WHAT MPS SHOULD CONSIDER WHEN DEBATING THE AGRICULTURE SECTOR BUDGET FY 2019/20

CSO Agriculture Sector Position Paper on the Uganda National Budget Framework Paper FY 2019/20

Presented by the Civil Society Organisations to the Agriculture Committee of Parliament on 24th January 2019

1.0 Introduction

The preparation and development of this CSO agriculture sector position on the National Budget Framework Paper (NBFP) for the financial year (FY) 2019/20 has been coordinated by Civil Society Budget Advocacy Group and Food Rights Alliance (FRA) in collaboration with other CSOs namely: *Participatory Ecological Land Use Management (PELUM-Uganda), Caritas Uganda, Advocacy Coalition for Sustainble Agriculture (ACSA), Eastern and Southern African Small Scale Farmers' Forum (ESAFF), Food Rights Alliance, Community Integrated Development Initiative (CIDI) Uganda Farmers CommoN Voice Platform (UFCVP), Advocacy Coalition for Sustainable Agriculture (ACSA), Environmental Alert (EA), The Central Archdiocesan Province Caritas Association (CAPCA).*

The prepositions (in terms of issues and recommendations) in this position paper are an outcome of critical analysis of the National Budget Framework Paper for FY 2019/20 with reference to official documents such as Annual Agricultural Peformance Reports, Auditor General's reports, research by State and Non-State Actors, Agricultural Sector Annual Reviews and reports, Annual CSOs and Networks Position Paper on Agricultural Sector Performance, and grassroots' real life experiences. In addition, these prepositions are a follow-up of previous recommendations to Government while assessing the levels of adoption and actions so far done in the context of the demands and expections of the wider stakeholders in the sector.

We commend the Government of Uganda for upholding the provisions of the Public Finance Management Act 2015 and the Constitution of Uganda. We further appreciate Parliament through the Committee of Agriculture for according space to Civil Society Networks to constructively engage and contribute to the process of developing the National Budget every financial year and for adopting our recommendations.

In this context therefore, we are requesting the Parliamentary Committee on Agriculture based on their mandate and role to consider the suggested recommendations.

2.0 Background

The agriculture sector has remained a cruicial sector given its contribution to employment, household and national food security, industrialization, export trade, environmental sustainability, social and political transformation. The budget speech 2018/19 reiterated Vision 2040 and upheld the agriculture sector as a primary growth sector (NDP II, 2015). The sector contributes 21% to GDP, 47% of total export earnings and employes 65.6 % of the entire population (UBOS 2010).

Government in the NBFP FY 2019/20 proposes to harness the agriculture sector as a key growth sector, specifically through the princples of, *'industrialization and transformation of the economy from a predominantly agro-based to an agro-industrialized one in a bid to increase the opportunities for inclusive and equitable growth and closing income disparities.'*

The NBFP FY 2019/20 proposes to allocate the sector budget to the sector institutions under Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) and other Government agencies. These consist of: National Agriculture Research Organization (NARO), National Agriculture Advisory Services (NAADS), Dairy Development Authority (DDA), Cotton Development Organization (CDO), National Animal Genetic Resource Centre & Data Bank (NAGRC&DB), Coffee Development Authority (CDA), Kampala Capital City Authority (KCCA) and Local Government (LG).

This paper therefore, provides an analysis of the sector NBFP for the FY 2019/20 specifically on the following areas: *compliance of the proposed NBFP to the National Development Plan II, (2015); intra-sectoral allocations; the sector trends analysis of the sector budget allocations and budget performance; specific functions/services which include; research* *development and uptake, access to agricultural extension services, agricultural financing, water for production, pests, diseases and vector control and access to storage facilities.*

This analysis and synthesis involved structured interactive meetings, which involved participation of various members of CSO Networks as enlisted in Section 1.0.

3.0 KEY ISSUES FOR CONSIDERATION

3.1 Compliance to the NDP II

The FY 2019/20 shall be the final year of implemention of the NDP II. However, based on the anlysis reflected in the *Table 1* below, there has been inconsistence in budget allocation to the sector against the annual costing within the NDP II.

Table 1. Sector Budget Allocation against NDP II Costing

FY	NDP II Costing (bn)	Budget allocation (bn)	Variance	%
2015/16	**480.0**	**510.4**	**30.4**	**6.0**
2016/17	**782.5**	**823.4**	**40.9**	**5.0**
2017/18	**875.7**	**846.7**	**(29.0)**	**-3.4**
2018/19	**1,080.0**	**901.1**	**(178.9)**	**-19.9**
2019/20	**1,408.3**	**919.8**	**(488.5)**	**-53.1**

Source: CSO's construction based on analysis of the NDP II and budget documents.

We note with concern that the final two years of implementation would be the years of consolidating investments to holistically achieve the set outcomes-, having experienced significant negative variences.

Inadditon, our previous analysis of the various NBFPs have revealed inconsistence in performance targets and/or priority interventions with those suggested in the NDPII. At no moment has MAAIF provided a justification for these adjustments. This is possiblly due to lack of guidelines for detailed costing by the sectors. Notable to Parliament is that it is difficult to undertake the required analysis and advise the sector well in time in the absence of the details within the NBFP.

We therefore, recommend that Parliament tasks Ministry of Finance to adjust the guidelines to the sectors to the development of the NBFP, to provide details of the costings. This will then add vaue to the engagements on this process and guidance to the respective sectors.

