



# CAADP Post Compact Review UGANDA

## Country Review Report

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## Executive Summary

This document reports the findings of the Comprehensive Africa Agriculture Development program (CAADP) Post Compact Technical Review for Uganda's Development Strategy and Investment Plan (DSIP). The purpose of the review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. The review should be seen as an exercise to lay the groundwork for successful implementation of the strategy through the DSIP.

The DSIP constitute Uganda's strategy and plan to embrace the CAADP principles and values in national initiatives and programmes aimed at increasing and sustaining higher agriculture productivity. The DSIP defines twenty-two (22) sub-programmes, which are categorized under four programmes (priority) areas, namely (i) enhancing Production and Productivity; (ii) improving market access and value addition; (iii) improving the Enabling Environment for the Agricultural Sector; and (iv) institutional development.

The development objectives of the DSIP include increasing rural incomes and livelihoods and improving household food and nutrition security. An investment portfolio totaling UGX 2,443 billion in 2010 constant prices is proposed for implementation of the plan over 2010/11 to 2014/15. The "ideal" planning budget in the DSIP for year one is 457 billion Uganda Shillings (approximately US \$208m). Through the budget ceiling of the Medium Term Expenditure Framework (MTEF), Uganda has already allocated 75 percent of the amount required.

The DSIP has been developed by the MAAIF to guide what the Ministry will be able to implement. Detailed investment plans for the remaining 20 sub-programmes (not counting 1.2 and 1.2, which already have detailed plans) in all four Programmes of the plan will phase in over the next year. The other pieces of the full CAADP vision that are outlined in the compact – expenditures on components of rural growth by other Ministries, investments by the private sector, and an overall framework for M&E, among others– are also being developed.

The outcomes of these plans have been validated and the modalities governing their implementation are contained in the Compact binding technical and financial partners, civil society stakeholders and socio-professional farmers' organizations signed at national conferences on the financing of agriculture.

The Technical Review team's key findings and recommendations regarding Uganda's DSIP are outlined below. The finding are open recommendations presented as issues and considerations which should (i) enhance the capability (effectiveness and efficiency) of Uganda to deliver on the objectives and targets of the DSIP as well as (ii) ensure tangible results in agriculture productivity which also well translates into stimulating and supporting overall socio-economic growth in the country – food security, increased incomes and poverty alleviation.

General comment:

The Technical review has noted that the civil society, development partners and private sector were all actively involved and consulted. This is within and consistent with the CAADP principles and values. The CAADP implementation in Uganda was clearly more than just developing an investment plan, but paid particular attention to related fundamental institutional and policy issues.

The Review recognize that some deliberate efforts have been made to stimulate necessary reforms to ensure that there is also delivery mechanisms which should go hand-in-hand with the quality investment programmes for agriculture to play its role as an engine for socio-economic growth. It is that the challenges to sustain this engage are huge and therefore, implementation of the DSIP has to take deliberate and specific measures – build in and phased over the DSIP implementation period – that relate to stimulating and even providing desired incentives to sustain the reforms.

Trends in agricultural sector performance are analyzed and options for productivity growth provided. The document recognizes that increasing productivity in both the food and non-food sectors is at the core of poverty reduction and broad based growth. In this regard, increasing factor productivity, improving the functioning of input and output markets and developing a conducive legal, policy and institutional frameworks that facilitate private sector expansion and increased profitability along the value chain are identified as the primary pathways for realizing this growth. Furthermore, the document elaborates key sub-programme areas and activities for the Ministry of Agriculture Animal Industry and Fisheries.

The DSIP is heavily focused on economic growth, with less attention on safety net and food security issues, which are more directly related to poverty reduction.

The DSIP was developed by the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF) and the majority of the plan will be implemented by MAAIF. Within the scope of MAAIF, the document is well planned and comprehensive. The DSIP is a well-written, well-organized document that places a great deal of emphasis on analysis and data. It includes a detailed and thorough situational analysis (Chapter 2) that outlines the challenges and opportunities in the agriculture sector of Uganda. The two largest programmes in the DSIP, Agricultural Research and Technology Development and the Advisory Services and Technology Delivery are described in detail and additional information on implementation and financing are available outside of the DSIP. The plan includes some new and innovative approaches to agricultural development, including Promoting Strategic Enterprises (1.8).

The DSIP Investment Programme options (as presented in Chapter 3 of the DSIP) does not exactly link to the situational analysis as presented in earlier Chapters of the DSIP document. The description of sub-programmes implies that each will be implemented independently by a unit of MAAIF without a clear linkage to the analysis of the country's agriculture sector. In some cases, there appear to be areas of overlap and duplicative functions within the DSIP.

Furthermore, the DSIP does not include sufficient detail on how the sub-programmes will be implemented in practice, including detailed costing of sub-programmes and a realistic financing plan. The DSIP appropriately recognizes the importance of monitoring and evaluation as a key component of the planning and implementation of development activities, but does not include a rigorous monitoring and evaluation framework to be used in the implementation of the plan.

Achieving the goals and objectives described in the DSIP and the CAADP Compact will require effective coordination and collaboration with other ministries, stakeholders, development partners, and, in some cases, regional organizations. The DSIP acknowledges the importance of these other entities in achieving the goals of agriculture-led growth, but falls short in describing the mechanisms to be used to work with related Ministries, stakeholders, and development partners.

*Recommendations:*

In a manner similar to what has already been done for sub-programmes 1.1 and 1.2, MAAIF should continue to develop detailed implementation strategies for each sub-programme. During this process, MAAIF should ensure that appropriate detail is included, especially pertaining to: (a) how planned activities are linked to higher-level outcomes in the areas of the country's national priorities and the four CAADP pillars; (b) how the programme will be financed, including a detailed breakdown of funding sources; (c) how the programme will be implemented, including milestones and a rigorous monitoring and evaluation framework; and (d) how MAAIF will coordinate effectively with other Ministries, stakeholders, development partners, and, if applicable, regional organizations. These detailed implementation strategies should also reinforce what is new and innovative about the approach as opposed to "business as usual."

**Component 1: Alignment with CAADP vision, principles and strategy elements**

The vision and strategy of the DSIP are consistent with the CAADP vision, principles and strategy. The DSIP recognizes the complex institutional and policy environment within the sector and acknowledges need to address constraints to improve sector performance. The DSIP specifically targets improvements in the enabling policies and institutional strengthening as two of the four DSIP programmes.

Within the institutional strengthening programme, one of the major components of the DSIP is to reorganize and reform the MAAIF, so it can effectively perform the roles assigned to it in the CAADP Compact. Another feature of reform in Uganda is to strengthen capacity for implementation at the district and sub-county levels, to decentralize the state apparatus.

The reform agenda is not as well defined for the enabling environment programme although a number of regulatory and policy issues are highlighted. The DSIP, however, calls for greater analysis of individual regulatory and policy measures as part of the implementation of several sub-programmes. The DSIP does recognize that some elements integral to advancing a comprehensive agriculture development agenda will be addressed within the mandate of other line Ministries.

In the past, the PMA has represented a structure under which inter-ministerial collaboration and coordination were explicitly and aggressively pursued under the leadership of the Ministry of Finance. With the institutional reforms described in the DSIP, it is less clear how the previous level of inter-ministerial collaboration and coordination will be orchestrated. At present, the Sector Working Group provides a mechanism for discussion and coordination for some actors in the sector – but is not functioning as a forum under which ministries other than MAAIF interact among themselves and with other stakeholders. The sub-programmes identified in the DSIP will require effective coordination among various Ministries to ensure successful implementation.

Programme 3 of the DSIP is designed specifically to create "an enabling environment in which farmers will operate with minimal government intervention in the market (consistent with the provision of public services) and equitable taxation regime and 'fair play' in trade." A number of elements most important to the private sector, like adequate roads, reliable electric power, access to credit, mechanisms to enforce contracts and/or arbitrate disputes, etc. However, these elements are outside the scope of the DSIP.

Donor coordination in Uganda is strong through an active agricultural donor working group (DWG). DPs have also been actively involved in CAADP process, especially the development and the finalization of the DSIP. While there remain some aspects of the policies and programmes summarized within DSIP for which

GoU and the DPs have not reached full agreement, the DPs have publicly declared strong support for the DSIP and the CAADP process.

*Recommendations:*

1. Given the complexity and wide range of issues there is need for Uganda to prioritize and phase the major policy reform undertakings. The reform process will have to happen as an inherent and on-going feature in implementation of the DSIP
2. The M&E process should watch the reorganization and up-scaling of staff closely, to make sure that milestones are achieved on time that increased staff really does contribute to increased results, and that effective and efficient management systems develop at the district and sub-county levels.
3. There is need for the DSIP to assess further and bring out feasible operational mechanisms to link the DSIP, in terms of comprehensiveness and synergies, to complementary programmes in related Ministries as well as in non-state institutions and private sector. Without these linkages defined and realized in practice, the DSIP's comprehensiveness will be weak and can affect quality and results/impact in programme delivery
4. A mechanism for inter-ministerial coordination should be developed and to be effective it should have higher-level support and authority
5. The Sector Working Group (SWG) forum should serve as a platform for the mutual accountability across all stakeholders including the development partners. Effort should be made to strengthen participation of Uganda's vibrant civil society, farmer organizations as well as the private sector. Development partners in Uganda have over the years established a strong tradition of demanding for accountability from the government.
6. DPs should adopt common strategic dialogue and activity planning which is consistent with the institutional schedules of the MAAIF. Common arrangements will help increase effectiveness by focusing resources on common, agreed-upon objectives. This will reflect coordination in donor strategy, policy statements, and plans, which would have been discussed and agreed upon at donor working group meetings
7. In order to move towards the harmonization of donor funding, DPs need to move from project support towards a more pragmatic support of priority programmes

**Component 2: Consistency with long terms growth and poverty reduction options**

The Review assessed the consistency of Uganda's Agriculture Sector Development Strategy and Investment Plan (DSIP) with the long term growth and poverty reduction benchmarks established by CAADP and the first Millennium Development Goal (MDG1). The DSIP identifies (i) enhancing production and productivity, (ii) Improving Market Access and Value Addition; (iii) Improving the Enabling Environment for the Agricultural Sector; and (iv) Institutional Development as key priority areas for the Ugandan agriculture sector.

The development objectives of the DSIP include increasing rural incomes and livelihoods and improving household food and nutrition security. An investment portfolio totaling UGX 2,443 billion in 2010 constant prices is proposed for implementation of the plan over 2010/11 to 2014/15.

The MTEF and Ideal budget scenarios represent about 44% and 27% less than the baseline, respectively. The MTEF budget increases at a faster rate the Ideal budget scenario over plan period. Against the Maputo commitment of 10%, both budget scenario fare worse at 5.1% and 3.9% for the Ideal and MTEF scenarios, respectively. These budgetary allocations and annual spending increases also fall short even of the efficient annual spending scenario of a 25.3 percent suggested in the growth and investment analysis by Benin et al. (2008) in order for Uganda to make significant improvement in achieving the CAADP six percent annual average agricultural growth rate target. Thus, these budgets seem worse than a business-as-usual spending scenario.

Looking at the proposed investments across the different thematic areas, improving production and productivity and improving market access and value addition are the major drivers of the DSIP. These two take up to 93% of the total resources for the sector. The budget grows evenly across all areas under the MTEF scenario. In the ideal case, however, improving production and productivity grows at a slower rate, while strengthening institutional capacity takes a dive over plan period. These are surprising without any justification as to why any growth momentum can be sustained.

The DSIP seeks to address weaknesses in the Plan for Modernization of Agriculture (PMA) especially in implementation and coordination requirements. How the DSIP will address the significant gaps such as the provision of financial services to farmers and the problems of value-addition and market access will be critical for its success and achieving the objectives.

The DSIP targeted production growth rates to deliver the CAADP 6% growth rate target is feasible, assuming that the commodity specific growth targets specified in the DSIP are achieved within the time frame of the plan.

Under the “business as usual” scenario, agricultural subsectors such as cereals, export crops, livestock, and fisheries will see a 2009-2015 reduction in annual growth rate from the 2005-2009 period. Meanwhile, subsectors such as roots, pulses and matoke will see an increase in annual growth rates. Overall, the agricultural sector under the baseline scenario will see a net increase in annual growth of 1.05 percent. The DSIP/CAADP scenario requires growth across all subsectors as well as significant increase—from 2.89 percent annual growth to 6.07 percent—in the agricultural sector overall. To achieve this growth, average annual growth rates in a number of subsectors, including maize, rice, fruits, pulses, matoke, cotton, tobacco, and coffee, will have to realize growth at more than double the projected baseline rates. This implies that Uganda will need to bring more land under cultivation in order to meet the DSIP/CAADP scenario production growth rates.

Uganda is currently on track to achieve MDG1. However, achievement of the DSIP/CAADP scenario will reduce poverty even further—from the baseline scenario of 23.7 percent in 2015 to the DISP/CAADP scenario of 19.9 percent. Disaggregation of the poverty results reveals that rural and farm populations stand to benefit the most from achieving the commodity-specific and overall agricultural growth rate targets specified in the DSIP. Under the baseline scenario, urban areas would see slightly greater annual poverty reduction than rural areas—3.52 percent as compared with 3.29 percent, respectively—while under the DSIP/CAADP scenario the rural areas would have a slight advantage over the urban—6 percent annual poverty reduction as compared with 5.92 percent, respectively.

## Recommendation

1. The emerging oil issue can affect agriculture sector's role in the economy. It is important that as soon as possible government undertakes a comprehensive assessment to analyze the potential impact of oil on the agricultural sector.
2. Along the possible positive trade outcomes that would result from a stronger agricultural sector in general and from market access and value addition and improvement of the enabling environment in particular, Uganda should take up explicit discussion on regional trade/markets with the EAC and/or COMESA.

## Component 3: Adoption of best practices and inclusion of core programme elements

### Sustainable Land and Water Management

**Land Management:** The DSIP does give adequate attention to Sustainable Land Management. The involvement of the Inter-Ministerial Cooperation Framework (IMCF) is highly commendable especially that the framework already seems to be working very well even with non-public organizations. While there is a mention of some of the studies that have been carried out and some on-going work, it is not clear as to how the intended activities will contribute to the achievement of the objectives. As to which entities will carry out the different activities and how the activities are being and will be carried out and how the activities will be funded has not been elaborated. Some of this work may have been completed outside of the DSIP within the Strategic Investment Framework on Sustainable Land Management, though this is not reflected in the DSIP.

**Irrigation and Water Management:** While most issues which are important in relation to water management including transboundary water management relating to shared water resources have been outlined in the form of planned activities, the details of how the activities will each contribute to the achievement of goals is not well described. This is indirectly acknowledged in the DSIP by including among the suggested activities the development of appropriate mechanism for cost sharing and funding of water-based interventions and also that a time bound action plan for implementing the DSIP proposals.

**Land Policy/Administration:** Land policy is excellently discussed under the situation analysis chapter in the policy failures section. The different land tenure difficulties concerning customary land ownership, re-dividing of land, absentee landlords, lack of rangeland policy and the conversion of large pieces of land to private ranches have been outlined. Land administration has been complicated by lack of coordination between the concerned Ministries and institutions. However, the good coordination work of the Inter-Ministerial Cooperation Framework was mentioned.

**Climate Change:** The DSIP sub-programmes have largely addressed climate impacts, vulnerabilities and coping measures, improved climate forecast, integration of climate risk and strengthening district capacity to integrate climate change issues into planning. There is, however, no mention of some of the main world current issues such as the carbon credit facility.

