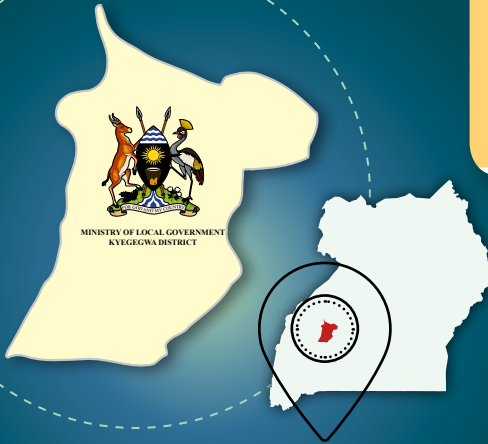


# KYEGEGWA DISTRICT Investment Profile



ACCESSIBILITY



MAIN ECONOMIC ACTIVITY



Agriculture



Trade

## BRIEF DISTRICT PROFILE

### Geography

|                  |  |
|------------------|--|
| Location         | Western Region                                 |
| Neighbors        | Kibaale, Mubende, Kiruhura, Kamwenge, Kyenjojo |
| District area    | 1,747km <sup>2</sup>                           |
| Arable land area | 1,747km <sup>2</sup>                           |

### Socio-economic characteristics

|                                    |  |
|------------------------------------|--|
| Population (2019)                  | 437,100  |
| Refugees and asylum seekers (2019) | 104,688  |
| Languages                          | Kiswahili, Runyoro – Rutoro, English   |
| Main economic activity             | Agriculture  |
| Main tradeable                     | Maize, bananas, beans, groundnuts, cassava, millet, Irish potatoes, sweet potatoes, citrus fruits, pineapples, coffee and milk |

### Infrastructure and strategic positioning

|               |                                 |
|---------------|---------------------------------|
| Transport     | Major road network              |
| Communication | MTN, UTL, internet connectivity |



PHOTO CREDIT: <https://ug.loozap.com>

## Geography

- Kyegegwa District is in the Western Region of Uganda. Kibaale District is to the north, Mubende District to the east, Kiruhura District to the south, Kamwenge District to the south-west and Kyenjojo District to the north-west. It covers a total area of 1,747 km<sup>2</sup>. The district is part of a central plateau. The hilly and rocky topography presents a bit of a challenge during construction and maintenance of roads and buildings. Sustained commercial agricultural production may require innovative agricultural practices.

## Demography

- Kyegegwa is one of Uganda's districts hosting refugees from Democratic Republic of the Congo, Rwanda and Burundi. The refugees are registered in reception centre, allocated plots of land in a refugee settlements and supported to build homes, work on farms and engage in income-generating activities. This effort is in line with Uganda's transformational approach of enabling refugees in Uganda to become self-reliant and locally integrated with host communities.
- According to the 2014 Population and Housing Census results, Kyegegwa's population was 281,637 with 141,043 (50.1%) men and 140,594 (49.9%) women. The reported population density was 92 persons per square kilometre. The 2019 population statistics show that of 437,100 people, 220,200 were male and 216,900 were female. The total population of refugees by 2019 was 104,688. (Source: UBOS)

## Main economic activity

- The main occupation of the people of Kyegegwa is agriculture and livestock farming. Small-scale farmers working on an average of two acres per household dominate the farming community. They cultivate maize, bananas, beans, groundnuts, cassava, millet, coffee, milk, potatoes, sweet potatoes, citrus fruits and pineapples for subsistence and sale.
- Some large-scale farmers with more than six acres are emerging, growing pineapples, citrus fruit, and bananas for the market.
- Matoke plantation and honey harvesting.