3.12 Intra-sectoral Allocations

An analysis of the NBFP indicates the bulk of the sector allocations are projected to be appropriated to MAAIF (**UGX 532.59bn**) from (**UGX 355.647bn**) FY 2018/19 followed by Local Government with **UGX 122.967bn**. Whereas MAAIF has experienced an increment, the allocation to Local Goverment has remained as it was in the FY 2018/19, yet this is the service delivery structure for the sector services to the communities.

Further observation has shown that resource allocations to other functions that remain critical to the transformation and performance of the sector like Research-NARO (**UGX 62.354bn**), NAGRIC&DB (**UGX 10.997bn**) are not benefiting from this increment as their allocation is proposed to remain the same as this FY. *See Figure 2* .

We observe that such votes like NAADs are to experience a dramatic reduction in allocation from **UGX 249.9bn to UGX 99.9bn.** Whereas this is an action to the positive direction of merging government institutions and addressing role conflicts, **we recommend** that MAAIF should indicate where significant improvements have been done to enforce/undertake the function of NAADs under MAAIF. –In addition, an increment should be considered for sub-sectors with mandates and roles of direct service delivery that build into the desired outcomes, commitments and transformation such as NARO which should be tagged to their outstanding performance in the previous financial year.

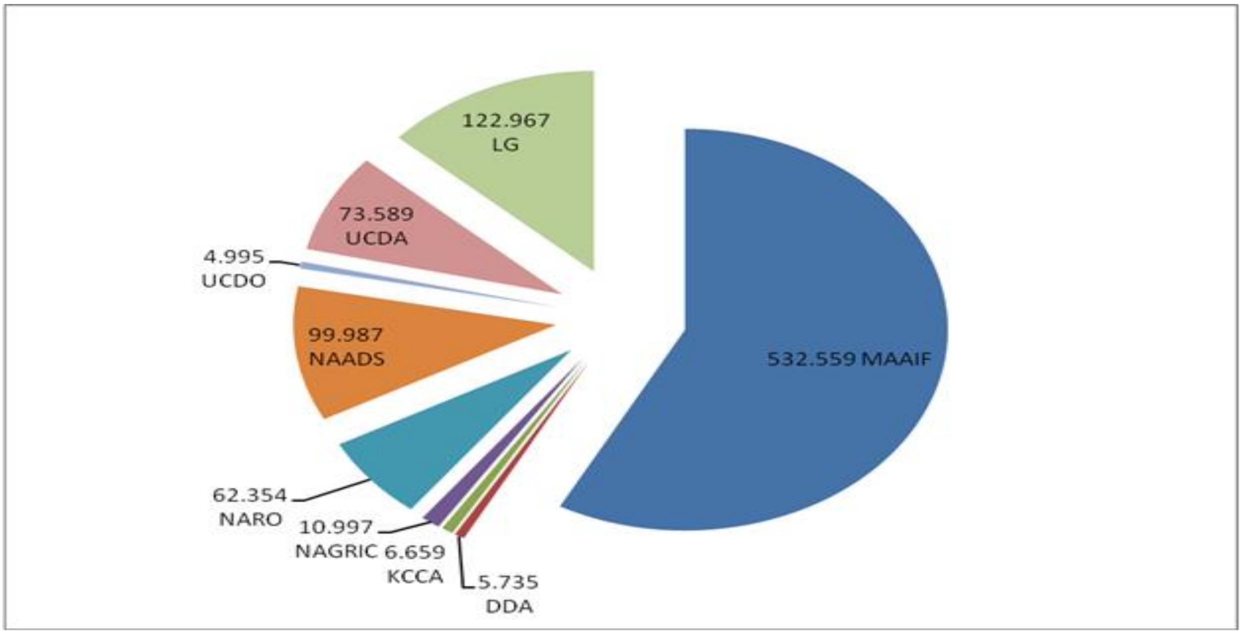


Figure 2. Source: CSO's construction based on an analysis of the NBFP FY 2019/20

We further commend Government for improving the budget allocation to the Vote "MAAIF" that takes care of the core sub sectors of Crop Resources, Fisheries Resources, Extension and Skills Management, Policy and Planning and Supporting services, Animal Resources and Infrastructure, mechanization and Water for Agricultural Production. We further welcome the inter-vote allocations *(see figure 3 below)* that recorded an increment to the core service functions to the sector that are highly demanded by farmers such as agricultural extension from (**UGX 4.0bn) FY 2018/19 to (UGX 25.5bn) FY 2019/20** and water for agricultural production from (**UGX 29.0bn) FY 2018/19 to UGX (94.8bn) FY 2019/20** (NBFP FY 2019/20).

We further note with appreciation the increment to the Fisheries Resources from **(UGX 11.8bn) FY 2018/19 to (UGX 43.8bn) FY 2019/20** and Animal Resources from **(UGX 63.7bn) FY 2018/19 to (UGX 107.6) FY 2019/20**. These two sectors have potential to improve livelihoods of participating farmers and tremendously contribute to the national economy given the growth trends in meat, dairy and fisheries exports. For insistence, in 2014, fish and fish products accounted for 10% of agricultural export value, second only to coffee. Total fish production in 2014 amounted to 461,726 MT, of which 17,597 MT were exported. This generated US$134,791 million for the country in 2014 and it employs up to 1.3 million people.