### Market Access, Trade and Infrastructure

The DSIP elucidates an ambitious agenda that the Government of Uganda plans to implement to ensure markets for primary and secondary agricultural products within Uganda, the region and beyond are developed and sustained. Though the document is technically sound to deliver on agricultural development and poverty reduction in Uganda, there is still a number of issues that need to be addressed to ensure

successful delivery on targets as set in DSIP. Key priorities identified in the Framework for (FIMA) center around the following areas:

- i. Raising competitiveness and seizing opportunities in domestic, regional and international markets
- ii. Investing in commercial and trade infrastructure to lower cost of supplying domestic, regional and international markets
- iii. Developing value chains and access to financial markets
- iv. Strengthening the commercial and technical capabilities of farmer organizations and trade associations

## **Food Security**

Despite Uganda's overall high level of food production, food security remains an important problem, with a portion of the population failing to access diversified food items and hence poor diets. Poverty has been among the reasons failing the population to access diversified food items and hence poor diets. Proteins and specifically those of animal origin (fish livestock and milk) are consumed in small amounts, hence perpetuating low levels of micronutrient deficits. Limited food diversification and specifically those, which are nutrient dense (horticultural products – root and fruits), have been the roots of poor nutrition among Ugandans. Uganda has the potential of improving its food security through improving of dietary diversity. The good news is that it has been indicated that agricultural growth driven by horticulture- and root-crop-led growth is more effective at reducing poverty than growth driven by other crops sub-sectors. Abundance of water bodies, if taken seriously, will explore the potential Uganda has to improve her food security.

The DSIP elaborated a roadmap on enhancing food and nutrition security planning. The A sub programme 3.5 intention to be able to attain accurate agriculture statistics is very vital to have information concerning food and nutrition security.

The DSIP places a strong emphasis on increasing incomes and growth, including for the north which has a high population of vulnerable and food insecure.

The DSIP highlights the need to involve ministries such a gender and legal is potential to champion effective growth (women led production) – key to regulating laws hindering women capabilities to multiply their effect to food security. Women, who are the key producers do not have access either land, income, or vote to decide on the utilization of the income generated from the farm. Empowering women through legal framework is potential to improve household food security.

The proposed establishment of the Uganda Food and Nutrition Council has potential to ensure that increased production goes hand in hand with improving quality of diets.

## **Research and dissemination**

Programs 1.1 and 1.2 of the DSIP cover the plans and strategies for Uganda's main public investments in agricultural research and agricultural advisory services – the National Agricultural Research Organization (NARO) and the National Agricultural Advisory Services (NAADS) respectively. These two programs are strong and well-designed programs. These two programs are well supported in the MTEF and in the DSIP budget – and appropriately so. Both programs are exemplary in Africa for the extent to which, in most respects, they are aligned with the principles advocated by the Pillar Framework for Pillar 4 (the Framework for African Agricultural Productivity – or FAAP).

The DSIP comprehensively articulates an agricultural research and extension agenda that could go a long way in transforming agriculture as an engine for economic growth in Uganda if implemented.

Sub-programmes on research and extension services, clearly highlight the roles of NARO and NAADS in the whole process. Budgetary allocation to research and extension services constitutes over 60 % of the entire DSIP budget.

*Recommendations:*

- a) In future development of the implementation arrangements for the DSIP, elaborate detailed activity plans including detailed implementation arrangements including link to and alignment with the Inter-Ministerial Cooperation Framework. Also consider capacity-building component, which may lead to better understanding of carbon credit facility implementation; coordination and collaborating with other entities within the government as well as outside the government, such as FEWS NET
- b) The envisioned policy analysis and consultations on regulatory reforms will require MAAIF to work closely with the relevant Ministries, agencies, Farmer Organizations and the private sector to support implementation of the identified trade infrastructure and market access policies and programmes to enable agricultural producers' access national, regional and international markets
- c) As the food and agricultural statistics databank is established it should ensure data is available and packaged in a way that is beneficial to not only the public sector, but private sector and farmers for market information purposes
- d) To complement the focus on strategic enterprises and zonal priorities, MAAIF may wish to eventually complement this approach with a focus on agricultural growth poles where commercial infrastructures and processing facilities can be concentrated.
- e) Given the focus on public private partnerships (PPPs), there may be a need to place a special focus on understanding and facilitating the enabling environment for PPPs and private sector commodity processing and storage as these may form a particular bottleneck.
- f) Develop partnership strategies to engage the private sector and help smallholder farmers transform their organizations into credible commercial entities.
- g) As sub-programme 2.5 is further developed, in addition to the support to farmers groups and for a, higher level farmers organizations may require particular support and more focused capacity building including development of capacity building training modules for them. There may be greater opportunity to focus on input marketing in addition to output marketing in sub-programme 2.5, including exploring opportunities to encourage Input market and distribution performed by the HLFOs/FBOs/TAs.
- h) Food security indicators need to be included in the M&E framework as per the CAADP M&E framework and the FAFS measurement tool. The details on the completion of the legal framework for food security and nutrition need to be elaborated. The section on capacity development must include food security and nutrition capacity too.
- i) The process outlined, as component 3.2.7 (Enhancing food and nutritional security planning) needs to be fast tracked so that it becomes operational at the beginning of DISP implementation. Integration of this component is key to address food security issues.
- j) Details of strategic research crops are not provided. Only cassava is mentioned. Provision of these details will ensure that investments are focused on the most valuable priority commodities, which can maximize profits for economic growth. At the implementation level, the DSIP should be more commodity-oriented than agriculture-oriented.

- k) There is no mention of partnerships within the region or with regional agricultural research bodies such as EAC and ASARECA respectively. There is a need to show linkages with ASARECA and ECA.
- l) Sub programmes 1.1 and 1.2 have technology up-take components, which can be merged under sub programme 1.2 to be implemented by the NAADS. There should be a harmonization of NARO and NAADS activities about extension services and technology adoption and dissemination.
- m) With respect to one fundamental principle advocated by FAAP (the need for separation of advisory services from provision of inputs), adjustments to the original design of NAADS to incorporate provision of inputs through NAADS to some selected beneficiaries directly violate this important FAAP recommendation. This appears to have contributed to a number of problems at both local and national levels (corruption, exacerbation of empowerment and privilege relationships, etc.) while failing to lead to a more substantial and effective and comprehensive approach to stimulating the use of purchased inputs. It would be advisable to launch a thorough and intensive effort to design and implement measures to stimulate the development of an expanding and more vibrant, accessible, efficient input supply system that would be independent of NAADS, while utilizing NAADS to stimulate the demand for inputs. Ideally this would be accompanied by the decoupling NAADS from the provision of inputs (except in very limited demonstration-level quantities).
- n) Within the detailed implementation plan, there is need to align key issues, strategy and budget in order to develop of the aquaculture and fisheries sector in Uganda. The issues related to capture fisheries should be adequately addressed in tandem to those of aquaculture. Fisheries management can be redirected to aligning the sector strategies towards sustainable wealth generation
- o) To advance the fish industry, it is highly recommended that Uganda consider adopting a process similar to that which is being followed to develop the Fisheries Investment Plan for Ghana with support of the NPCA- Partnership for Africa Fisheries (PAF) Programme / World Bank, to allow allowing for the formulation of a feasible, realistic, well budgeted and bankable implementation plan for the fisheries sector of Uganda.
- p) Livestock (especially dairy and beef) are recognized as having high potential as key drivers of development according to the ranking of commodities presented in the DSIP. Support to dairy production by creating an organized milk collection and marketing system will be addressed through the Dairy Development Authority (DDA) and NAADS. Tsetse control will be addressed through COCTU.

### **Cross-cutting Issues**

**Gender:** Uganda has demonstrated proactivity and leadership on issues of gender in the area of agriculture. The DSIP highlights the link between improving women’s access to services and making productivity enhancing investments and growth and poverty reduction. It also notes that gender roles have an impact on agricultural activity

Some sub-programmes of the DSIP do not have strong strategies on how gender issues are to be integrated into the programmes and sub-programmes.

Collection and monitoring of gender disaggregated indicators is not specifically addressed in the document but may be useful as part of the monitoring and evaluation system.

*Recommendations:*

- i. Given gender's cross-cutting nature, collaboration between MAAIF and other ministries working on development issues should be strengthened.

**Monitoring and evaluation:** The need to strengthen the M&E system for DSIP is well articulated in the document. A stronger justification for a functional M&E system could be derived from inter-alia, the following;

- The stock taking analysis towards investment options is an ex-ante M&E analysis and the challenges related to paucity of data for this kind of evidence based analysis need to be addressed
- M&E culture already exists in Uganda especially given the establishment of NIMES; the CAADP M&E system will feed into and improve the quality of and relevance of NIMES outputs
- A robust and functioning M&E system will not only guide implementation, but borrowing from the ex-ante analysis, will provide objective evidence of returns to investment thereby answering the strategic questions posed in the document – Is Uganda on track and did we achieve intended growth targets

#### *Recommendation*

- i. The indicators in table 6.1 could be further improved to reflect achievement of intermediate outcomes under each result area and delivery of specific milestones under each sub-programme/activity. The CAADP M&E framework has a set of standard indicators that the plan should adopt to assess overall sector performance at intermediate outcome, outcome and impact level. As noted in the DSIP, a set of core indicators should be selected for each Result /objective area.
- ii. The review supports the recommendation in the DSIP for comprehensive monitoring plan should be developed. This plan should include the following.
  - Data and information management system
  - Inclusive, clear and flexible analytical agenda
  - Clear value addition to the NIMES
  - Effective communication strategy
  - Linkage to the mutual accountability processes.
- iii. NPCA should provide additional technical support to MAAIF based on the overarching M&E framework.

**Institutional arrangements for results monitoring:** DSIP places the M&E function under sub-programme 2 on planning and policy development with a system for tracking and reporting is envisaged. The DSIP, however, does not consider the country and regional SAKSS nodes that are considered critical to supporting the analytical agenda, yet Uganda SAKSS node was established in 2008. Likewise links to specific think tanks and data sources is mentioned in general terms yet organizations such as UBOS have fairly advanced agriculture modules that generate data for assessing agricultural sector performance. It is therefore recommended that priority should be given to the development a clear institutional architecture for implementing the planned M&E activities.

#### **Component 4: Alignment with country commitments**

In this first year of the new DSIP, only sub-programmes 1.1 (NARO) and 1.2 (NAADS) that are funded through ATAAP have full implementation plans. The other departments and agencies of MAAIF will spend resources on activities related to their specific mandates, but which are not specifically aligned with the reforms and DSIP objectives.

Outside of NAADS and NARO, it is unclear what prioritization has been done in relation to available resources. For example, in the case of less-than-expected funding, which activities will be prioritized and which will be reduced or cut?

A key gap in the DSIP is the linkage between the DSIP and the other agriculture related projects/programs outside MAAIF.

One of the challenges of DSIP will be for each of the sub-programmes to show why their activities are not “business as usual,” which have not achieved adequate results in the past. In its reporting, the programmes will need to show what is different, better focused, strategic.

Given the activities of Regional Economic Communities in putting in place free trade areas and common markets, harmonizing standards and regulations, significantly reducing both tariff and non-tariff barriers to trade and considering the important regional connections of Uganda in the area of agriculture research, there are significant opportunities available to link to agriculture sector development plans.

The DSIP lays out a number of important activities designed to promote domestic, regional and international trade in agriculture products, particularly in Programme 2.

The programs related to regional interactions are not pulled together into a strategy with clearly defined assistance to farmers, cooperatives, warehouse operators, traders, transporters and other partners to facilitate access to regional markets.

#### *Recommendations:*

1. Commodity platforms that bring together stakeholders from farmers’ organizations, private sector firms involved in storage, trading, and export and the appropriate agencies from MAAIF and other Ministries is recommended in the approach to move forward. A participatory approach is better than trying to “pick winners” in advance. This sub-programme should be elevated as the framework for priority activities for many other agencies and sub-programmes in the DSIP – NARO, NAADS, UCDA, livestock, fisheries, water, policy reform, market information, etc...
2. The strategic enterprises sub-Programme needs to be better linked with NARO, NAADS, the market development programme and other elements of the DSIP.
3. A strategy and outreach programme to encourage export trade should be developed as more detailed implementation plans are developed – particularly for the strategic enterprises in sub-Programme 1.9, for market access and value addition in Programme 2, and for improving the enabling environment for private sector investment
4. The programme to build regulatory services in sub-Programme 2.1 should be planned in close consultation with the EAC, COMESA, and IGAD, so that regulations, testing laboratories, and enforcement procedures are implemented within the new, regionally harmonized and integrated context. This will allow for cost saving through shared testing laboratories and other facilities. It will

simplify and encourage regional trade, while protecting Ugandan farmers and providing a favourable environment for private investment.

5. MAAIF should prioritize key policies in urgent need of reform and design a programme of analysis and advocacy for reform.

### **Component 5: Operational realism**

This section of the review of the DSIP document ascertains the extent to which the Investment Plan addresses key factors that are critical to the effective and efficient implementation of the Plan. These are: costing details; indicative financing plan; agricultural sector public expenditure review; public financial management capacity; risk assessment; financial and economic analysis; estimate of the investment to be provided by the private sector; viability of implementation arrangements, and; institutional capacity. These issues are discussed individually below.

#### *Recommendations:*

1. Finalize as soon as possible the detailed preparation of cost figures for all the remaining 20 sub-programmes (desegregated by activity), a process that was initiated following the FAO mission in the second half of August.
2. It is advised that the costs (component, sub-programme, programme and DSIP) be updated following the completion of the detailed development of the 20 sub-programme documents, as this would provide the total picture of the cost structure. It is further advised that the analysis of the financing gap be based on these final figures.
3. Given that the implementation of NAADS and NARO has already started, we advise that the implementation of the remaining sub-programmes be embarked upon in phases (once they are sufficiently ready), with each phase consisting of a cluster of SPs.
4. There is an urgent need to develop an indicative financing plan with a breakdown of budget figures by source, i.e. whether government, DPs, private sector and other
5. The assessment of the public financial management should be carried out as soon as possible, given its potential role to positively impact investment commitments and sustaining their flow. The assessment should lead to the development of a capacity building plan.
6. As the implementation of DSIP rolls out, it is recommended that cost/benefit analysis be undertaken to guide investment prioritization and consequently financial resource allocation. This will optimize returns to investment.
7. There is need to undertake an assessment of funding to be provided by the private sector. This should be done shortly after detailed implementation strategies and costing have been completed.

### **A “Road Map” towards DSIP refinements effective Implementation**

Taking these recommendations forward will require a well coordinated effort between the country and the development community to help advance the plan. We are providing a road map that is intended to help bring clarity to the next steps for addressing the key outstanding issues for the investment plan, capacity building needs to prepare for implementation, further project design and integration of best practices into project approaches and financing strategy.

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# 1. Introduction

The Comprehensive Africa Agricultural Programme (CAADP) was endorsed by the African Heads of State at the Maputo Summit in 2003 as a strategy to transform African agriculture and address poverty and food insecurity in Africa. CAADP represents a new era in international development and is transforming not only the largely neglected agricultural sector but creating innovative and unique development partnerships. The comprehensive and inclusive agenda has seen an unprecedented involvement of:

- Inter-Ministerial formulation of inter-sectoral investment plans that are country-driven and country-owned
- The private sector, civil society and farmers' organizations in identifying the priorities for agriculture-driven growth
- Technical expertise across the continent in establishing policy frameworks, implementation guides and tools that provide a sound base and guide for evidence-based planning, and
- Development Partners and Bilateral Agencies in common dialogue and planning.