## Matoke plantation and honey harvesting



PHOTO CREDIT: UNDP Uganda

## Why invest in Kyegegwa District?



Strategic location



Enabling environment



Abundant natural resources



Livestock markets



Administrative support



Attractive incentive regimes



Energy infrastructure



Transport infrastructure

## Transport Infrastructure



- Kyegegwa has one tarmac road passing through the district from Kampala to Fort Portal town. Additionally, it has gravel surface roads including Kyegegwa to Kagadi through Kibale; Kyegegwa to Kamwenge through Biguli and Kyegegwa to Mbarara through Ibanda and Kazo. These gravel surface roads are in a good condition and are regularly maintained.

## Attractive incentive regimes



- Uganda provides a very generous incentive package for both domestic and foreign investors who are into production, particularly for medium and long-term investments which import plants and machinery. For details about the tax incentives follow the link:

<https://www.ugandainvest.go.ug/wp-content/uploads/2019/12/Tax-Incentives-for-2019.pdf>

## Abundant Natural Resources



- Kyegegwa has abundant natural resources including fertile arable land covering a total area of 1,747 km<sup>2</sup>. The district has a well-distributed rainfall pattern throughout the year with annual rainfall ranging from 1,200mm – 1,500mm. The temperatures range from 20 °C to 25 °C in all parts of the district. Rivers Katonga and Muzizi flow through the district. These rivers, along with the Ngata, Hapuyo and Kakabala wetlands, are sufficient water sources for sustainable commercial agricultural and livestock production.

## Administrative Support



- The local government structures integrate the political structure under the District Chairman and the technical structure under Chief Administrative Officer (CAO) to effectively provide the necessary services. Different departments assist investors in the local government. UIA is enhancing the existing local government investor services by setting up District Investment Committees (DIC) to facilitate new investors. The Investment Committees (DICs) have the responsibility of spearheading investment attraction, facilitation and aftercare in different sectors. The DIC is a 10-member task force comprised of five local government representatives: The District Chairman, the CAO, the DCO, the District Planner and the Lands Officer, while five members are from the private sector.

## Energy infrastructure

- Kyegegwa has stable power which is supplied for commercial and domestic use. The Kyegegwa Rural Electricity Cooperative Ltd. a four-year-old company, acquired a concession from Uganda Electricity Generation Company Ltd. to manage and distribute power in the district.

## Livestock markets

- One of the major sources of income in the district is the Livestock Rwensasi Market. This market is located in Ruyonza sub-county, 12km along Kyegegwa-Katonga road. The market has been in existence since 1998. It operates on Thursdays, accommodating approximately 500 traders and more than 1,000 buyers countrywide. The commodities which are sold include cows, goats, sheep, hens, ducks, turkeys and general merchandise.



PHOTO CREDIT: <https://www.courtroommail.com>

## Viable investment opportunities in Kyegegwa District

- Rwensasi Market is well established and has already provided a market platform for a large number of livestock traders over the years. Its service has grown to include traders who buy animals to supply a much wider regional market including South Sudan, Rwanda and Burundi. There is a demand for the provision of modern facilities in the market. Investment opportunities exist in establishing abattoirs with facilities for cold storage, refrigerated transportation and other items used to preserve carcasses.

### Investment in youth technical institutions

- Technical institutions are required to build the capabilities of the young people and give them the confidence to start business enterprises as a way of diversifying the communities' income. Such technical institutions should impart modern skills in professions such as ICT and computer applications, vehicle mechanics, engineering, construction, nursing, catering, tourism and hotel management, carpentry, fashion design, pottery, ceramics, moulding, art and crafts. This investment effectively responds to the demand for technical and employable skills by offering quality vocational skills to the youth.

### Investing in tree planting and tree nurseries

- Deforestation and environmental degradation in the whole of the Ankole sub-region have resulted from tree cutting for firewood, opening land for crop cultivation and some traditional farming methods which overgraze herds of cattle, goats and sheep. The pressure of an increased population from frequent entry and settlement of refugees from the neighbouring countries has contributed to land degradation. Investment in large-scale tree planting and large-scale tree nurseries is an opportunity for substantial income generation, reforestation and revival of the environment. These efforts will lead to more job creation that can diversify sources of income for the local communities.