Sector Intra-Vote Allocations

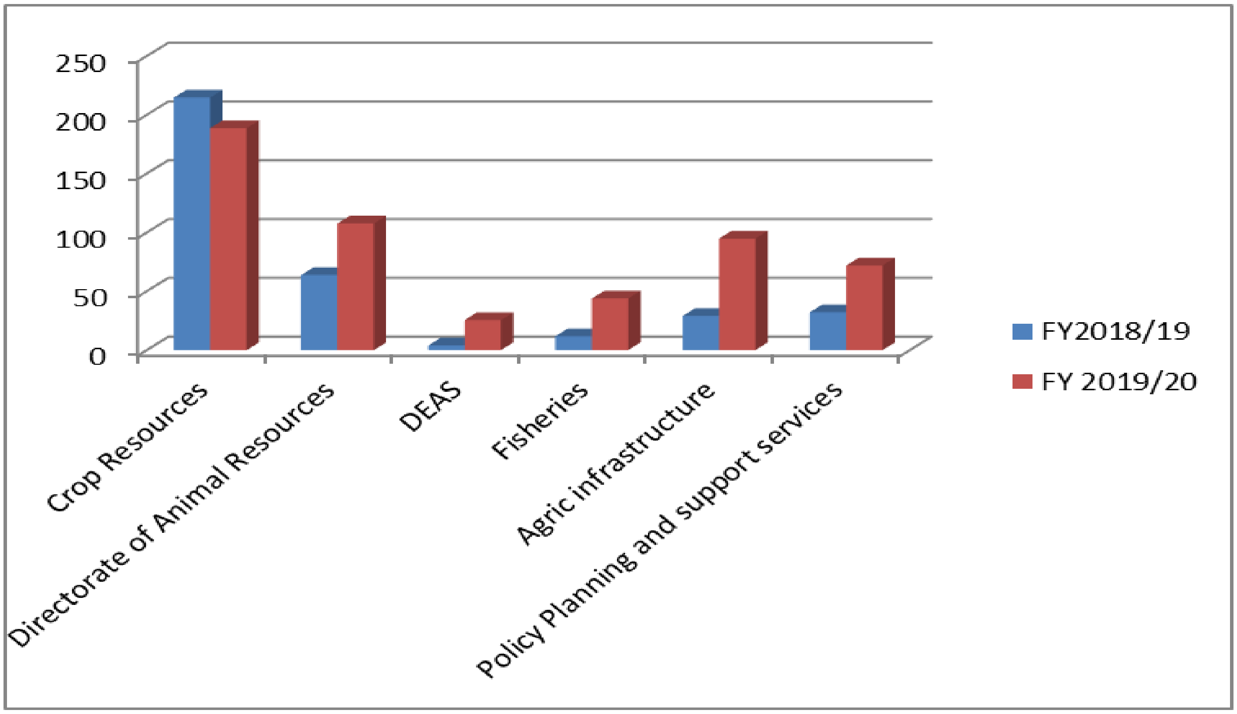


Figure 3. Source: CSO's construction based on analysis of the NBFP FY 2019/20

4.0 AGRICULTURAL SECTOR BUDGET TRENDS

4.1 Sector Growth and Performance

The agriculture sector growth has stagnated below 4% for the previous concluded three financial years of the NDPII recorded at **(3.2%) in FY 2015/16, (1.6%) in FY 2016/17 and (3.2%) in FY 2017/18.** This growth is far below the renewed commitment of 6% of the African Union (Malabo 2014). This slow growth reflects the wellbeing and livelihoods of the actors in the sector especially smallholder farmers that dominate the sector. In terms of sector contributions to GDP, there has been a consistent low contribution recorded at (**23.7%) in FY 2015/16, (21.5%) 2016/17 before reducing to (21%) in FY 2017/18.**

This poor sector performance should be a **growing concern** to Government as the country is agrarian and the sector engages over 81% of the population (Uganda Population and Housing Census 2012).

We recommend that Parliament tasks MAAIF, To explain conditions and circumstances that limit their ability to spend yet they have high demands from sector actors. To indicate mitigation measures that they propose to undertake, and such measures should be reflected in the Ministerial Policy Statement (MPS) for the FY 2019/20.

4.2 Agricultural Sector Budget Allocations

4.2.1 Sector Allocation in Volume of Money in Ugx

Table 4. Sector Budgets as a % of the Approved Total National Budgets

FY	National budget (trn)	Approved (bn)	% of the sector to the national budget
2015/16	23.9	479.9	2
2016/17	26.3	823.4	3.1
2017/18	29.0	866.8	2.9
2018/19	37.2	892.9	2.4

Source:2019 CSO's construction based on analysis of previous national budget documents

We commend Government for the consistent increase to the sector in terms of volume allocated from **FY 2015/16 (UGX 479.9bn), FY2016/17 (UGX 823.4bn), FY2017/18(UGX 866.8bn), FY2018/19 (UGX 892.92)** and now projected for **FY 2019/2020 (UGX 919.8 bn)**. However, we are concerned that the along the years, the government has failed to realise the commitement to the agriculture budget allocation as compared to the overall national budget. A case in point is the African Union Maputo Declaration, 2003 where Uganda commited to allocate 10% of the National budgetery resources to agriculture and rural development..

4.1.2 Sector Budget allocations Vi-a-vis Budget Outturn

Further analysis indicates consistent negative variances between disbursement and total budget approved to the sector with a percentatge difference of about 20%. Whereas there is increament in the total volume of money allocated to the sector, it is observed that the total disbursements to the sector are actually lower in some instances than the proposed amount in the budget framework paper. In the FY 2017/18 whereas the NBFP proposed UGX 846bn, a total of UGX 866bn was approved and only UGX 735bn was disbursed, an amount way below what was proposed in the NBFP (*see Table 5*). This uncertanity is detramental to the sector's ability to plan for results, deliver services and respond to challenges that emerge in the sector.