CAADP represents a reform agenda with wide-reaching influence on the transformation of development aid architecture and development planning. CAADP provides numerous opportunities for value addition, offering support in the development of comprehensive agriculture investment plans with supporting comparable monitoring and measuring systems, independent political, technical and financial review of investment plans, peer review and capacity development.

In recent years, CAADP implementation is gaining momentum, creating positive peer pressure among African governments to prepare quality investment plans, ensure enabling policy environments to implement the plans and translate these plans into programmes that are effective and efficient at stimulating growth and reducing poverty.

This report documents the findings of the AUC/NEPAD review of Uganda's Development Strategy and Investment Plan (DSIP) – July 2010 Version.

The report presents outcomes of the review along the five components defined below (chapter 3). The outcomes are presented under three main sub-headings, namely (i) the commendation – essentially raising the issues that the review is drawing attention to within the subject of the component; (ii) Gaps/comments - highlighting what aspect of the issue need attention. This could also be in acknowledging strengths, which may need to be enhanced or serving as lesson/s or best practice for other situations; (iii) situation specific and precise recommendation – providing suggested action. This will be normally also indicate the level and timeline desired/suggested to implement or respond to the proposed recommendation.

As mentioned earlier, the review is not to approve or pass judgment on the Investment Plan. It is meant to provide for a due diligence process integral to Africa's collective resolve and commitment to achieve desired levels in sustainable socio-economic growth at the same time reforming and building capacity and mechanisms (policies, institutions, etc..) to the overall ability of the continent to sustain growth.

The report focuses on the degree of alignment with CAADP principles and frameworks as contained in the broader CAADP Guide and Pillar Framework documents. The review commends the efforts Government of Uganda is putting in place to respond to address agriculture performance and thereby poverty, hunger and nutritional demands. The review proposes areas that will need strengthening for the DSIP to sustainably and effectively contribute to attaining the CAADP goals and outcomes in Uganda and the region

## **2. CAADP and the Technical Review Context**

Working with its Member States, COMESA has taken a strong leadership role in advancing CAADP, an initiative of the New Partnership for Africa's Development (NEPAD) Agency, which is a program of the African Union. Seven of the 19 COMESA Member States have signed their country compacts including Malawi. Under the compacts countries commit to using 10% of their national budget for agricultural development and to ensure growth of the agricultural sector by 6% annually in order to reduce food insecurity and poverty.

Following the signing of their compacts, countries develop their CAADP country investment plans. The investment plans then undergo technical review led by the African Union and the NPCA (NEPAD Planning and Coordinating Agency) in liaison with CAADP Pillar Institutions. This post compact technical review is a critical step in the operational implementation of the country compacts and investment plans. The primary objective is to collectively evaluate for:

- i. the likelihood for the investment programs to realize the growth and poverty reduction prospects laid out in the different strategy scenarios carried out for the roundtable and summarized in the different roundtable brochures;
- ii. the use of best practices and other technical guidance in the pillar framework documents in designing the above investment programs;
- iii. the technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programs;
- iv. the integration of CAADP principles of inclusive review and dialogue; and
- v. the consistency with budgetary and development assistance commitments and principles agreed in the compact.
- vi. adequacy of institutional arrangements for effective and efficient "delivery" including information and knowledge support, M&E and on-going evaluation and learning
- vii. coherence and or consistency between policies, implementation arrangements and delivery mechanisms and investments areas, priorities or programme objectives

- viii. appropriateness and feasibility of the indicators for impact and system or capacity improvement and accountability
- ix. extent and quality of dialogue, (peer) review and mutual accountability system potential to contribute and link to regional integration objectives;

The review is not intended to approve or grade the investment programs, projects and other elements of the post-compact agenda. Rather, it is intended to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth and food security, and to help ensure that every possible action is being taken to make sure that the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the plans approved at the Compact roundtable and reflected in the Compact and in the DSIP. The outcomes of the review should therefore be a set of concrete, implementable actions to:

- i. immediately mobilize the required expertise, capacities, and partnerships for immediate on-the-ground implementation;
- ii. establishing a mechanism to facilitate joint donor commitment to financing and thereby release the resources required to meet the funding needs of the plans within a reasonable time;
- iii. streamlining of review and appraisal processes and standards to speed up individual donor processing; and
- iv. establish the knowledge systems for an inclusive review, M&E, mutual accountability, learning and impact assessment including on-going consultations and dialogue to enhance implementation as well as development and design of new programmes.

The reviewed Investment plan and the Technical Review Report are presented to the international community at a Business Meeting for endorsement and mobilising of resources for financing the funding gaps. As CAADP is the continentally agreed-on benchmark for quality investment strategies, existing and new development partners, the private sector, and emerging funding architectures respect the recommendations and endorsements of CAADP.

Under the leadership of the Country Teams, the investment plans and related programmes will be implemented along with:

- i. detailed project design and costing;
- ii. establishment or strengthening of monitoring and evaluation systems;
- iii. building the necessary capacity for implementation;
- iv. policy change to ensure an enabling environment;
- v. establishment or strengthening of the necessary institutional elements for an enabling
- vi. environment; and
- vii. alignment of long-term reforms in related other agricultural strategies, Poverty Reduction Strategies, SWAPs and related sector programmes.

### 3. The Components, Methodology, Criteria, and Tools of the Review

The basic approach of the review consists of assessing proposed actions and outcomes in the programmes against CAADP principles and country specific targets, objectives, practices, and approaches defined and agreed in the country CAADP Compact. The criteria are measures of the consistency or lack thereof of the programs with the above indicators. The main components and tools for the review include the following:

- i. Alignment with the NEPAD-CAADP principles, values and targets: The CAADP Implementation Guide setting out the vision, principles, core strategy elements, and impact expectations;
- ii. Coherence and consistency with long term growth and poverty reduction objectives and targets: The roundtable brochures and technical background documents defining the long term agricultural productivity, growth, and trade performance, and the related poverty outcomes;
- iii. Embodiment of technical best practices and CAADP priority areas/issues: The Pillar Framework Documents laying out the key strategic issues, core program elements, and best practices;
- iv. Operational quality and implementation readiness and alignment with Compact commitments: The CAADP compact specifying the policy, budgetary, development assistance, review, and dialogue commitments;
- v. Detailed investment programs showing inputs, outputs, outcomes, and institutional arrangements;
- vi. The Donor coordination guidelines for CAADP support at a country level outlining modalities for engagement between local development partner agencies, government and other stakeholders

The review is conducted along five broader components, namely:

**Component 1** reviews alignment with CAADP vision, principles, and strategy elements to ensure that all key vision elements, principles, and strategy core elements, as defined in Annex I of the CAADP Post Compact Guide are reflected in the country's programs and, where there gaps, to help identify these in order to ensure full alignment.

*Tool: CAADP Implementation Guide*

**Component 2** looks at the consistency of the plan and the potential impact on long term growth and poverty reduction options. This section evaluates whether:

- i. the overall growth targets that are specified or implied in the plans, in general, and
- ii. the changes in individual sub-sectors and related targets, in particular, diverge from the sector-wide performance and poverty reduction outcomes underlying the long term strategic scenarios. For instance, each of these scenarios is linked to required changes in

sub-sector growth rates, trade performance, overall public expenditure levels, and assumptions about the efficiency of sector policies.

This component also presents a comparative country profile, based on the nearly two dozen CAADP indicators being tracked by ReSAKSS for all African countries, to show the current standing of each country with respect to its peers, and thereby identify gaps to be bridged.

*Tools: Brochures, technical background documents, investment program documents*

**Component 3** seeks to establish whether the investment plan includes the adoption of best practices and inclusion of core program elements. The aim of this assessment is find out where clearer definition and understanding of the strategic issues is required and where better integration of best practices can help improve the design of the plans and maximize benefits of growth. The CAADP Post Compact Guide Annexes II to IV present a set of specific guides and tools, prepared by the Pillar lead institutions as part of the Pillar framework documents, which provide criteria and step-by-step approaches to design high quality plans.

*Tool: Pillar Framework Documents and Pillar Implementation Guides and Tools*

**Component 4** focuses on alignment with compact commitments and its objective is to agree on: (i) a joint action plan to meet the policy, budgetary, and assistance commitments and (ii) identify and confirm modalities for mutual review, including dialogue fora and supporting knowledge systems to track and report on such commitments.

*Tools: CAADP Compact, Brochure 5, and Donor Guidelines for CAADP support at country level*

**Component 5** reviews the operational realism of investment programs and seeks to verify and confirm the adequacy of the content, cost and institutional arrangements, and where necessary, to identify the operational and design improvement to be carried out to ensure successful implementation. The task in this section is to verify the extent to which the key elements and features listed in Table 1 of the CAADP Post Compact Review Guide are reflected in the investment plans.

*Tools: Detailed investment programs*

## **4. Uganda's Development Strategy and Investment Plan (DSIP) – July 2010 Version**

The Government of Uganda has worked towards goals consistent with NEPAD-CAADP through various plans and programmes, notably the Plan for the Modernization of Agriculture (PMA). A significant amount of analysis as well as practical experience with programmes and projects, both within and outside of government, has built a strong empirical basis for focused evidence-based planning and for guiding a pragmatic reform agenda. Nevertheless, the recent performance of the sector has been disappointing, with declining yields and production of key major crops with consequent food insecurity and increasing poverty especially among the rural populations.

Over the past three years, the CAADP process has led to structured engagement with the various branches of the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), the other Ministries involved with the rural sector, and with key partners in the private sector, NGOs and other civil society organizations. Uganda's development partners have played an active role in discussions at various levels, through both the Agriculture Donor Working Group (DWG) and the Agriculture Sector Working Group (SWG). The African Union Commission, the NEPAD Agency, COMESA, various other regional and multilateral agencies, and the international development assistance community continue to support the process.

In the CAADP Compact signed on March 31, 2010, the Ugandan government and non-state partners committed themselves to the CAADP vision and strategy. This is laid out in three key documents. The first is the National Development Plan, which sets broad goals for the agricultural sector; the second is the new Development Strategy and Investment Plan (DSIP) of the MAAIF, which is Uganda's revised/new agriculture sector investment plan, which is the document under review. It was approved by Cabinet on March 26 and launched at the CAADP Compact signing meeting. The DSIP lays out how the CAADP principles will be implemented by the Ministry of Agriculture and its agencies in pursuing growth and increased productivity of Uganda's agriculture industry. Implementation of those components that are ready and need scaling up started on July 1 2010, which is the beginning of Uganda's 2010/11 fiscal year. The third document, a broader policy framework for the agricultural sector as a whole, is the National Agricultural Policy (NAP) due to be completed by December 2010.

The DSIP defines twenty-two (22) sub-programmes, which are categorized under four programmes areas. The "ideal" planning budget in the DSIP for year one is 457 billion Uganda Shillings (approximately US \$208m). Of this, 342 billion shillings (about US\$155m) were approved under the budget ceiling of the Medium Term Expenditure Framework (MTEF), 75 percent of the request. The two largest agencies in the DSIP, NARO and NAADS, have been funded through the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project. These activities cover sub-programmes 1.1 (research) and 1.2 (advisory and extension services), only two of the 22 in the DSIP, and yet represent 66% of the budget approved under the MTEF for the current year. These two agencies of the MAAIF together have absorbed the bulk of the Ministry's budget for the past ten years.

The strategic and viable investment programmes will be developed in line with the full DSIP agenda. A strong and effective monitoring and evaluation system will be developed to track results and outcomes. The MAAIF be re-structured and reformed to be able to fulfill its expanded roles, as outlined in Programme 4 of the DSIP. The DSIP has been developed by the MAAIF to guide what the Ministry will be able to implement. Detailed investment plans for the remaining 20 sub-programmes (not counting 1.1 and 1.2, which already have detailed plans) in all four Programmes of the plan will phase in over the next year. The other pieces of the full CAADP vision that are outlined in the compact – expenditures on components of rural growth by other Ministries, investments by the private sector, and an overall framework for M&E, among others– are also being developed.

## **5. AUC/NEPAD Review of Uganda's Development Strategy and Investment Plan (DSIP) – July 2010 Version**

The DSIP constitute Uganda's strategy and plan to embrace the CAADP principles and values in national initiatives and programmes aimed at increasing and sustaining higher agriculture productivity. The DSIP defines twenty-two (22) sub-programmes, which are categorized under four programmes (priority) areas, namely (i) enhancing production and productivity; (ii) improving Market Access and Value Addition; (iii) Improving the Enabling Environment for the Agricultural Sector; and (iv) Institutional Development.

The development objectives of the DSIP include increasing rural incomes and livelihoods and improving household food and nutrition security. The "ideal" planning budget in the DSIP for year one is 457 billion Uganda Shillings (approximately US \$208m). Of this, 342 billion shillings (about US\$155m) were approved under the budget ceiling of the Medium Term Expenditure Framework (MTEF), representing 75 percent of the amount requested for. The two largest agencies in the DSIP, NARO and NAADS, have been funded through the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project. These activities cover sub-programmes 1.1 (research) and 1.2 (advisory and extension services), only two of the 22 in the DSIP, and yet represent 66% of the budget approved under the MTEF for the current year.

The AUC-NPCA Independent Technical Review acknowledge that developing the DSIP has been a highly interactive exercise rallying both public and expert knowledge as well as specialized analytical work. The consultation and dialogue themselves facilitated at various levels were analytical in nature and compelled objective and comprehensive review of issues and options. The participation and input of institutions such as IFPRI provided for evidence-based dialogue and consultations.

It is evident that the dialogue, consultations and analysis in developing the DSIP has enabled Uganda to reflect on some principal issues (challenges and opportunities) in enhancing and sustaining higher agriculture productivity. These include institutional capacity and arrangements including inter-ministerial engagements; partnerships, inclusiveness and collaboration along shared vision between state and non-state institutions.

The Technical Review recognize many opportunities as well as challenges and opportunities which would need to be embraced in the course of implementing the DSIP. This report presents these issues and related recommendations in below chapters.

### **Component 1: Alignment with CAADP vision, principles and strategy elements**

#### **1.1. Alignment with CAADP vision, principles and strategy**

At the highest level, the vision of CAADP is that the realignment of investments and programmes in the agricultural sector will put a country on track towards increased agricultural

productivity, increased market access, improved food security, and sustainable improvements in resource management.

The vision and strategy of the DSIP are consistent with the CAADP vision, principles and strategy. Features in the process to develop the DSIP, such as inclusive consultations, evidence-based analysis, alignment to country's national development strategies are just but a few of the CAADP related principles and values which should deliver both in "means-to-do-business" as well as quality programmes for implementation. There should be clear and deliberate efforts and supportive policies to build on and strengthen the CAADP principles and values which the DSIP formulation exercise was already embracing

## **1.2. Reform agenda**

The DSIP recognizes the complex institutional and policy environment within the sector and acknowledges need to address constraints to improve sector performance. The DSIP specifically targets improvements in the enabling policies and institutional strengthening as two of the four DSIP programmes.

Within the institutional strengthening programme, one of the major components of the DSIP is to reorganize and reform the MAAIF, so it can effectively perform the roles assigned to it in the CAADP Compact. The plan is to create 230 new posts, raising levels from 411 to 641. This is in addition to filling 94 posts that are vacant, so the total is 326 new hires. 175 of the anticipated new posts are regulators across all three sub-sectors. The total includes 13 new statisticians at the zonal level, but presumably not any true frontline staff.