### Other investment opportunities

- Establishment of storage facilities for agricultural produce
  - Stone quarrying
  - Elevation of Katonga Game Reserve into a game park would provide viable opportunities for tourism
  - Large-scale value addition and commodity-based agribusiness enterprises are being developed. These are mainly targeting the participation of women and the youth. Such enterprises include beekeeping, honey processing, banana and pineapple dry fruit making for the export market, wine production, and juice making
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## Existing investments in the districts

### **Mpara Dairy Farmers Cooperative Ltd.**

This cooperative comprises 15 dairy interest groups in Mpara sub-county. They have milk collection centres in which the milk from their farms is bulked and sold to Brookside Dairy Limited and other milk dealers. The cooperative processes yoghurt and is interested in a joint venture partnership to enhance their funding and technology.

### **Kyegegwa Rural Electricity Cooperative Society Ltd (KRECS).**

KRECS Ltd is a community-owned organization that was registered under the Cooperatives Act 1992 in 2012 to offer a range of services in distribution, management and administration of electricity to the community. As part of the rural electrification effort being undertaken by both the government and the private sector, the company is involved in maintaining and operating rural power distribution as a distribution utility company in Mubende, Kyegegwa and Kyenjojo districts. KRECS Ltd purchases electricity from Uganda Electricity Transmission Company Limited (UETCL) and so far, 2,500 consumers are connected to the company's power distribution network on the prepayment metering system. The agreement signed with the government in 2013 through the Electricity Regulatory Agency (ERA) is to maintain and operate the electricity distribution in the above-mentioned concession area for a period of ten years, extendable to fifteen years.



# Specific investment project

## Animal feed processing



PHOTO CREDIT: Google Photo

### Feed manufacturing

This is the process of commercially producing animal feed from raw agricultural products. Feeds produced by manufacturing are formulated to meet the specific animal nutrition requirements for different species of animals at various life stages. The main finished products from this process are poultry feed, swine feed, cattle feed, horse feed, pet food, fish feed and shrimp feed.

### Production capacity

Target production capacity: 1,500,000 kgs.

#### Capital investment requirements

| Capital expenditure item | Total cost (USD) |
|--------------------------|------------------|
| Fixed Assets             | 43,805           |
| Preliminary expenses     | 3,000            |
| Working capital          | 15,583           |
| Total Investment         | 62,388           |

#### Targeted Cost of production

| Purchase                      | Total cost |
|-------------------------------|------------|
| Manufacturing of animal feeds | 193,215    |

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





Kyegegwa's Kyaka II refugee settlement

### Challenges

- Climatic change resulting in irregular rainfall has impacted production and sustainable supply of food to the increasing population.
- Lack of mechanized agriculture which leads to low yields and quality of produce.



## Cost of doing business

- Average labour (casual) cost: **UGX 7000 – UGX 20,000 per day**
- Land cost: **UGX 3.5 – UGX 5 million per acre**
- Rental of shed cost: **UGX. 80,000 – UGX 200,000 per month**

## Success stories

**Kyegegwa Rural Electricity Cooperative Society (KRECS).**



PHOTO CREDIT: UNDP Uganda

## The main occupation of the people of Kyegegwa is agriculture and livestock rearing.

*Small-scale farmers working on an average of two acres per household dominate the farming community.*

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PHOTO CREDIT: Shutterstock

## DISTRICT CONTACT PERSONS

| NAME              | DESIGNATION                  | CONTACT    |                         |
|-------------------|------------------------------|------------|-------------------------|
| Mr. Kisoke John   | LCV Chairman                 | 0772547880 | johnkisoke@gmail.com    |
| Ms. Stephen Oloya | Chief Administrative Officer | 0772592231 | stephenolooya@gmail.com |
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