Table 5. Sector Budget approved vis-à-vis the sector budget allocations

FY	Budget allocation (bn)	Approved (bn)	Variance	%
2015/16	510.4	479.9	(30.5)	--5.9
2016/17	627.8	823.4	195.6	2.95
2017/18	846.7	866.8	20.1	2.3
2018/19	901.1	892.9	(8.2)	-0.9

Source: CSO's construction based on analysis of previous national budget document

4.2.3 Government vis-a-vis External Funding to the sector In addition, **we commend** Government of Uganda for funding the biggest proportion of the sector compared to external support through the years in the life of the NDP II to an average of 70% (*see table 6 below*). Whereas this is commendable, efforts should be taken to ensure that the allocations are invested towards addressing some of the critical challenges within the sector such as addressing the impact of climate change, limited value addition, poor quality agro inputs to mention but a few.

Table 6. Government and External support funding to the sector as a % to the total agric sector budgets

FY	Govt	Ext	Approved sec. Budget	Govt% to agric	Ext % to agric
FY 2016/17	601.6	221.7	823.3	73	26.92

FY 2017/18	624.5	203.9	828.4	75.3	24.6
FY 2018/19	681.7	211.1	892.8	76.3	23.64

Source: 2019 CSO's construction based on analysis of previous national budget documents

4.3 Agricultural Sector Budget Performance

We have observed that there is consistent commendable performance above 80% on the releases against budgets for the sector in the three previous FYs for instance, **FY 2015/16 (88.4%), FY 2016/17 (84.7%) and FY 2017/18 (90.6%)**. **We further observe** that MAAIF had a considerable good performance against the budget recorded at **FY 2015/16 (86.2%), FY 2016/17 (83.3%) and FY 2017/18 (88.7%). We commend** MAAIF not only for the good performance in expenditure but as well consistence recorded at **FY 2015/16 (97.7%), FY 2016/17 (98.4%) and FY 2017/18 (98%)** *(See table 7 below).*

Table 7. % Sector budget releases against % funds spent and % releases spent

FY	% budget released	% budget spent	% release spent
FY 2015/16	88.4	86.2	97.5
FY 2016/17	84.7	83.3	98.4
FY 2017/18	90.6	88.7	98

Source: 2019 CSO's construction based on analysis of previous national budget documents.

Whereas the total budget release expenditure appears (above 90%), it should be noted that the volume of money unspent is significant, for instance according to the Annual Budget Performance Report (2017/18), about UGX 17.8bn was unspent with crop resources recording the highest variance of UGX 10.5bn and research recorded among those with the least variance of UGX 0.6bn. Despite this, the reasons for the unspent funds are not disclosed by the sector agencies

5.0 SECTOR SPECIFIC CONCERNS AND BUDGET PROPOSALS

5.1 Inadequate Funding to the Research Function and Technology Uptake

The research function in this sector is the core mandate of the National Agricultural Research Organization (NARO) and National Animal Genetic Resource Centre and Data Bank (NAGRIC D& B). According to the NBFP, NARO is projected to be allocated UGX 62.354bn in the FY 2019/20 whilst NAGRIC D& B is projected to receive UGX 10.997bn in the FY 2019/20, accounting for 6.7% and 1.1% of the total sector allocation respectively.

We commend Government for setting research in the country as a strategic action to be earmarked for implementation in the FY 2019/20. According to the NBFP, "prioritization of funding for agriculture research under NARO will carter for vaccines; under NACORI for coffee research and under NAGRC D&B for improved animal breeds" (NBFP FY 2019/20). However, the NBFP doesn't specify detailed distribution of the projected resources to both institutions.

We further commend MAAIF for setting performance targets for both institutions for the next FY 2019/20 of 1.5% increased production and productivity resulting from utilization of improved technologies by NARO and 15% change in the utilization of improved germplasm by NAGRIC D & B.

We are Concerned however, that these targets within the BFP are far below the targets of the same function within the Agriculture Sector Strategic Plan (ASSP). For the FY in question, a percentage reduction in performance targets compared to the previous years of 1.5%, is not correlated to the ASSP target of 50% of the same year.

We are concerned that, funds to NARO for instance have not been broken down to indicate what might be set aside for actual research, infrastructure and recurrent.

We are further concerned there is no distribution of the projected UGX 62.354bn to the 16 NARO institutions (9 Zonal Agricultural Research and Development Institutes (ZARDIs) and 7 National Agricultural Research Institutes (NARIs)) and head quarter or even how it will be distributed to the core functions of research, infrastructure and recurrent.

It is strategic that at BFP level, clarity is provided in order to guard and direct the planning and investment of our research function in the sector.

5.1.2 Technology Adoptation and Uptake

There is low technology adoption and uptake and lack of absence of crediable data within the sector to measure technological uptake and adoption. **We reiterate** the concern reflected in the Government Annual Performance Report 2017/18 of the absence of crediable data in the sector to measure technological uptake and adoption by farmers in the country. The available data by MAAIF reflects very low adoption rates for instance, in the FY 2017/18 only one research institution provided data of 928 farmers in 15 districts within Karamonja and Teso regions who had adopted technological innovations from NABIN Zardi in Nabilatuk district, an average of 62 farmers per district.