Another feature of reform in Uganda is to strengthen capacity for implementation at the district and sub-county levels, to decentralize the state apparatus.

These two components of institutional reform in the DSIP – strengthening MAAIF and strengthening decentralized capacity at district and sub-county level - seem like a bit of uneasy match.

The reform agenda is not as well defined for the enabling environment programme although a number of regulatory and policy issues are highlighted. The DSIP, however, calls for greater analysis of individual regulatory and policy measures as part of the implementation of several sub-programmes.

### *Recommendations:*

One of the major justifications for CAADP is to build capacity of key institutions in the agricultural sector, after many years of under-funding and relative neglect. The M&E process should watch the reorganization and up-scaling of staff closely, to make sure that milestones are achieved on time that increased staff really does contribute to increased results, and that effective and efficient management systems develop at the district and sub-county levels.

Given the complexity and wide range of issues there is need for Uganda to prioritize and phase the major policy reform undertakings. The reform process will have to happen as an inherent and on-going feature in implementation of the DSIP

### **1.3. Alignment with compact commitments**

In Uganda, there is close alignment between the compact and the investment plan as the Compact and the DSIP were launched in the same event on March 31, 2010. The DSIP is presented as the mechanism through which CAADP will be implemented, as a “coherent agricultural sector agenda.”

Following the compact signature and DSIP launch, further work has been initiated to engage in more detailed investment programming within the various DSIP sub-programmes. Review of concept notes and detailed programming around the DSIP sub-programmes are a major agenda item of the Sector Working Group.

#### *Recommendations:*

Ensure consistency with the overall DSIP and compact commitments as activities, implementation plans and strategies are developed, particularly with respect to the proposed Global Agriculture and Food Security Programme (GAFSP) proposal.

### **1.4. Programme Balance**

The DSIP does define the core sub-sectors and issues it will address. It does recognize that some elements integral to advancing a comprehensive agriculture development agenda will be addressed within the mandate of other line Ministries.

#### *Recommendations:*

There is need for the DSIP to assess further and bring out feasible operational mechanisms to link the DSIP, in terms of comprehensiveness and synergies, to complementary programmes in related Ministries as well as in non-state institutions and private sector. Without these linkages defined and realized in practice, the DSIP’s comprehensiveness will be weak and can affect quality and results/impact in programme delivery.

Such linkages will also be consistent with the National Development Plan which has provided a more holistic and comprehensive economy-wide strategy emphasizing agriculture.

### **1.5. Inter-ministerial Collaboration and Coordination**

In the past, the PMA has represented a structure under which inter-ministerial collaboration and coordination were explicitly and aggressively pursued under the leadership of the Ministry of Finance. With the institutional reforms described in the DSIP, it is less clear how the previous level of inter-ministerial collaboration and coordination will be orchestrated. At present, the Sector Working Group provides a mechanism for discussion and coordination for some actors in

the sector – but is not functioning as a forum under which ministries other than MAAIF interact among themselves and with other stakeholders. The sub-programmes identified in the DSIP will require effective coordination among various Ministries to ensure successful implementation.

*Recommendations:*

A coordination mechanism or a coordinating body should be established to ensure proper coordination across ministries. In order to be effective, this mechanism/body should be given strong authorities and be supported from high-levels within each participating ministry.

## **1.6. Stakeholder consultation**

The DSIP acknowledges that successful implementation of the strategy requires the support of all key stakeholders, and a significant effort was by MAAIF to obtain the views and ideas of stakeholders across the sector as a whole. MAAIF organized a series of stakeholder meetings, including a consensus-building workshop to guide the final revision of the DSIP, for the following groups:

- Parliamentarians
- Local government officials
- Central government ministries and agencies
- Civil society organizations and farmer-based organizations
- Private sector firms and organizations

Key issues and recommendations discussed at these consultations were systematically documented

In the sub-programme Promoting Strategic Enterprises (1.8), the coalition of stakeholders attached to the commodity platform is a good example of effective stakeholder engagement.

Despite having a series of broad consultations, the quality of these MAAIF-led consultations is unclear. It appears that no systematic analysis has been done on the degree to which these recommendations have been incorporated into the final DSIP. In addition, not all relevant stakeholders with potentially valuable contributions to the implementation of the DSIP were fully involved. For example, various individuals from universities may have been consulted on an ad-hoc basis, but it appears that universities were not consulted on an institutional basis or given clear roles.

*Recommendations:*

MAAIF should continue to engage with key stakeholders on a regular basis and broaden its outreach to a wider group. For example, the DSIP identifies the Agricultural Sector Working Group (SWG) as the key entity for review, dialogue and debate. The group meets regularly, providing the main forum for sector-wide approach to planning and review of activities in the agricultural sector. The SWG forum should serve as a platform for the mutual accountability. Since Uganda has vibrant civil society and farmer organizations, they should participate in the SWG. Likewise, the development partners in Uganda have over the years established a strong

tradition of demanding for accountability from the government. The private sector, another key stakeholder group, should also be represented in the SWG.

### **1.7. Incorporation of private sector**

The incorporation of the private sector and the mobilization of private investment are clear objectives of the DSIP. Private companies and associations were consulted as stakeholders in the development of the plan. Programme 3 is designed specifically to create “an enabling environment in which farmers will operate with minimal government intervention in the market (consistent with the provision of public services) and equitable taxation regime and ‘fair play’ in trade.”

A number of elements most important to the private sector, like adequate roads, reliable electric power, access to credit, mechanisms to enforce contracts and/or arbitrate disputes, etc. However, these elements are outside the scope of the DSIP.

#### *Recommendations:*

In further planning, ensure mechanisms for coordination with other entities involved in activities of importance to the private sector, including relevant ministries.

### **1.8. Donor Working Group Coordination Measures**

Donor coordination in Uganda is strong as the development partners (DPs) have formed an active agricultural donor working group (DWG) that is part of the SWG. DPs have also been actively involved in CAADP process, especially the development and the finalization of the DSIP. While there remain some aspects of the policies and programmes summarized within DSIP for which GoU and the DPs have not reached full agreement, the DPs have publicly declared strong support for the DSIP and the CAADP process.

#### *Recommendations:*

DPs should adopt common strategic dialogue and activity planning which is consistent with the institutional schedules of the MAAIF. Common arrangements will help increase effectiveness by focusing resources on common, agreed-upon objectives. This will reflect coordination in donor strategy, policy statements, and plans, which would have been discussed and agreed upon at donor working group meetings.

DPs should develop common financial management procedures, M&E and review systems to be aligned with existing procedures within the national process to ensure consistency where possible in the implementation of the DSIP.

### **1.9. Status of donor harmonization**

The DPs have worked relatively closely in a somewhat aligned manner. Donor support is fragmented. DPs support for the agricultural sector is a combination of existing financial

mechanisms including, inter alia: untied budget support; ear-marked sectoral budget support; pooled programmatic support; and through financing specific projects resulting in a parallel systems with separate commitments, management, M&E, accountability and reporting.

*Recommendations:*

In order to move towards the harmonization of donor funding, DPs need to move from project support towards a more pragmatic support of priority programmes. This will ensure that donor contribution is committed to the DSIP.

## **Component 2: Consistency with long terms growth and poverty reduction options**

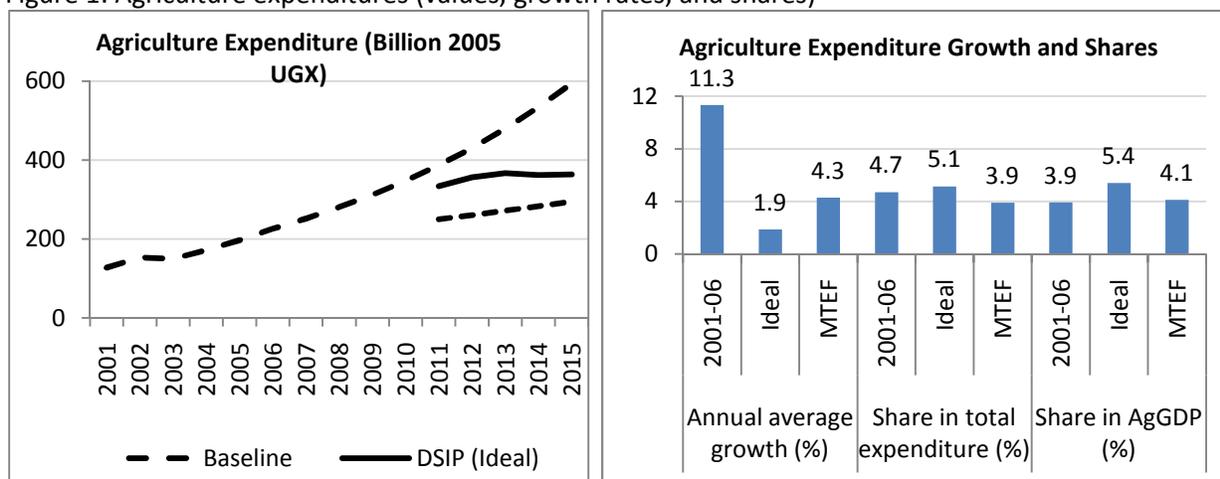
### **2.1 Consistency with long term growth and poverty reduction goals**

The Review assessed the consistency of Uganda’s Agriculture Sector Development Strategy and Investment Plan (DSIP) with the long term growth and poverty reduction benchmarks established by CAADP and the first Millennium Development Goal (MDG1).

The development objectives of the DSIP include increasing rural incomes and livelihoods and improving household food and nutrition security. An investment portfolio totaling UGX 2,443 billion in 2010 constant prices is proposed for implementation of the plan over 2010/11 to 2014/15.

*Dimensions of incremental financing:* The DSIP presents two budget scenarios: a medium term expenditure framework (MTEF) and an ideal budget framework. The scale of incremental financing of these two alternatives was compared to that of recent expenditures on the sector using an annual average growth rate (11.3%) from 2001–06, most recent period for which agriculture expenditure data is reliably available, and projects it forward to 2015 to serve as the baseline (see Figure 1a). All values are converted into 2005 constant prices to exclude the influence of inflation and other temporal monetary and fiscal trends. As the results show, the MTEF and Ideal budget scenarios represent about 44% and 27% less than the baseline, respectively. The MTEF budget increases at a faster rate the Ideal budget scenario over plan period. Against the Maputo commitment of 10%, both budget scenario fare worse at 5.1% and 3.9% for the Ideal and MTEF scenarios, respectively (Figure 1b). These budgetary allocations and annual spending increases also fall short even of the efficient annual spending scenario of a 25.3 percent suggested in the growth and investment analysis by Benin et al. (2008) in order for Uganda to make significant improvement in achieving the CAADP six percent annual average agricultural growth rate target. Thus, these budgets seem worse than a business-as-usual spending scenario.

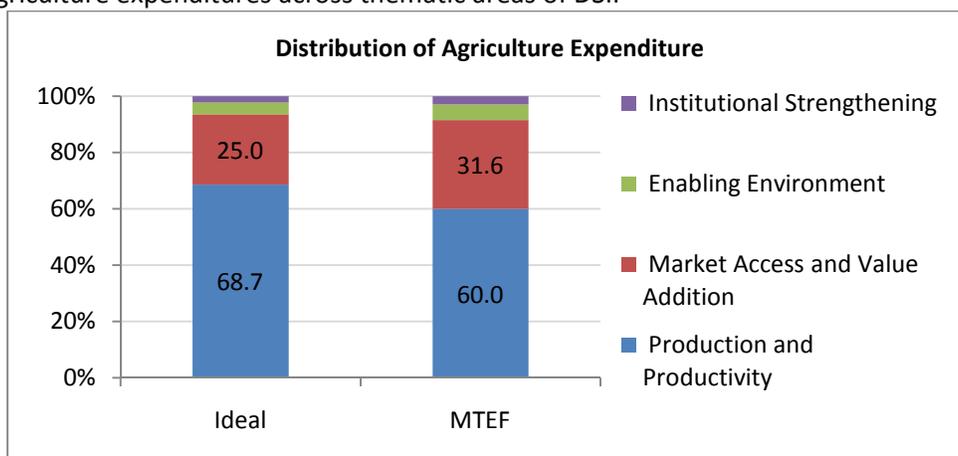
Figure 1: Agriculture expenditures (values, growth rates, and shares)

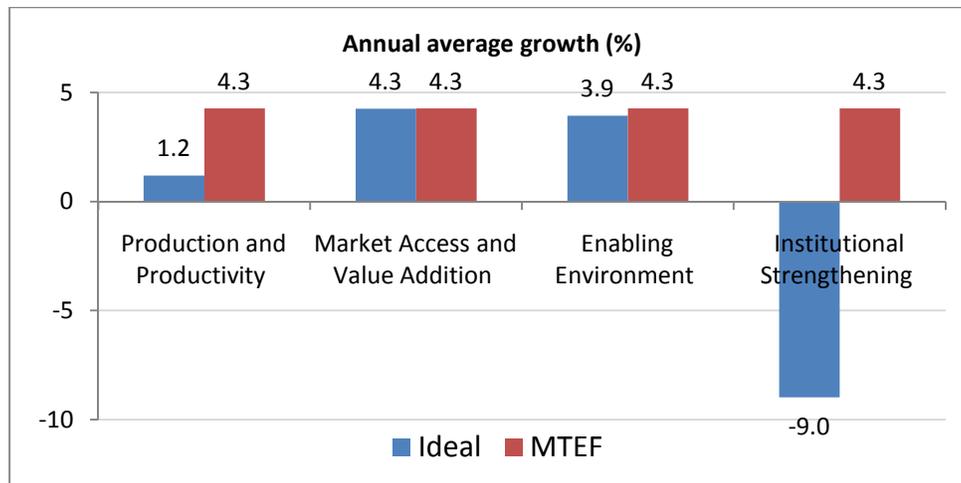


Sources: DSP; Benin et al. (2008); WDI.

Looking at the proposed investments across the different thematic areas, improving production and productivity and improving market access and value addition are the major drivers of the DSIP. These two take up to 93% of the total resources for the sector (Figure 2a). The budget grows evenly across all areas under the MTEF scenario. In the ideal case, however, improving production and productivity grows at a slower rate, while strengthening institutional capacity takes a dive over plan period. These are surprising without any justification as to why any growth momentum can be sustained.

