production and agro-processing within all sub-sectors, post-harvest storage and distribution, but also peripheral activities such as transportation, communica-

tions and certification.

The Fund seeks to support businesses with a clear competitive advantage and ambitious local management.

"Agriculture plays a vital role for economic growth and sustainable development. Investment in the sector is an effective instrument to alleviate poverty and enhance food security," Mr Richard Byarugaba, the NSSF managing director said during the launch of the programme.

According to Mr Byarugaba, evidence suggests that gross domestic product (GDP) growth originating from agriculture is twice as effective in reducing poverty as GDP growth linked to the non-agricultural sectors, yet the sector is still underfunded.

The Yield Uganda Investment Fund is a great opportunity for NSSF to support the sector.

"The Fund seeks to support businesses with a clear competitive advantage and ambitious local management. It will benefit the economy by improving an estimated 100,000 rural household livelihoods, improve access to markets for an estimated 26,000 farmers," Mr Victor Karamagi, the public relations manager said.

He said the project is going to create employment opportunities, ensuring food security while generating income, foreign exchange and new export opportunities, all fundamentally contributing to Uganda's economic growth and goal to eradicate poverty.

Mr Edward Isingoma PCP managing partner, said Yield Uganda Fund is a unique testament of the relevance of agriculture to Uganda.

The Fund fully aligns previously dispersed interests to one goal, providing access to flexible financing for agriculture.

As a Uganda focused Fund,

it is a first, and will aim to achieve developmental impact alongside financial returns while transforming livelihoods in many different forms in the country.

"In establishing the investment Fund, EU has listened and is responding to the needs of Ugandan agribusiness. This is a first of its kind to be funded by the EU where we are blending private equity and grants and we are proud that Uganda is a beneficiary," Mr Isingoma said.

Yield Uganda Investment Fund is the result of continued efforts and commitment from the European Union to support the agribusiness sector by lowering the cost and risk of investments.

"The Fund will offer presently lacking long-term capital to entrepreneurs in the agricultural sector and contribute to the modernization and expansion of agribusinesses companies while providing quality financial returns for investors," the former EU Ambassador to Uganda Kristian Schmidt said during the launch of the programme last year.

According to Mr Kenneth Legesi Deloitte manager advisory, the project has so far made one investment and has been able to attract more investors.



Sesaco workers on duty recently. Sesaco Soya a Ugandan processing firm was named as the first beneficiary of the EU Yield Uganda Investment Fund to improve its production preparation for expansion and business growth.

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