We are further concerned that the MAAIF/ATAAS upscaling project that was funding up to 90% of the core research and technology generation work under NARO for the past seven years ended in the FY 2016/17. To this date, including the NBFP FY 2019/20, no specified alternative has been designed to continue this function. This suggests that MAAIF has no plan for scaling up technology adoption and uptake by farmers.

We therefore reiterate our previous **recommendation** to task MAAIF to specifically indicate the % of the budget allocated to NARO that will be spent on technological uptake in the absence of the ATAAS project.

We further recommend that the statistics and information unit of MAAIF with support from the Directorate of agricultural statistics in UNBOS prioritizes this data need in the FY 2019/20, to inform the development of the new ASSP.

5.1.3 Budget Performance

We congratulate NARO for the outstanding performance in the FY 2017/18 on targets and budget expenditure. For instance, in this FY, NARO released twenty-nine (29) new crop varieties; a total of 96 technological innovations were generated, well over the planned target of 82 and a total of 41 new varieties were submitted to the Variety Release Committee. (MAAIF Annual Performance report for FY 2017/18 and Annual Budget Performance Report 2017/18). In addition, NARO recorded one of the least variances of UGX 0.6bn against releases of UGX82.4bn during the year.

Concerned however that despite the country's research and development needs in the sector, the function is stagnated in very low budget allocations. This frustrates the on-going research efforts and constrains the country's ability to define the research agenda that best suits the social, economic and political needs and priorities of the country.

We therefore recommend that Parliament through the committee of agriculture, takes on strategic interest and guide the Executive on the issue of public investment in research and development for the agricultural sector.

We recommend that government increases investment in agriculture research

We recommend that research be conducted in a participatory manner to involve farmers while providing business advice and enforcing standards to improve product quality and increase commercialization.

We recommend that that investment be put into strengthening the linkage between research and extension service delivery, while also ensuring integration of indigenous knowledge systems

We recommend that MAAIF, through NARO should ensure budget allocation towards conservation of plant and animal genetic resources to guarantee agricultural biodiversity and subsequently food security, nutrition and climate resilience

5.2 Prioritizing Agricultural Financing for Small Scale Farmers in FY 2019/20

We commend the Government for prioritizing financing to the agricultural sector as a strategic action and as a measure to harness agriculture as a key growth sector. According to the NBFP FY 2019/20, this is envisaged to be implemented by; "enhancing the agricultural credit facility (ACF) and rolling out the agricultural insurance scheme to make lending to the sector less risky". **However we are concerned** that a closer look at the NBFP reveals no further mention of agricultural financing under any function in the sector.

5.2.1 The Policy Environment of Agricultural Financing

Agriculture finance represents only 7% of commercial bank lending in Uganda, this statistic reveals that the distribution of credit is lopsided against agriculture, yet the sector is the main stay of the economy. Although Government has tried to establish several schemes to address the issues of financing such as ACF, agriculture insurance, Youth Livelihood Fund among others, there is no policy framework in the country to guide financing for agriculture. Any efforts therefore such as these and others can't benefit the sector and its players using the current policy and legal framework of financing due to unique dynamics and contexts within which the sector operates.

The attemps however by Ministry of Finance since the FY 2017/18 to develop an Agriculture Financing Policy. **We are concerned** about the slow pace of advancing this effort and the minimum participation of MAAIF, the would be champion of this policy in this process.

We therefore recommend that Parliament task MAAIF to explain their **role** in the development of the Agriclural Financing Policy and when it is expected to be concluded.

5.2.2 Agricultural Credit Facility (ACF)

The FY 2019/20 will mark a decade of ACF operations having been established in FY 2009/10. According to the Annual Budget Performance Report (2017/18), as of 30th June 2018, UGX260.8bn had been disbursed to 430 projects and Ush 134.794bn (95.11%) of the GOU contribution was fully disbursed to the participating commercial banks under the ACF. This benefitated 430 eligiable projects.

It should be noted that the financing guidelines of this facility have since been constraining to smallholder farmers on grounds such as the minimum loan amount of 30 Million, collateral (machinery and equipment financed, where applicable, and any other marketable securities provided by the borrower/final beneficiary), access to the Participating Financing Institutions (PFI) and bankable project proposals. Such requirements are inaccessible to the bulk of those participating in the agricultre sector especially women.

Engagments with the Bank of Uganda indicated steps the bank was taking to adjust the minimum loan amount to less than 5Million; adopting the group lending methodology for groups to work as collateral especially to those without land and such properties; considering working with VSLAs to support women whose major financing source are these associations. We further proposed that the revision of the guidelines also considers partnerships with non-state actors in order for them support the preparation of the farming communities to fit the purpose of the facility as well as popularizing the facility.

We therefore recommend that Parliament tasks MAAIF to give an update of how far the adjustments of the guidelines have moved and therefore the new mechanisms and targets set aside to support small holder farmers who were largely excluded in the previous arrangement.

We further recommend that Parliament establishes whether Bank of Uganda has adjusted the ACF guidelines that limit small holder farmers and women to benefit from the facility.