Figure 2: Agriculture expenditures across thematic areas of DSIP

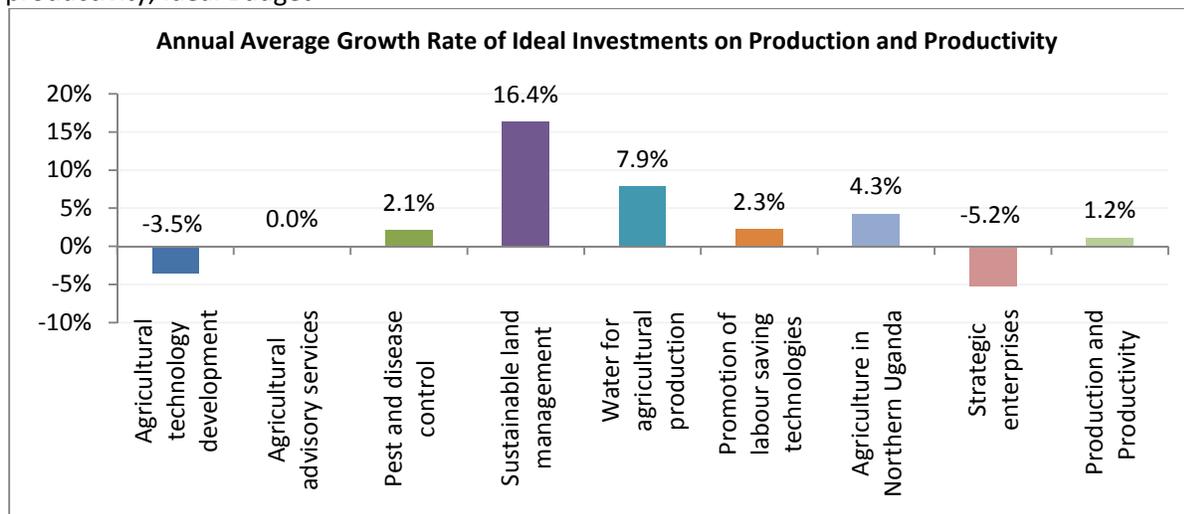




Sources: DSIP; WDI.

Looking at the dynamics within the thematic area of enhancing production and productivity reveals troubling surprises, particularly technology development and advisory services, with the former declining over time and the latter stagnating. It is difficult to justify these proposed trends, knowing that they represent significant productivity-enhancing investment activities.

Figure 3: Growth rates across sub-thematic areas of the theme on improving production and productivity, Ideal Budget



Sources: DSIP; WDI.

## 2.2. Agriculture within the economy

With the agriculture sector employing about 80 percent of the total workforce, contributing over 80 percent to foreign exchange earnings, and accounting for 40 percent of gross domestic product (GDP), Agriculture and specifically the DSIP can significantly contribute to achieving Uganda's overall development objectives. Since agriculture has strong economy-wide linkage effects for the non-agricultural sectors, any acceleration in agricultural growth due to the above

investments would significantly increase overall GDP growth rate. But expansion of the non-agricultural sectors is critical for sustaining high agricultural growth through supply of agricultural inputs transportation services at low prices and fostering upstream processing. Thus, increasing investments in these areas will be critical.

The emerging oil issue can affect agriculture sector's role in the economy. It is important that as soon as possible government undertakes a comprehensive assessment to analyze the potential impact of oil on the agricultural sector.

### **2.3 Links to regional agriculture sector development plans**

While the DSIP does mention the positive trade outcomes that will result from a stronger agricultural sector in general and from market access and value addition and improvement of the enabling environment in particular, there is no explicit discussion of coordination with the EAC or COMESA community.

### **2.4 Effectiveness of existing programmes**

The DSIP seeks to address weaknesses in the Plan for Modernization of Agriculture (PMA) while coordinating objectives with several other comprehensive plans for Ugandan development including the National Development Plan (NDP) and Prosperity for All (PFA). While the PMA's multi-sectoral approach to agricultural development is lauded, the implementation and coordination requirements were too great and many of the targeted programs were not successful. How the DSIP will address the significant gaps such as the provision of financial services to farmers and the problems of value-addition and market access will be critical for its success and achieving the objectives.

### **2.5 Consistency with long-term growth and poverty reduction**

The annual production growth rates associated with different sub-sectors and commodities and targeted in the DSIP are identical to those modeled in the CAADP scenario of the original CGE analysis conducted by Benin et al (2008). For this reason, the feasibility of the DSIP targeted production growth rates to deliver the CAADP six percent growth rate target still stands even when we used an updated Uganda DCGE model based on rebased national accounts (see Table 1), i.e. assuming that the commodity specific growth targets specified in the DSIP are achieved within the time frame of the plan. Under the "business as usual" scenario, agricultural subsectors such as cereals, export crops, livestock, and fisheries will see a 2009-2015 reduction in annual growth rate from the 2005-2009 period. Meanwhile, subsectors such as roots, pulses, and matoke will see an increase in annual growth rates. Overall, the agricultural sector under the baseline scenario will see a net increase in annual growth of 1.05 percent. The DSIP/CAADP scenario requires growth across all subsectors as well as significant increase—from 2.89 percent annual growth to 6.07 percent—in the agricultural sector overall. To achieve this growth, average annual growth rates in a number of subsectors, including maize, rice, fruits, pulses, matoke, cotton, tobacco, and coffee, will have to realize growth at more than double

the projected baseline rates. This implies that Uganda will need to bring more land under cultivation in order to meet the DSIP/CAADP scenario production growth rates.

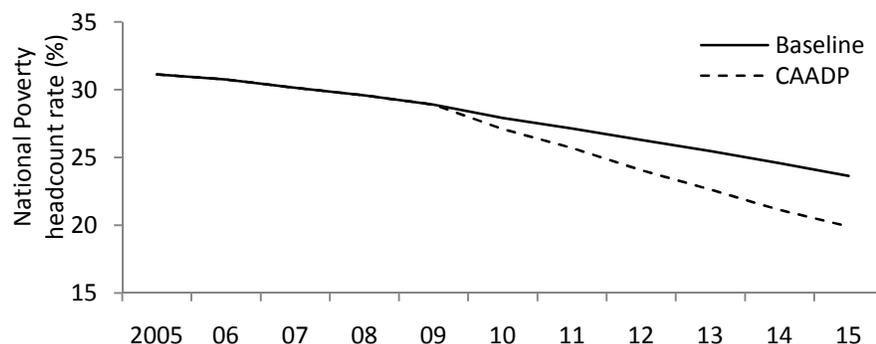
Table 1. National growth outcomes under DSIP/CAADP and Baseline scenarios

	Share of total (%)		Average annual growth rates (%)		
	Total GDP	Agriculture	Baseline		CAADP/DSIP
	2005	2005	2005-2009	2009-2015	2009-2015
<b>Total GDP</b>	<b>100.00</b>		<b>5.26</b>	<b>5.70</b>	<b>6.56</b>
<b>Agriculture</b>	<b>25.95</b>	<b>100.00</b>	<b>2.86</b>	<b>2.89</b>	<b>6.07</b>
<u>Cereals</u>	<u>3.17</u>	<u>12.21</u>	<u>2.83</u>	<u>2.51</u>	<u>5.34</u>
Maize	1.36	5.04	1.89	1.21	5.07
Rice	0.38	1.41	2.00	1.22	5.60
Other cereals	1.43	5.76	3.92	3.88	5.52
<u>Roots</u>	<u>5.27</u>	<u>20.31</u>	<u>2.88</u>	<u>3.30</u>	<u>6.02</u>
Cassava	2.75	10.59	2.87	3.28	5.99
Irish potatoes	0.51	2.02	3.36	3.68	5.81
Sweet potatoes	2.00	7.70	2.77	3.22	6.11
<u>Horticulture</u>	<u>0.31</u>	<u>1.23</u>	<u>3.49</u>	<u>3.49</u>	<u>6.12</u>
Vegetables	0.10	0.42	4.86	4.44	6.30
Fruits	0.21	0.82	2.82	2.99	6.03
<u>Pulses &amp; oilseeds</u>	<u>3.81</u>	<u>14.30</u>	<u>2.20</u>	<u>2.35</u>	<u>5.59</u>
Oilseeds	0.73	2.84	3.12	3.22	5.97
Pulses	3.08	11.46	1.98	2.13	5.49
<u>Matoke</u>	<u>3.22</u>	<u>12.19</u>	<u>2.37</u>	<u>2.79</u>	<u>6.43</u>
<u>Export crops</u>	<u>2.03</u>	<u>7.86</u>	<u>2.99</u>	<u>2.84</u>	<u>7.12</u>
Cotton	0.12	0.47	2.83	2.58	6.90
Tobacco	0.57	2.18	2.71	2.61	7.77
Flowers	0.14	0.57	3.33	3.21	5.70
Coffee	0.89	3.47	3.19	3.11	7.88
Tea	0.30	1.16	2.80	2.40	4.11
<u>Livestock</u>	<u>1.73</u>	<u>6.80</u>	<u>3.34</u>	<u>3.05</u>	<u>5.49</u>
Cattle	1.29	5.16	3.80	3.18	5.62
Sheeps, goats & pigs	0.27	0.99	1.48	2.37	5.06
Poultry	0.17	0.65	2.73	3.06	5.13
<u>Forestry</u>	<u>3.60</u>	<u>14.18</u>	<u>3.39</u>	<u>3.39</u>	<u>6.14</u>
<u>Fisheries</u>	<u>2.80</u>	<u>10.92</u>	<u>3.11</u>	<u>2.59</u>	<u>6.64</u>
<b>Industry</b>	<b>26.74</b>		<b>6.07</b>	<b>6.30</b>	<b>6.52</b>
Agro-processing	4.41		4.52	4.30	6.54
<b>Services</b>	<b>47.31</b>		<b>6.05</b>	<b>6.60</b>	<b>6.83</b>

Source: Revised results from IFPRI's new Uganda Economy wide DCGE Model

Uganda is currently on track to achieve MDG1. However, as indicated in Figure 4, achievement of the DSIP/CAADP scenario will reduce poverty even further—from the baseline scenario of 23.7 percent in 2015 to the DSIP/CAADP scenario of 19.9 percent.

Figure 4. National poverty under DSIP/CAADP and Baseline scenarios



Source: Revised results from IFPRI's new Uganda Economy wide DCGE Model

The next issue to deal with here is whether and to what extent the proposed investments and expenditures will deliver the commodity-specific and overall agricultural growth targets. First it is not clear how the budget numbers were derived. Nevertheless, we saw earlier that the budgets represent even less that a business-as-usual scenario, meaning that it is difficult to see how the stated targets will be achieved, even with very high substantial gains in the expenditure efficiency.

## 2.6 Beneficiary analysis

Disaggregation of the poverty results shown in Table 2 reveals that rural and farm populations stand to benefit the most from achieving the commodity-specific and overall agricultural growth rate targets specified in the DSIP. Under the baseline scenario, urban areas would see slightly greater annual poverty reduction than rural areas—3.52 percent as compared with 3.29 percent, respectively—while under the DSIP/CAADP scenario the rural areas would have a slight advantage over the urban—6 percent annual poverty reduction as compared with 5.92 percent, respectively.

Table 2. Poverty outcomes under DSIP/CAADP and Baseline scenarios

	Baseline			DSIP	Reduction
	2005	2009	2015	2015	Baseline 2015- DSIP 2015
<b>Poverty rate (%)</b>					
National	31.1	28.9	23.7	19.9	-3.7
Rural	34.3	31.9	26.1	22.0	-4.2
Farm	33.2	30.6	24.4	20.2	-4.2
Non-farm	42.6	41.9	39.5	36.0	-3.6
Urban	13.8	12.4	10.0	8.6	-1.4
Kampala	4.9	3.2	1.0	1.0	0.0
Other centers	18.3	17.2	14.6	12.5	-2.2
<b>Population (1000s)</b>					
Total	27,159	31,165	38,310	38,310	0
Poor	8,457	9,006	9,061	7,625	-1,436

Source: Revised results from IFPRI's new Uganda Economy wide DCGE Model

## **Component 3: Adoption of best practices and inclusion of core programme elements**

### **Technical viability of major programmes**

#### **3.1. Pillar 1: Sustainable Land and Water Management**

In general, the DSIP is consistent with the Pillar 1 Sustainable Land and Water Management Framework.

##### **3.1.1. Land Management**

Land management is described in sub-programme 1.4 on Sustainable Land Management. This section discusses in a very convincing way the importance of issues related to land management. Also discussed are the economic implications of land degradation. The land management programme is dealt with under the sub components Scaling up SLM, Policy and Regulatory environment for SLM, Strengthening Commercial and Advisory Services, SLM Research and Dissemination and the fifth component is Improving SLM Knowledge Management. Under each of these components, suggested planned activities are listed. The involvement of the Inter-Ministerial Cooperation Framework (IMCF) is highly commendable especially that the framework already seems to be working very well even with non-public organizations.

While there is a mention of some of the studies that have been carried out and some on-going work, it is not clear as to how the intended activities will contribute to the achievement of the objectives. The contribution through the Inter-Ministerial Cooperation Framework (IMCF), which is already in operation and has some on-going projects. Within the DSIP, there is no clear indication of which entities will carry out the different activities and how the activities are being and will be carried out and how the activities will be funded. Some of this work may have been completed outside of the DSIP within the Strategic Investment Framework on Sustainable Land Management, though this is not reflected in the DSIP.

##### *Recommendations:*

In further planning:

- a) Define institutional setup and activities to be implemented by different organizations.
- b) Indicate how the activities will lead to the achievement of objectives by setting priorities and spelling out the resources required.
- c) Cost the activities.

##### **3.1.2. Irrigation and Water Management**

The importance of water management to agriculture in Uganda has clearly been spelt out under sub-programme 1.5 Water for Agricultural Production. It is stated that Uganda has abundant water resources and yet does not seem to have taken advantage this potential. Instead, Uganda depends more on rainfall for its agricultural production. The DSIP has outlined

four sub-programmes under water management, which are Policy and Planning Frameworks, Water for Crop Production, Water for Livestock and Water for Aquaculture.

While most issues which are important in relation to water management including transboundary water management relating to shared water resources have been outlined in the form of planned activities, the details of how the activities will each contribute to the achievement of goals is not well described. This is indirectly acknowledged in the DSIP by including among the suggested activities the development of appropriate mechanism for cost sharing and funding of water-based interventions and also that a time bound action plan for implementing the DSIP proposals.

*Recommendations:*

In a similar manner to the details required for the land management activities, a detailed activity plan should be outlined in the accompanying (implementation) document.

### **3.1.3. Land Policy/Administration**

Land policy and administration seems to have been dealt with under the Sustainable Land Management (SLM) sub-programme. There is a component on Policy and regulatory environment for SLM. The section brings out issues such as mainstreaming of SLM into the DSIP, District Development Plans, interventions for adapting and mitigating the effects of climate change, development of capacity of local institutions to enforce by-laws and regulations in SLM and mainstreaming gender issues in SLM.

Land policy is excellently discussed under the situation analysis chapter in the policy failures section. The different land tenure difficulties concerning customary land ownership, re-dividing of land, absentee landlords, lack of rangeland policy and the conversion of large pieces of land to private ranches have been outlined. Land administration has been complicated by lack of coordination between the concerned Ministries and institutions. However, the good coordination work of the Inter-Ministerial Cooperation Framework was mentioned.

*Recommendations:*

In further planning:

- a) Activities, which deal with complex issues of land, should be prioritized.
- b) The type of cooperation that should be clearly defined within the Inter-Ministerial Cooperation Framework.

### **3.1.4. Climate Change**

Climate change issues related to sustainable land management were mentioned in several sections of the sub-programmes 1.1 and 1.2 of the DSIP. Sub-programme 3.6 is on the development of Capacity for Climate Change Planning. The sub-programmes are on identification of climate impacts, vulnerabilities and coping measures, improved climate

forecast, integration of climate risk and strengthening district capacity to integrate climate change issues into planning.

There is no mention of some of the main world current issues such as the carbon credit facility. The implementing MAAIF agency is the Agricultural Planning Department of the MAAIF. This arrangement may have been made because there is the planning for the future component. However, the climate change staff may benefit more from interactions with colleagues in the technically-oriented Departments such as NARO.