5.2.3 Agricultural Insurance

The FY 2019/20 will mark 4 years of implimentation of the Agricultural Premium Insurance Scheme since its establishment in FY 2016/17. Reports reveal that by 2017, under the scheme, beneficiaries had increased from 30,000 to 40,000 against the targeted number of 64,000 that was profiled. The scheme currently managed by the Agriculture Insurance Consortium (AIC) has limited linkages with the Ministry of agriculture, especially the Directorate of agricultural extension,whose functions provide grounds for the ability of the beneficiaries to access the scheme. In addition, the scheme has remained unpopular in the public domain and yet its services have for long been desired by farmers.

Recommendations

We recommend that Parliament tasks MAAIF to explain their role in the management of the agricultural insurance scheme and how the services of the scheme are intergreted in the Ministry plans to enforce each other.

5.3) Inadequate Implementation of the Single Spine Extension System

5.3.1 Recruitment against Targets

The FY 2019/20 marks the fourth year of implementation of the single spine system. In the FY2015/16, cabinet approved the implementation of the system with an implementation plan of five years of **FY2016/17 to FY2020/21**. This plan specified that by FY2018/19 a total of 5000 extension workers would be recruited against the total approved positions at district and sub county level totaling to 8408.

We are however concerned that the recruitment is not on schedule and stagnated at 3320 extension workers recruited by FY2017/18. In reality though, this number must have droped as some of the recruited extension workers reached their retirement age.

We have further observed (*See figure 8 below*) that out of 1456 approved technical positions at district, only 846 had been filled by FY2016/17 and out of 6952 approved technical positions at sub county level only 2945 had been filled during the same year.

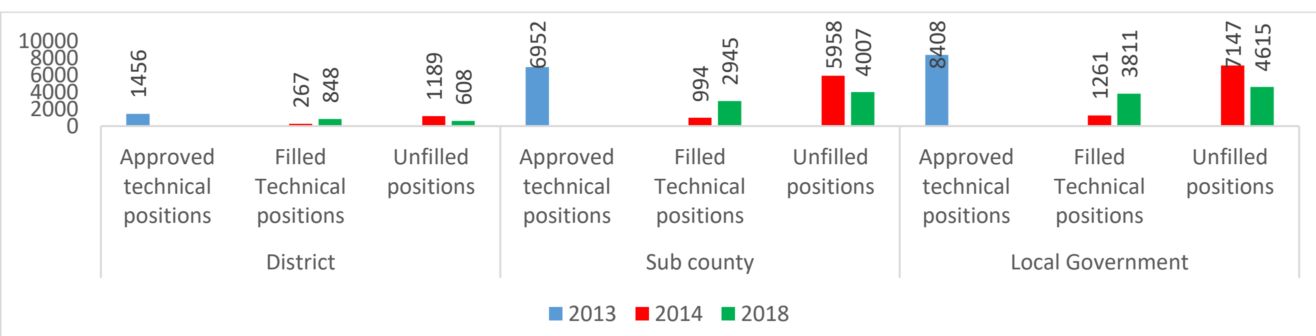


Figure 8. Source: CSO's construction

5.3.2 Financing of the System

There is inadequacy and inconsistence in financing the system. According to the estimated budget in the implementation plan FY2016/17 to FY2019/20, actual budget approved for the function has stagnated at about 31% (*see table 9 below*). By FY 2019/20 a recorded budget gap of 483.4 Billions shall be experienced.

MTEF budget projections for extension service delivery versus MAAIF's budget estimates for implementation (2015/16 – 2019/20)

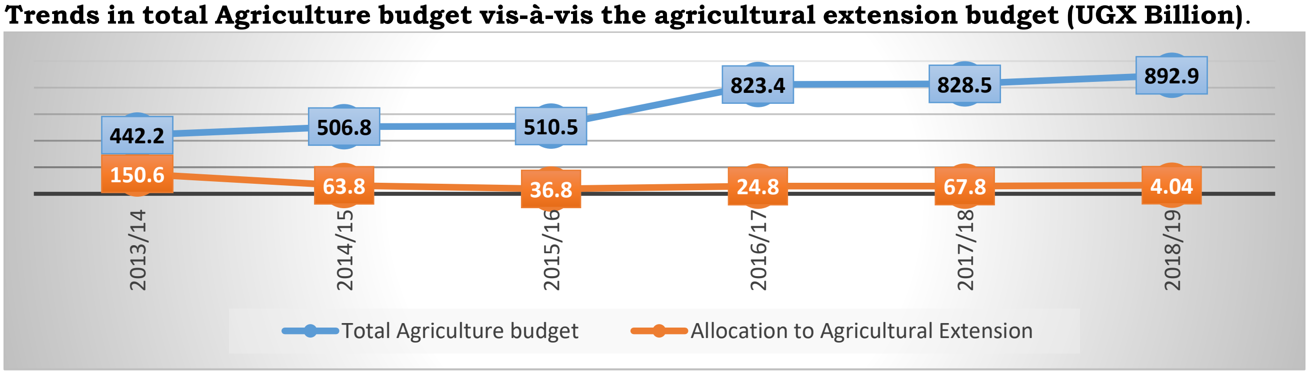
	Amount (Billion shillings)			Financing Gap as a percent of required funds for single spine implementation (Percent)
	Total MTEF allocation to extension services	Budget estimate for operationalising Single Spine	Financing Gap	
Year 1: 20015/16	36.7	149.9	113.1	75.5
Year 2: 20016/17	47.8	454.5	406.6	89.5
Year 3: 20017/18	53.0	513.0	460.0	89.7
Year 4: 20018/19	60.6	568.4	507.8	89.3
Year 5: 20019/20	67.5	550.9	483.4	87.7
Entire planning period	***265.7***	***2,236.9***	***1,971.1***	***88.1***

Sources: Background to the Budget 2015/16; Framework Implementation Plan for the Agricultural Extension Services, June 2015 Draft

5.3.3 Financing against Sector Budget Allocations

Where as agricultural extension is the heart and soul of the agricultural sector transformation in terms of increasing production and productivity, adoption of technology, compliance to quality and safety and standards among others, the financing of the function has maintained at an inconsistent growth trend against the total sector allocation since the start of its implementation (*see figure 10 below*)

Trends in total Agriculture budget vis-à-vis the agricultural extension budget (UGX Billion).



Source: Approved Estimates of Revenue and Expenditure, MoFPED (various issues)

Where as there is public excitement and expectation over this new evolution of provision of agriculture extension in the farming communities in the country, these levels of recruitment and financing trends of the system are frustrating the effort. The numbers so far recruited and the financial support provided to facilitate the service delivery has only closed the ratio of extension to farmer gap to 1:1800. There is no credible data established on the efficiency of the recruited workers as yet.

We therefore recommend that Parliament tasks MAAIF to undertake a performance assessment on the efficiency and effectiveness of the system of the first three years of implementation.

We further recommend that consideration be urgently given to increasing the amount of money allocated to the function from the current proposed **UGX 25bn** to atleast **UGX 61bn** in the comng financial year to improve on the recruitment and facilitation of the recruited staff.

We recommend that the recuited extension workers to appreciate their role and change their artitude from commercializing the services /advisory.

We recommend that communities and farmers are sensitized on the roles of extension workers.

5.4 Inadquate Planning and Budgeting for Pest, Disease and Vector Control and Response to outbreaks

According to the NBFP FY2019/20, agriculture vote 10, program 01 crop resources, a programme objective on supporting sustainable pest and disease control was set. However, the programme outcome under this objective is not in line with the objective and so are the performance indicators and targets. Parliament should note that the Agricultural Risk Assessment Study (2016) put crop pest and diseases with a very high risk score. The losses due to pests and diseases are estimated at 10-20% (pre harvest), 20-30% (post-harvest) and up to 100% for perishable crops and export crops. The risk and damage is equally high in animals and fisheries sector once an outbreak of such contagious dieases e.g foot and mouth disease and swine fever and others break out.

We therefore recommend Parliament to task MAAIF especially the Directorate of Crop Resources to redefine the outcome area and set relavant performance indicators and targets before the presentation of the MPS. Reference can be made to their sister directorate proposed plan under the same vote 10, program 02 Directorate of Animal Resources.

5.4.1 Inadquate funding to pest, disease and vector outbreaks

We further commend Government for responding to the attacks of pests and diseases i.e. Fall ArmyWorm (FAW) and established a national task force as well as appropriating funds for this purpose. **However, concerned** that the Ministry required UGX. 4.11Bn to handle the emergency and only UGX.2.1bn was released creating a funding gap of 2.01bn representing 51% of the required funds. Whereas by deliberate effort and by God's grace, the Fall ArmyWorm outbreak was brought under control, there seem to be no foresightedness and preparedness reflected in the proposed BFP just incase of a reoccurance of this outbrak or any other similar outbreak. The BFP does not explicitly indicate the amount funds set aside for response in case of outbreaks.

5.4.2 Inadquate functioning of the National Laboratories Under the Seed and Certification Service

These laboratories are meant to provide pesticide and residue analysis so that pesticides brought into the country are of the right quality and the ingredients conform to the industrial standards. However, according to the Auditor General's Report 2017, Namalere laboratory for instance is underutilized as well as the post-entry quarantine station (PEQS) charged with the responsibility of ensuring that plants and plant products that have been allowed into the country do not pose any plant health. These are operating under key inadequacies to handle this important function which greatly affects the crop sub-sector.

The inadequacies of the laboratories for instance are due to various equipment shortcomings which include: Inadequate refrigeration capacity (temperature ranges), non-functional ice makers, inadequate capacity of autoclave machines, recycled consumables (which reduce accuracy of tests) and substandard microscopes (Auditor General's Report 2017)

Parliament should therefore **note** that lack of adequate laboratories for the crop department exposes the whole agricultural sector to risks of inferior crop varieties being imported into the country including failure to control the new invading pests and diseases.

Parliament should further **note** that according to section 11 of the Agricultural seed and plant Act 1994 mandates the Minister for the purposes of the Act to establish a national seed and testing laboratory under the National Seed And Certification Service.

We therefore recommend that Parliament tasks the Minister of Agriculture to explain the state of functioning of these laboratories set under his mandate and the provisions in the proposed BFP to address the identified gaps and salvage the country from the risks.

5.4.3 Disease and Vector Managememt through Quarantine

We commend Government through MAAIF for administering and management of contagious diseases and outbreaks in the animal sub sector through quarantines. The Ministerial Annual Performance report 2017/18 indicated that they had "established and designated sights for quarantine, check points and animals holding infrastructure in westnile, eastern and central, western and Northern" NBFP FY 2019/20. However we note that there is public concern over the administration of these procedures as some communities have indicated having been under quarantine for over a year and others concerned that these procedures are slapped to them towards the festive season.

Parlaiment should **note** that Government has a duty to protect the consumers of our animal products within and outside the country and ensuring food safety for all. It should further be **noted** that the animal sector is a sole source of livelihood to a great proportion of the population in the country whose way of life is pastoralism.