*Recommendations:*

- q) In further planning, consider including a capacity-building component, which may lead to better understanding of carbon credit facility implementation.
- r) In further planning, improve coordination and collaborating with other entities within the government as well as outside the government, such as FEWS NET.

### **3.2. Pillar 2: Market access, Trade and Infrastructure**

The DSIP elucidates an ambitious agenda that the Government of Uganda plans to implement to ensure markets for primary and secondary agricultural products within Uganda, the region and beyond are developed and sustained. Though the document is technically sound to deliver on agricultural development and poverty reduction in Uganda, there is still a number of issues that need to be addressed to ensure successful delivery on targets as set in DSIP. Key priorities identified in the Framework for Improving Market Access and Trade Related Capacities (FIMA) center around the following areas:

#### **3.2.1. Raising competitiveness and seizing opportunities in domestic, regional and international markets**

The DSIP acknowledges that sub-optimal inputs market and distribution system, lack of value addition, inadequate market infrastructure, low incidence of collective marketing, and non-tariff barriers continue to pose a big challenge to Uganda's exports and market access to regional and international markets. The plan emphasizes that enhancing production and productivity must be augmented by significant improvements in market performance. It also points out that not only there is very little market infrastructure in the target areas but linkages are weak and information sharing between producers and buyers is limited.

Agricultural trade facilitation is important to cross-border trade - harmonization and enforcement of regional policies, grading and certification, and quality standards that will assure Uganda's producers access to regional and international markets.

*Recommendations:*

The envisioned policy analysis and consultations on regulatory reforms will require MAAIF to work closely with the relevant Ministries, agencies, Farmer Organizations and the private sector to support implementation of the identified trade infrastructure and market access policies and

programmes to enable agricultural producers' access national, regional and international markets

Although the DSIP covers MAAIF activity only, there will likely be a need to link to other ministries to pursue regional and international markets through harmonization of policies and standards and other trade facilitation activities. In particular, removal of non-technical barriers (NTBs) along the northern trade corridor to enhance cross border trade appears to be of high priority.

As the food and agricultural statistics databank is established it should ensure data is available and packaged in a way that is beneficial to not only the public sector, but private sector and farmers for market information purposes

### **3.2.2. Investing in commercial and trade infrastructure to lower cost of supplying domestic, regional and international markets**

The plan lays out an expanded network of rural market infrastructure, rehabilitating rural infrastructure, e.g. community access routes, markets, entire value chain developed. The country plans to undertake value chain analysis and, where appropriate, support targeted interventions along the value chain; Commodity storage to prevent after harvest losses, poor state of market infrastructure in Uganda was a consistent theme in almost all the analysis done for DSIP and high transport costs of moving produce from the farm gate to primary and secondary markets remain a challenge

#### *Recommendations:*

To complement the focus on strategic enterprises and zonal priorities, MAAIF may wish to eventually complement this approach with a focus on agricultural growth poles where commercial infrastructures and processing facilities can be concentrated.

Given the focus on public private partnerships (PPPs), there may be a need to place a special focus on understanding and facilitating the enabling environment for PPPs and private sector commodity processing and storage as these may form a particular bottleneck.

### **3.2.3. Developing value chains and access to financial markets**

The plan strategies are for increased participation in value addition activities through increasing the understanding of value addition amongst farmers and traders, undertaking value chain analysis and, where appropriate, supporting targeted interventions along the value chain, strengthening the capacity of producer groups to undertake their own value chain work and to produce larger volumes of produce and finally, assisting potential traders and processors to expand their businesses

#### *Recommendations:*

Improved multi-sector coordination, engagement and facilitation of private sector will be important. There may be a need for a central coordination role across the different sectors or a central focal point within MAAIF to ensure private sector priorities are addressed effectively.

There may be a need to explicitly analyze obstacles to enterprise creation and growth and link the findings to the identification of policy and regulatory reforms supported elsewhere in the DSIP. This analysis could be particularly useful in prioritizing among several policy or regulatory measures highlighted in programme 2.

Develop partnership strategies to engage the private sector and help smallholder farmers transform their organizations into credible commercial entities.

Target commercial infrastructure that would facilitate the integration of smallholders into dynamic and higher value chains

While not a central mandate of MAAIF, advocate for the introduction and adoption of innovative mechanisms to deliver financial services to Small and Medium Enterprises (SMEs), possibly through the agro-processing challenge fund or other leveraging mechanisms

#### **3.2.4. Strengthening the commercial and technical capabilities of farmer organizations and trade associations**

The plan stresses that farmer organizations will be strengthened in management, entrepreneurship, and group dynamics especially for collective marketing. The DSIP hopes to strengthen the marketing capacity of producer groups and co-operative societies and to strengthening the capacity of producer groups to undertake their own value chain work and to produce larger volumes of produce;

Activities will focus on enterprises, with prospects for commercialization (and some selected according to their prospects for improving food security). DSIP plans to enhance the capacity of farmers and farmers' groups to make choices and implement decisions that affect their livelihoods

##### *Recommendations:*

As sub-programme 2.5 is further developed, in addition to the support to farmers groups and for a, higher level farmers organizations may require particular support and more focused capacity building including development of capacity building training modules for them

There may be greater opportunity to focus on input marketing in addition to output marketing in sub-programme 2.5, including exploring opportunities to encourage Input market and distribution performed by the HLFOs/FBOs/TAs.

Increasing HLFO/FBOs/TAs capacity for mobilization, advocacy and partnership in order to provide feedback on policy and regulatory initiatives

### **3.3. Pillar 3: Food and Nutrition Security**

Despite Uganda's overall high level of food production, food security remains an important problem, with a portion of the population failing to access diversified food items and hence poor diets. Poverty has been among the reasons failing the population to access diversified food items and hence poor diets. Proteins and specifically those of animal origin (fish livestock and milk) are consumed in small amounts, hence perpetuating low levels of micronutrient deficits. Limited food diversification and specifically those, which are nutrient dense (horticultural products – root and fruits), have been the roots of poor nutrition among Ugandans. Uganda has the potential of improving its food security through improving of dietary diversity. The good news is that it has been indicated that agricultural growth driven by horticulture- and root-crop-led growth is more effective at reducing poverty than growth driven by other crops sub-sectors. Abundance of water bodies, if taken seriously, will explore the potential Uganda has to improve her food security.

The Ugandan CAADP Team are referred to the CAAP FAFS Framework and Guide to explore how more deliberate programmes and targeted efforts can be made (even within the current programmes) to achieve improved food security. How will food security for all be ensured? What is the responsibility of the government? This needs to be established urgently as more often than not, food security is everyone's business and no one's responsibility. The CAADP FAFS also discusses mechanisms for food security accountability and coordination. There are numerous un-mined opportunities to link the landless, women, the very poor into the value chain development proposed in the plan, leading to wider benefits.

#### **3.3.1 Planning and link to evidence-based analysis**

Under sub-programme 3.2 for planning and policy development at MAAIF, component 3.2.7 has shown a road map on enhancing food and nutrition security planning. A sub programme 3.5 intention to be able to attain accurate agriculture statistics is very vital to have information concerning food and nutrition security. Having such systems in place is key not only in prompt knowledge of who is vulnerable and food insecure, but also monitoring and evaluation of developments concerning the same.

#### *Recommendations:*

However, despite being the Ugandan Agriculture for Food and Income Security strategy and investment plan, how the plan will lead to increased national and household food security and increased incomes for the poor and vulnerable is not spelt out or deliberately planned for. Historical trends show concerning anomalies in growth and poverty reduction that need to be explored and lessons learnt to ensure future food security. On page 8 of the summary, the plan states that the underlying logic is the plan that 'moving' small holders up the value chain will lead to increased rural incomes and improved livelihoods. This is not guaranteed for a number of reasons relating to crop mix, gender practices, production technology, market efficiency and

a number of other risk factors. The summary makes the only mention of targeted programmes to address specific problems in the north but does not say what these programmes are.

Food security indicators need to be included in the M&E framework as per the CAADP M&E framework and the FAFS measurement tool. The details on the completion of the legal framework for food security and nutrition need to be elaborated.

The section on capacity development must include food security and nutrition capacity too.

The process outlined, as component 3.2.7 (Enhancing food and nutritional security planning) needs to be fast tracked so that it becomes operational at the beginning of DISP implementation. Integration of this component is key to address food security issues.

Sub programme 3.5, which focuses on accurate agriculture statistics, is vital to generating information with regards to food and nutrition security. Fast tracking of the establishment of the programme is also key to the process of food and nutritional security planning.

### **3.3.1. Risk Management**

Sub programme 3.6 aiming at developing capacity for climate change planning will help create tools for risk management and is important in monitoring food availability and preparedness to food emergencies.

Reduction of risk for vulnerable households is crucial. The plan states that Uganda is immune to global commodity market trends. The increasingly globalised world means that all households are subjected to price changes and supply and demand factors in the global economy. While African households may be somewhat buffered, they are still vulnerable.

Currently the system is not well developed to be able to trace climatic impact of agriculture and more widely the economy and household food security status.

#### *Recommendations:*

Lack of access to income to purchase food is mentioned but no risk reduction strategies are explored at national or household/community level to buffer food supply, prices and provide in emergencies. A contingency, early warning and emergency preparedness section is needed in the plan. Early warning is mentioned but limited to crops while disasters stretch across agriculture, forestry, health and finance. Early warning systems (p 96) need to go to household level – that is where hunger exists. Individual and household hunger is disguised by national consumption averages. National stocks and their management need to be discussed.

For climate change, specific discussion of its implications and the actions to mitigate negative impacts are needed, particularly with regard to the most vulnerable populations and the interactions of agriculture, disease and climate change.

### **3.3.2. Inadequate Food Supply**

Sub programme 1.3 (pests and disease control) has strong potential for improving food security as reducing losses due to pests and diseases assures greater food availability to the population.

Individual and household hunger is disguised by national consumption averages. National stocks and their management need to be discussed.

The underlying issues related to post-harvest losses for crop production are not well articulated in the document. Currently, post-harvest losses accounts 25 % of total harvest. Having a quarter of what was produced reduces availability of food to communities hence contributes to food insecurity.

Ensuring food security through livestock products is not well pronounced in the document. There are cases of losses of large volumes of milk (e.g. 23 mill \$, annually) due to storage failure, i.e. market access.

Recommendations:

As planning continues for developing detailed activities under sub-programme 1.3 it may be useful to engage more seriously into reducing post-harvest losses given its potential in achieving food security.

While improving storage structure and increase access to market is suggested to rescue loss of animal products such as milk, there should be efforts to promote the use of such products to the local population. The ambition of seeing the price for milk increased might deny access of such products to the vulnerable.

### **3.3.3. Lack of Income in Vulnerable populations**

The DSIP places a strong emphasis on increasing incomes and growth, including for the north which has a high population of vulnerable and food insecure.

The DSIP highlights the need to involve ministries such a gender and legal is potential to champion effective growth (women led production) – key to regulating laws hindering women capabilities to multiply their effect to food security. Women, who are the key producers do not have access either land, income, or vote to decide on the utilization of the income generated from the farm. Empowering women through legal framework is potential to improve household food security.

The most vulnerable need to be defined and the plan needs to explain how specific opportunities in the agricultural plan can be used and targeted at ensuring increased incomes for the vulnerable and improved food security. Food security indicators need to be included in the M&E framework as per the CAADP M&E framework and the FAFS measurement tool.

*Recommendations:*

The most vulnerable need to be defined and the plan needs to explain how specific opportunities in the agricultural plan can be used and targeted at ensuring increased incomes for the vulnerable and improved food security.

No mention is made of social protection programmes to improve asset ownership, provide for emergencies and protect livelihoods. This needs attention. A pastoral policy development attempt is mentioned but no specific programmes are outlined for pastoralists.

#### **3.3.4. Hunger and Malnutrition and Poor Diet Quality**

The establishment (at proposal stage) of the Uganda Food and Nutrition Council and its potential for training, monitoring and evaluation of various developments about food security in the country is a good initiative. When in place, the council would have the potential to ensure that increased production goes hand in hand with improving quality of diets. Campaigning for healthy diets is anticipated to be part of the responsibility of the council.

The Ministries related to Health and Welfare are conspicuously missing from the coordination strategies although food and nutrition security are mentioned. However, one has to caution that food security is not defined and so is easily misunderstood and opportunities missed. Working close to the Ministry of Health is potential to ensure that incremental production goes hand in hand with improving quality of diets for improved nutrition. Being able to separate and work out clearly the factors such as diseases as they influence nutrition status will enable a clear picture of food and nutrition security in the country. Diseases such as Malaria, diarrhea and helminthes infestation are also major causatives of anemia. In Uganda Malaria causes 63 % of morbidity. The Ministry of Health or perhaps the expected to be launched the Ugandan Food and Nutrition Council should be engaged In the Advisory Services to the Ministry of Agriculture. The link between MFAAI and MOH does not seem to exist so far.

The document does not clearly point out as how the efforts to control population growth are going to be implemented. The document does not even show who is responsible and at which extent.

For immediate objective 1, Factor productivity consideration has been emphasized in all areas such as crop, livestock and fisheries. The programme underlying however, does not directly speak to measures to improve food security alongside improving production. As food security seems to be standing as an outcome, the process of improving production is assumed to automatically improve household food security, which might not always be correct.

*Recommendations:*

How will population growth affect food demand and land availability needs to be outlined in the plan in consultation with the Ministry of Health/Population is required to explore strategies to help control population growth and ensure enough food supply for the future.

In sub programme 1.2, through advisory services and technology delivery there is a subcomponent – “enhancing the capacity of farmers’ group to make choices and implement decisions that affect their livelihoods”. The component should also consider improved nutrition as part of improved livelihood. It is in this line, promotion of nutrients dense cropping, and to begin with at least those for household consumption should be emphasised.

Including nutrition education in the section on agriculture education would be very important. Mention of integrating nutrition into programmes is made on p 95 but no details are provided. This is an important element that needs elaboration. There is a need for campaigning for proper diets among Ugandans. Overall, dietary diversity is low, especially in the northern part of the country, which also suffers from widespread food insecurity. Consumption of micronutrient-rich foods - fruit and vegetables (with the exception of matoke) and food of animal origin – is not frequent; this is one of the main causes of the high prevalence of micronutrient deficiencies observed in Uganda. Purposive nutrition education in terms of selection of diets should be provided to the entire population of Uganda. Uganda also needs to develop its Food Based Dietary Guidelines. Such purposive action is key to promote marketing and consumption of such foods, many of which perish fast. Nutrition education should be part of basic education in schools.

Purposive enabling production, availability and utilization of animal and animal sourced products, fish, root (such as carrots, yellow potatoes and beetroots), fruits, and vegetable is appropriate to immediately work out food insecurity. This should be streamlined in Programme 1). It has also been practical in Uganda that backyard gardens have been potential in embarking micronutrients deficient. This does not need further experimentations, but rather implementation.

Fisheries resources, taken seriously, will explore the potential Uganda has to improve her food security.

### **3.4. Pillar 4: Research and Dissemination**

Programs 1.1 and 1.2 of the DSIP cover the plans and strategies for Uganda’s main public investments in agricultural research and agricultural advisory services – the National Agricultural Research Organization (NARO) and the National Agricultural Advisory Services (NAADS) respectively. These two programs are strong and well-designed programs. These two programs are well supported in the MTEF and in the DSIP budget – and appropriately so. Both programs are exemplary in Africa for the extent to which, in most respects, they are aligned with the principles advocated by the Pillar Framework for Pillar 4 (the Framework for African Agricultural Productivity – or FAAP).

The DSIP comprehensively articulates an agricultural research and extension agenda that could go a long way in transforming agriculture as an engine for economic growth in Uganda if implemented.

Sub-programmes on research and extension services, clearly highlight the roles of NARO and NAADS in the whole process.

Budgetary allocation to research and extension services constitutes over 60 % of the entire DSIP budget.

*Recommendations:*

Details of strategic research crops are not provided. Only cassava is mentioned. Provision of these details will ensure that investments are focused on the most valuable priority commodities, which can maximize profits for economic growth. At the implementation level, the DSIP should be more commodity-oriented than agriculture-oriented.

Proposed recruitment of staff for the implementation of pests and disease control, statistical data collection and new directorates in the DSIP seem to be for the MAAIF. If some of these staff will be allocated to NARO and NAADS, it should be clearly stated otherwise, provisions should be made for recruitment of staff for NARO and NAADS to implement their programmes. The component on strengthening partnerships seems to refer only to pest control. There is no mention of partnerships within the region or with regional agricultural research bodies such as EAC and ASARECA respectively. There is a need to show linkages with ASARECA and ECA.

Sub programmes 1.1 and 1.2 have technology up-take components, which can be merged under sub programme 1.2 to be implemented by the NAADS. There should be a harmonization of NARO and NAADS activities about extension services and technology adoption and dissemination.

Almost all sub programmes have a policy and planning component. These can be moved to sub programme 3.2 which is dedicated specifically to planning and policy development to prevent replication of policy budgeting.

While the DSIP (through NARO and NAADS) is very strong with respect to the research and extension elements of Pillar 4, the DSIP itself does not touch substantially upon the other main element of Pillar 4, i.e., agricultural training and education.

Good practice has generally called for the separation of provision of goods and funds from provision of advisory services - this should be respected or reasons and explanations of how and why it is not being respected should be provided.

*Assessing the DSIP against the FAAP Principles:*

Farmer empowerment: participation of farmer organizations in decision making and policy processes of the NAADS ensures that farmers are included in work programmes for research, extension services and training. Initiatives for capacity strengthening for farmers and producers organizations ensure linkages at the grass-root level. (recent changes in farmer

group/village/community level governance of NAADS activities need to be examined carefully to evaluate whether they strengthen or weaken this facet of the program)

Planned subsidiarity: careful attention has been given to decentralize functions of both NAADS and NARO to the lowest levels possible.

Pluralism in the delivery of agricultural research, extension and training services: NARO employs a competitive grant fund to ensure that a variety of research providers become involved in publicly-funded research and NAADS contracts a variety of service providers to carry out advisory services.

Evidence-based approaches: the situational analysis is heavily informed by IFPRI analysis. However, only sub programme 8.1 seems to be informed by this analysis. Both NAADS and NARO are designed according lessons learned in many countries, and they program according to cost-benefit analysis and M&E evidence of results.

Integration of agricultural research within extension services: the development of ATAAS is a good initiative to integrate research within extension services. However, there is little mention of education services for the private sector.

Explicit incorporation of sustainability criteria in evaluation of public investments in agricultural productivity and innovation programmes: this principle should have been evaluated after an implementation plan for the DSIP has been developed, however both NAADS and NARO have received strong and consistent support from GoU and other sources, this based on demonstration of the value of their results

Systematic utilization of improved management information systems: no clear plans or policies are described in the DSIP for planning, financial management, reporting and M&E, however both NAADS and NARO have invested substantial effort in establishing and employing sophisticated MIS platforms.

Introduction of cost sharing with end users: this is not articulated in the DSIP but farmers and local government contribute to the financing of advisory services under NAADS.

Integration of gender considerations at all levels: this is not explicitly spelt out in the DSIP but both NAADS and NARO have mainstreamed gender considerations throughout their program designs.

#### *Recommendations:*

With respect to one fundamental principle advocated by FAAP (the need for separation of advisory services from provision of inputs), adjustments to the original design of NAADS to incorporate provision of inputs through NAADS to some selected beneficiaries directly violate this important FAAP recommendation. This appears to have contributed to a number of problems at both local and national levels (corruption, exacerbation of empowerment and

privilege relationships, etc.) while failing to lead to a more substantial and effective and comprehensive approach to stimulating the use of purchased inputs. It would be advisable to launch a thorough and intensive effort to design and implement measures to stimulate the development of an expanding and more vibrant, accessible, efficient input supply system that would be independent of NAADS, while utilizing NAADS to stimulate the demand for inputs. Ideally this would be accompanied by the decoupling NAADS from the provision of inputs (except in very limited demonstration-level quantities).

While the DSIP (through NARO and NAADS) is very strong with respect to the research and extension elements of Pillar 4, the DSIP itself does not touch substantially upon the other main element of Pillar 4, i.e., agricultural training and education. Human capital in the sector is increasingly both an evident constraint and a key priority. Uganda has strong resources and experience in the areas of agricultural training and education (inter alia, Makerere University). It would be desirable to consider the development of a sophisticated strategy and program to support the scale-up and improved effectiveness of agricultural training and education programs at every level. This would include regional partnerships with institutions and programs in neighboring countries.

### **3.4.2 Fisheries**

For any serious consideration to develop a particular sector, a detailed analysis of critical issues within the sector is a precursor to defining a powerful and successful investment plan. The Government of Uganda should be congratulated on being able to lay down a detailed situation analysis and which teases out the key issues, which should be addressed in the next five years if the Agriculture sector is to be brought back on track. In particular, the document recognizes the role of each subsector/commodity to Agriculture as well as to the Economy of Uganda. The critical role of fisheries sector to the economy of Uganda is adequately recognized to point of elevating the Fisheries Section to a fully-fledged Directorate within MAIFF. It is expected that this will provide the department the shorter chain of command, and therefore decision making process for the dynamic, but at present, fragile industry.

A further detailed analysis on the reduced contribution of Agriculture to export earnings from 65% to 45% (drop by 15 %) could have shown that part of this, was due to drop of the contribution of fisheries sector from 29 % to 16 % (drop by 13%) within the same period (2005-2008). This could have further justified the prioritization of investing in fisheries, which is not reflected in subsequent sections of programming and budgeting of DSIP.

The importance of fish to rural communities could have also been justified by its potential contribution to food and nutrition security of the country. Data has shown that “Iron Deficiency Anemia is at 65 percent in children less than 5 years and at 30 per cent in all women; vitamin A deficiency is at 28 per cent in children less than 5 and as 52 percent in all women”. In fact, results from recent studies have shown that “overall dietary diversity is low, especially in the northern part of the country which also suffers from widespread food insecurity” and consumption of food of animal origin is not frequent, causing micronutrient deficiencies

observed in Uganda. On national average, fish is consumed only 0.9 days a week, in comparison to staples, which are, consumed 6.7 days/week. Incidentally, fish farming can be most popular activity for rural communities as has been shown after the recent efforts by World Food Programme (WFP) to assist communities in northern Uganda and South Sudan with resettlement.

The approach to have four pillar programmes that mirror the value chain to implement the development plan is indeed novel and no doubt, a considerable effort was made to formulate the pillars and 22 sub-programmes. However, the challenge of this approach is that the prioritization of the sectors presented in the situation analysis gets dampened when attempt was made to fit the various sectors into pillars and sub-programmes. Further, it is not easy to see clear strategies that would allow targets that were set in the situation analysis to be achieved. A good example is in the fisheries section and which illustrates this: The goal for the fisheries sector as laid down in the situation analysis and other documents is two-fold: to sustainably manage the fishery resources, which is collapsing, and to increase production from aquaculture from 15000 mt to 300000 mt in the next 5 years. While the two-pronged objectives require rigorous strategies based on science and technology within Pillar 1, the document hardly mentions any such programs to respond to the challenges that are stated in the situation analysis. As these are not raised, the question arises as to the basis for the budget for fisheries under Pillar 1.

Again, the section on “Water for Aquaculture” which could have been better termed “Water for Aquaculture and Fisheries” neglects the issue of management of capture fisheries, which does not even appear under cross cutting issues. The omission of capture fisheries, whose catches have dwindled, thereby reducing export earnings by almost 15 percent and causing eight out of 18 processing factories has serious implications on fisheries sector. Management of the fisheries of Lake Victoria needs a serious regional approach. In addition, fisheries of Lake Victoria, for example, cannot be managed effectively without taking into account the management of the catchment area of the lake. Poor land husbandry and soil erosion in the catchment of the lake and tributary rivers puts a huge risk on the lake in terms of siltation as well as nutrient load. The omission of capture fisheries suggests a serious under budgeting of the Fisheries sector, again, due to poor linkage between issues raised in the situation analysis and the rest of the strategy and investment plan.

The ability to provide a foresight on the future needs and requirements to support the envisaged quantum leap of aquaculture production is key to the successful implementation of the investment plan, and yet this is not clear in the DSIP. This would have provided a proper basis for the foundation of the detailed implementation strategies yet to be formulated. Here, one recognizes that if aquaculture production rises to 300000 MT/time, for example, feed availability, which is already a challenge, is likely to become topical. The plan therefore, should have taken care of the backward linkage of the value chain e.g., how many tones of soybean, how much quantity of fishmeal would be required. The current outcry from farmers of that feed price from one major company has increased by more than 40 % over the last month is likely to be Common in future without fore sighting. Similarly, fish health and diseases,

environmental monitoring, quality control issues are likely to become important and should therefore be adequately budgeted for. Such fore sighting may require studies such as evaluation of the market price trends for the farmed fish, in view of the volatile feed prices as well as effective demand for fish.

In terms of capture fisheries, a much more rigorous consultation with private sector and fishing communities could have allowed for elaborate strategies and budget to deal with overfishing of natural stocks (in partnership with private sector) as well as to increase the value of exported fish through environmental management and eco-labeling initiatives. Other areas of investments capture fisheries include infrastructural and manpower development to reduce postharvest losses as well as accrediting the existing Uganda Fisheries Laboratory, which the document uses as a lesson for failed government endeavor.

Finally, the sector has benefitted considerably from international partnerships and development partners, which provide a lesson on the usefulness for such undertakings. Strategies to build on such past efforts can provide the basis for informed insights into handling future investments, in particular in relation to public/private partnerships.

*Recommendations:*

Within the detailed implementation plan, there is need to align key issues, strategy and budget in order to develop of the aquaculture and fisheries sector in Uganda. The issues related to capture fisheries should be adequately addressed in tandem to those of aquaculture. Fisheries management can be redirected to aligning the sector strategies towards sustainable wealth generation

Within the framework of the Strategies to support aquaculture for not only boosting production, economic empowerment and food and nutrition security of the rural poor should be clearly defined

Finally, in the absence of an exhaustive investment plan to provide direction, a rigorous implementation plan with foresight for future requirements that comes with growth of a sector underpinned by economic objectives is necessary not only for managing the sector, but mobilizing the needed resources. It is highly recommended that Uganda consider adopting a process similar to that which is being followed to develop the Fisheries Investment Plan for Ghana with support of the NPCA- Partnership for Africa Fisheries (PAF) Programme / World Bank, to allow allowing for the formulation of a feasible, realistic, well budgeted and bankable implementation plan for the fisheries sector of Uganda.

### **3.4.3. Livestock**

Livestock (especially dairy and beef) are recognized as having high potential as key drivers of development according to the ranking of commodities presented in the DSIP. Support to dairy production by creating an organized milk collection and marketing system will be addressed

through the Dairy Development Authority (DDA) and NAADS. Tsetse control will be addressed through COCTU.

However, addressing other animal health issues including notifiable diseases tick borne diseases, which obviously are a key hindrance to livestock development in Eastern Africa, are only components under the pests and disease control sub-programme. Support to animal health regulatory legislation, and traceability to ensure access to export markets for livestock products are other important elements of developing a successful livestock industry. However, these elements are also only mentioned as components of the pests and disease control sub-programme in the DSIP. Traceability is a complex endeavor under smallholder production systems and is often only possible for large scale farms delivering produce to specific niches, or by creating “disease free zones” for the case of smallholder agriculture. Treating all these animal health interventions only as components of the pests and disease control sub-programme seems to be underrating the importance of livestock in driving development in Uganda.

### **3.5. Cross-cutting issues**

#### **3.5.1 Gender**

Uganda has demonstrated proactivity and leadership on issues of gender in the area of agriculture. Within NAADS and NARO gender considerations have been explicitly targeted and women’s participation in farmer groups and farmers fora is high. In general the DSIP includes a concise but clear diagnosis of gender issues in agriculture. The DSIP highlights the link between improving women’s access to services and making productivity enhancing investments and growth and poverty reduction. It also notes that gender roles have an impact on agricultural activity

Some sub-programmes of the DSIP do not have strong strategies on how gender issues are to be integrated into the programmes and sub-programmes.

Collection and monitoring of gender disaggregated indicators is not specifically addressed in the document but may be useful as part of the monitoring and evaluation system.

#### *Recommendations:*

As programmes and sub-programmes are elaborated further work should be done to articulate the gender dimension and gender integration – this has been done in the detailed ATAAS programme document and could be a good model to follow.

It should be noted that development issues related to gender are managed outside of MAAIF; however, given its cross-cutting nature, collaboration between MAAIF and other ministries working on development issues should be strengthened.

### 3.5.2. Youth, HIV/Aids

The DSIP acknowledges several other important crosscutting issues, including youth, HIV/AIDS, climate change, and the environment. In further planning, these issues should be carefully integrated into the implementation strategies of relevant sub-programmes.

### 3.6. Monitoring and evaluation

The need to strengthen the M&E system for DSIP is well articulated in the document. However, compared to other sections of DSIP additional input is required to articulate the role and function of M&E in DSIP. Going forward, a stronger justification for a functional M&E system could be derived from inter-alia, the following;

- The stock taking analysis towards investment options is an ex-ante M&E analysis and the challenges related to paucity of data for this kind of evidence based analysis need to be addressed
- M&E culture already exists in Uganda especially given the establishment of NIMES; the CAADP M&E system will feed into and improve the quality of and relevance of NIMES outputs
- A robust and functioning M&E system will not only guide implementation, but borrowing from the ex-ante analysis, will provide objective evidence of returns to investment thereby answering the strategic questions posed in the document ( Are we on track and did we achieve what we wanted to achieve)

#### *Review of the Results Framework*

As indicated in the earlier sections of the present review, DSIP articulates the specific areas for investment to generate sustainable agricultural productivity growth in line with the CAADP agenda. Four result areas have been identified:

- Factor productivity (land, labour, capital) in crops, livestock, and fisheries sustainably enhanced.
- Markets for primary and secondary agricultural products within Uganda, the region and beyond developed and sustained
- Favorable legal, policy and institutional frameworks that facilitate private sector expansion and increased profitability along the entire value chain developed
- MAAIF and Agencies functioning as a modern, client-oriented organisation within an innovative, accountable, support.

These result areas have been translated into core programme areas and the activity milestones are well articulated in Table 3.1. Table 3.1 could be developed further into a more coherent results framework to replace table 6.1, in line with best practice guidelines. In sum, the results framework should have four big result areas and 22 activities/sub-programme areas.

### *Development of indicators*

The indicators in table 6.1 could be further improved to reflect achievement of intermediate outcomes under each result area and delivery of specific milestones under each sub-programme/activity. The CAADP M&E framework has a set of standard indicators that the plan should adopt to assess overall sector performance at intermediate outcome, outcome and impact level. As noted in the DSIP, a set of core indicators should be selected for each Result/objective.