We recommend that as Government through MAAIF upholds its duty and obligation of ensuring safety of the country's food system. Therefore MAAIF should invest in mitigation measures such as early warning systems, communal and mandatory vaccination and prudent enforcement such that the quarantine procedures are facilitating than perceived persecution.

We recommend that MAAIF should invest in routine vaccination and communal vector management coupled with massive awareness creation to increase community vigilance against non-compliance and promote high detection.

We recommend that MAAIF should allocate resources to strengthen capacity of its inspection units both technically and financially in order to predict and manage pests and disease outbreaks, support research and build community resilience. Pests should be addressed at early stages to avoid resistance.

We recommend that Government should recruit and equip the Animal Inspection Unit to address the persistent occurrences such as Lumpy Skin Diseases and Foot and Mouth disease
that has greatly impacted the livelihoods of livestock farmers and has big ramifications on the Export Promotion Strategy.

We recommend that MAAIF should promote use of Integrated pest management practices and bio pesticides that have proven to be affordable, accessible and ensure food safety

6. UPSCALING FARMER'S ACCESSS TO WATER FOR PRODUCTION

The FY 2019/20 shall be the second year since the set off of the National Irrigation Policy and the first year of the adoption of the National Adaptation Plan for agriculture (NAP-AG) and the second year of adopting the Nationally Deteremined Commitments (NDC).

We **commend** Government of Uganda for strategically singling out water for production as a strategic service for Macro-Economic development as reflected in the NBFP FY 2019/20 through increment in budget allocation. We further c**ommend** Government through MAAIF for the commitments to improve farmer's access to water for production. The National Irrigation Policy streamlines the mandate of water for production, exclusively mandating MAAIF to undertake all invesments and actions on-farm. The NDC and NAP-ag clearly spells out priorities and interventions by MAAIF in enhancing famer's access to water for production as one of the core responses to climate change.

The NBFP FY 2019/20 acknowleages these commitments and sets out to establish mechanization centres across the country to support the construction of water harvesting and irrigation infrastructure. MAAIF further sets out an explicit objective on the establishment of infrastructue and water for production and mechanization under programme 05 with specific performance targets and indicators.

We recognize an increase in the allocation of funds to water for agriculture production from **UGX 29.043bn** in FY2018/19 to **UGX94.843bn** in FY2019/20.

As the country prioritizes water for production as a strategic investment area, conscious attention should be paid to mainteinace of the established infrastructure. For instance in 2015, a study conducted by ActionAid Inernational in 5 Districts of Teso (Soroti, Amuria, Katakwi and Kumi) of the 75 water for production infrastructure that was established, only 15 were functioning as 45 could function but required rehabilitation and 15 were completed dilapidated.

Attention should be paid to **technonolgical and human resource capacity** development. The technological and human resource gap was noted in the background of the National Irrigation Policy as a key challenge to the full implementation of this policy. In addition, whereas there is public outcry for water for production, there are no evidenced studies that have assessed the water for production total needs of the country vis-a-vis the water resource capacity available.

We therefore recommend that as allocation of funds to the service increases, specific performance indicators and targets as well as allocation is set for maintaince and rehabilitation.

We further recommend that awareness is created across communities on the priorities and actions for water for production as laid in the National Irrigation Policy and other commitments such as the NAP-ag and the NDC as a measure of achieving intergrated and sustainable water resourse management in the country.

We further recommend that the MAAIF data and information unit with support from the Directorate of agriculture statistics in UBOS, priotises generating data on our national water for production capacity needs including technological and human resource. This will aid the department of mechnisation in planning for this function.

7 Limited Storage facilities for agricultural produce

We commend Government for planning to establish 10 community grain stores to manage post-harvest losses, 30 milk handling and bulking equipment (milking machines, milk cans,milk coolers) and to set up 19 maize bulk storage system among the sector investment plans in the National Budget for FY2019/2020 following the recent fall in the market prices of maize which left many farmers with losses as they sold at less than 500 shilling which impacted on the cost of maize grain in the country.

We reiterate our earlier concerns about strorage and how it impacts on the value of the produce and subseqenly the livelihoods of the players, in our earlier submission during the JASAR 2018. We noted that as government is committed to increase production and productivity, little attention is paid to reducing the levels of post-harvest handling losses. For instance, Uganda produced 2.66 metric tonnes of maize in 2016 with an annual growth rate of 6.79%. It is estimated that Uganda will be producing 3.56 metric tonnes by the end of the current development plan 2020/2021. However 50.7% of this produce is sold hence requiring storage facilities at the various channels of trade. In addition farmers are incurring post-harvest losses of which 12% is incurred during storage. The losses are significant and require guided and strategic investment in storage infrastructure.

We recommend that MAAIF should scale up and promote the accessibility of affordable storage technologies that have so far been tried by agencies such as WFP and others as part of the extension service delivery systems. Such technologies can also be provided by NAADs at a cost sharing basis.

We further recommend that MAAIF should promote the establishment of farmers learning centres to educate farmers on best practices in agriculture, including PHH (MAAIF and NSAs). For example VEDCO has a community learning in Kamuli district

We recommend that Government institutionalizes the harmonizing commodity pricing between MAAIF and Ministry

8. Conclusion

The sector still grapples with critical institutional, policy and financial challenges. As NSAs, we highlighted the above key issues that are hindering the full utilization of the very little resources we might have as a sector. The sector's contributions at the local, national, regional, contientual and global level shows the enormous potential it has for growth if proper invesnment is made.

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