### *Way forward for the M&E Strategy*

As observed in the DSIP document, it is recommended that a comprehensive monitoring plan should be developed. This plan should include the following.

- Data and information management system
- Inclusive, clear and flexible analytical agenda
- Clear value addition to the NIMES
- Effective communication strategy
- Linkage to the mutual accountability processes.

NPCA should provide additional technical support to MAAIF based on the overarching M&E framework.

### *Institutional arrangements for results monitoring*

Section 6.3 outlines specific set of activities for the immediate and medium term. DSIP places the M&E function under sub-programme 2 on planning and policy development. It is also laudable that an embedded system for tracking and reporting is envisaged. No mention is made of the country and regional SAKSS nodes that are considered critical to supporting the analytical agenda, yet Uganda SAKSS node was established in 2008. Likewise links to specific think tanks and data sources is mentioned in general terms yet organizations such as UBOS have fairly advanced agriculture modules that generate data for assessing agricultural sector performance. It is therefore recommended that priority should be given to the development a clear institutional architecture for implementing the planned M&E activities.

## **Component 4: Alignment with country commitments**

### **4.1. Prioritization within the investment plan**

In this first year of the new DSIP, only sub-programmes 1.1 (NARO) and 1.2 (NAADS) that are funded through ATAAP have full implementation plans. The other departments and agencies of MAAIF will spend resources on activities related to their specific mandates, but which are not specifically aligned with the reforms and DSIP objectives.

Outside of NAADS and NARO, it is unclear what prioritization has been done in relation to available resources. For example, in the case of less-than-expected funding, which activities will be prioritized and which will be reduced or cut?

#### *Recommendations:*

One of the key principles of CAADP is to focus investments in commodities and value chains with high potential for stimulating agricultural GDP and meeting other key objectives. The team is convinced that Sub-programme 1.8 on strategic enterprises and value chains, linked to specific zones of the country, is a strategic approach. It is evident from the material presented in Annexes 2-5 that analysis from the IFPRI models and other sources as well as strategic thinking has already gone into this component. Commodity platforms that bring together stakeholders from farmers' organizations, private sector firms involved in storage, trading, and export and the appropriate agencies from MAAIF and other Ministries seem like a sound approach to move forward. A participatory approach is better than trying to "pick winners" in advance. This sub-programme should be elevated as the framework for priority activities for many other agencies and sub-programmes in the DSIP – NARO, NAADS, UCDA, livestock, fisheries, water, policy reform, market information, etc. etc...

In further planning, consider prioritizing activities based on the availability of resources.

#### **4.2. Links with existing sector programmes/projects**

The DSIP is a plan to improve the performance of MAAIF and the agriculture sector that builds upon existing activities. The ATAAS financing mechanism includes a stronger linkage between NARO and NAADS, the two major programmes in the Ministry. Many of the other sub-programmes in the plan are reorganizations and improvements of long-standing activities.

A key gap in the DSIP is the linkage between the DSIP and the other agriculture related projects/programs outside MAAIF.

One of the challenges of DSIP will be for each of the sub-programmes to show why their activities are not "business as usual," which have not achieved adequate results in the past. In its reporting, the programmes will need to show what is different, better focused, strategic.

#### *Recommendations:*

The strategic enterprises sub-Programme needs to be better linked with NARO, NAADS, the market development programme, and other elements of the DSIP.

It may be useful to engage in a mapping exercise to link existing projects/programmes from other ministries to the DSIP. It may also be useful to map the existing donor and government projects in MAAIF to the DSIP programme areas. This may also help in developing a more detailed financing plan for the DSIP.

#### **4.3. Links to regional agriculture sector development plans**

Given the activities of Regional Economic Communities in putting in place free trade areas and common markets, harmonizing standards and regulations, significantly reducing both tariff and non-tariff barriers to trade and considering the important regional connections of Uganda in

the area of agriculture research, there are significant opportunities available to link to agriculture sector development plans.

The DSIP lays out a number of important activities designed to promote domestic, regional and international trade in agriculture products, particularly in Programme 2.

The programs related to regional interactions are not pulled together into a strategy with clearly defined assistance to farmers, cooperatives, warehouse operators, traders, transporters and other partners to facilitate access to regional markets.

To be more competitive in regional markets, Ugandan farmers must be assisted to meet reliable standards of quality. The quality of much of the maize and other grains available for marketing is generally low, partially because two growing seasons per year do not provide a dry period when farmers can easily dry their grain using traditional methods. Storage and drying facilities are not available to large numbers of farmers. Added to the many other constraints, this means that smallholders often sell surplus at low prices to traders who must bear all the costs and risks of drying, storing, grading etc. Because market channels do not move smoothly, a season with good production can quickly glut the capacity of the local market, driving down prices even further. Political leaders do not have access to reliable information on grain stocks and prices, and so are averse to the risks of seeming to support markets and exports in years when there are public fears of food shortages or high prices. The Purchase-for-Progress Project of the WFP, the Eastern Africa Grains Council, COMESA's Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), and the Gates-funded regional dairy project, USAID's LEAD, COMPETE and Market Linkages Initiative (MLI) are working with Ugandan farmers and the private sector to meet regional quality standards and expand their market opportunities, but much more needs to be done.

*Recommendations:*

A strategy and outreach programme to encourage export trade should be developed as more detailed implementation plans are developed – particularly for the strategic enterprises in sub-Programme 1.9, for market access and value addition in Programme 2, and for improving the enabling environment for private sector investment in Programme 3.

The programme to build regulatory services in sub-Programme 2.1 should be planned in close consultation with the EAC, COMESA, and IGAD, so that regulations, testing laboratories, and enforcement procedures are implemented within the new, regionally harmonized and integrated context. This will allow for cost saving through shared testing laboratories and other facilities. It will simplify and encourage regional trade, while protecting Ugandan farmers and providing a favorable environment for private investment.

Implementation

#### 4.4. Identification of policy issues and steps required to resolve them

The DSIP gives a high priority to policy: especially in 1.2.1 Policy and planning for pest and disease control; 2.1.1, Improving the policy and regulatory environment for market access; and 3.2 Planning and policy development.

However, none of the recommendations listed in these sections specify specific policies that need reform. Instead, they simply call for more study.

##### *Recommendations:*

MAAIF should prioritize key policies in urgent need of reform and design a programme of analysis and advocacy for reform.

#### Component 5: Operational realism

This section of the review of the DSIP document ascertains the extent to which the Investment Plan addresses key factors that are critical to the effective and efficient implementation of the Plan. These are: costing details; indicative financing plan; agricultural sector public expenditure review; public financial management capacity; risk assessment; financial and economic analysis; estimate of the investment to be provided by the private sector; viability of implementation arrangements, and; institutional capacity. These issues are discussed individually below.

**Costing details:** Two summary budget scenarios have been prepared, one depicting the “ideal” and the other, the MTEF related (the MTEF budget is 75% of the “ideal” and is based on historic funding of the sector<sup>1</sup>). This allows continuity in the implementation of DSIP interventions at a scaled down level in the event that the Plan is not fully funded. According to Ministry of Finance, National Planning and Economic Development, the preparation of DSIP has streamlined sectoral activities leading to an expected increase in the absorptive capacity of financial resources by MAAIF, from 65% to 90%. In addition, Ministry of Finance has since increased MAAIF allocation by 10% from the previous year following the streamlining.

The detailed budget breakdowns by activity are yet to be worked out (this point has been fully appreciated by MAAIF which is presently addressing it).<sup>2</sup> Such details are important as they would make it easier to adjust budgets when need arises.

It is also not clear whether the MTEF is fully funded or not, does it include committed resources from development partners or only expected contributions? It also not clear if the budget include both capital and recurrent budgets – and if they include both, it would be desirable to

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<sup>1</sup> The grand total “ideal” budget is UGX Million 2,731,299

<sup>2</sup> GoU has adopted an Output Based Budget (OBB) system. Rather than focus on activities, it places premium on outputs. There is an assumption that this approach automatically takes care of the desired balance between recurrent and capital expenditures.

have a breakdown along those lines since a number of underlying issues arise (portion available for salaries as opposed to activities, etc...)

*Recommendations:*

We would like to encourage MAAIF to continue and finalize as soon as possible the detailed preparation of cost figures for all the remaining 20 sub-programmes (desegregated by activity), a process that was initiated following the FAO mission in the second half of August.

It is advised that the costs (component, sub-programme, programme and DSIP) be updated following the completion of the detailed development of the 20 sub-programme documents, as this would provide the total picture of the cost structure.

It is further advised that the analysis of the financing gap be based on these final figures.

### **5.1. Viability of implementation arrangements**

The DSIP document discusses key institutions within and outside MAAIF that are critical to effective implementation of the Plan. This is vital if appropriate collaborative mechanisms are to be developed resulting in optimum synergies. The document also discusses the restructuring of MAAIF.

The capacity of the main institutions has not yet been assessed to ascertain whether they can effectively implement DSIP. However, the implementation of NAADS and NARO has already been started without such a comprehensive capacity assessment. The implementation of the remaining 20 sub-programmes is yet to start. Apart from capacity challenges, the variation in the implementation start dates of DSIP sub-programmes is likely to have a negative impact on benefits that would accrue emanating from synergies. DSIP is meant to be one entity with different complementary facets, all working towards the achievement of the identified goal and objectives.

*Recommendations:*

Given that the implementation of NAADS and NARO has already started, we advise that the implementation of the remaining sub-programmes be embarked upon in phases (once they are sufficiently ready), with each phase consisting of a cluster of SPs. Such an approach would allow for institutional capacity issues (and other pre-requisite activities), critical to effective DSIP implementation, to be adequately attended to. However, the time lag between the various clusters should not be too long as this would undermine the benefits of a Sector Wide Approach (SWAp).

**Institutional assessment:** The document does not give an indication of an institutional assessment having been carried out which would provide an overview of the strengths and weaknesses of the institutions in the agriculture sector.

It is advised that an institutional assessment be undertaken as soon as possible. Among others, this would be the basis for formulating interventions aimed at capacity building of the institutions in the sector.

### **5.3. Indicative financing plan**

Aggregate budget figures for each sub-programme and the whole plan have been prepared for the entire five year duration of DSIP.

Notwithstanding the above effort, DSIP lacks an indicative financing plan, i.e. a breakdown of the budgets indicating how much funds (and for which investment areas) are expected from government, DPs, the private sector and other sources for the duration of DSIP. This poses a challenge for effective engagement of the various partners to respond to the financing gap(s). It also makes it difficult to identify the current baseline value for the CAADP indicator target of 10% of national budget allocation to agriculture. In addition, given the mention in the DSIP document of private sector led agricultural development, it will be a challenge to have an indication of the extent of current and future private sector funding to the agricultural sector. Lastly, it will be difficult to show the total budget ceiling that is likely to be applied to the sector within the MTEF over the DSIP implementation period.

#### *Recommendations:*

There is an urgent need to develop an indicative financing plan with a breakdown of budget figures by source, i.e. whether government, DPs, private sector and other. The advantage of this is that it will facilitate an assessment of the level of commitment by the stakeholders involved in financing the sector. It is also a critical tool for planning.

There is also a need to have a plan for what to do if no new financing is found - and what would be done if new financing is found – and present how much difference in impact new financing would be expected to have.

### **5.4. Agriculture Sector Public Expenditure Review**

DSIP draws some lessons from the previous Public Expenditure Reviews (PERs - 2007-2009) on several issues including historic share of agriculture from GoU's financed national budget. However, the two (2) PERs that have been undertaken (2007 & 2009) have not been fully taken advantage of in informing DSIP design so far. For instance, the findings on: the estimated 10% capital investments (out of the total annual allocation to MAAIF) as well as erratic disbursements by the Ministry of Finance should have been factored into the DSIP design through for instance, the formulation of appropriate assumptions.

#### *Recommendations:*

It is important that appropriate assumptions surrounding finances (based on PERs) be formulated as part of the preparation of the detailed implementation strategies. At the least, let these assumptions be part of the final logical framework.

## 5.5. Public financial management capacity

A comprehensive assessment of the public financial management capacity was not undertaken. This makes it difficult to appreciate the level of competence of public systems in financial and procurement management. Such an assessment is needful for building stakeholder confidence in these important systems and is thus likely to impact on the level of financial commitments. Without such an assessment, it will pose a challenge to identify gaps to facilitate appropriate capacity building initiatives.

### *Recommendations:*

The assessment of the public financial management should be carried out as soon as possible, given its potential role to positively impact investment commitments and sustaining their flow.

The assessment should lead to the development of a capacity building plan.

## 5.6. Risk assessment

The DSIP document is silent on risk assessment. Consequently, it is difficult to appreciate the likely impact on programme outcomes if certain critical assumptions are not met. Though the document does not explicitly identify key assumptions, a number of these are clearly implied. Two of these will suffice as examples. *First*, the assumption surrounding funding, both with respect to availability of the total funds for the “ideal” budget<sup>3</sup> as well as timely disbursements of budgeted funds. According to the DSIP document, the agriculture sector has predominantly received between 2% and 3% of the national GoU budget since 1991/92. The document further estimates the capital expenditure to be 10% of the average annual budget in the same period,<sup>4</sup> and this has been characterized by erratic disbursements. The *second* assumption relates to engagement of qualified human resource within the shortest possible period to facilitate implementation. However, the new structure of MAAIF has been developed and various posts identified, not all the critical posts may be filled with the right people and that, within the desirable shortest possible period.

### *Recommendations:*

There is need to identify key risks as well as measures for their respective mitigation.

## 5.7. Financial and economic assessment (including cost-benefit analysis)

The document does give an indication of cost/benefit analysis or financial and economic analysis as a basis for prioritizing investments with the plan. Nor is it clear how the IFPRI

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<sup>3</sup> This is likely to increase following the preparation of detailed sub-programme investment proposals thereby further widen the gap between the “ideal” and MTEF budgets.

<sup>4</sup> A point has already been alluded to, to the effect that for DSIP implementation to be successful there is a need for the annual financial resource envelop in the next 5 years to significantly go beyond what has historically obtained. In the past, the funds available have tended to predominantly focus on recurrent costs.

investment options analysis relates to the proposed investments. This presents a challenge in ascertaining whether the areas selected would provide optimal returns to investment (not withstanding other variables such as social and political). The only form of cost/benefit analysis undertaken is gross margin analysis targeted at commodities.

*Recommendations:*

As the implementation of DSIP rolls out, it is advised that cost/benefit analysis be undertaken to guide investment prioritization and consequently financial resource allocation. This will optimize returns to investment.

## **5.8. Estimate of the investment to be provided by the private sector**

The document has made an effort to identify private sector actors as well as their perceived potential roles.

Though possible roles by the private sector have been stipulated by DSIP, this does not guarantee their investing into the agriculture sector. In this regard, there is need to undertake an assessment of investment to be provided by the private sector to better understand how public and private sector investments complement each other. This would also help identify gaps from public sector funding that would be the basis to engage the private sector.

*Recommendations:*

We advise that the Annex on private sector roles be updated after the finalization of the detailed 20 SP documents. It is only at that point that a total picture will emerge on what exactly needs to be done and by whom.

There is need to undertake an assessment of funding to be provided by the private sector. This should be done shortly after detailed implementation strategies and costing have been completed.

**Annexure 1: CAADP Post-Compact Guide**

**Annexure 2: Review Checklist Guide**

**Annexure 3: Post Review Road Map Template**