

CSOs question government's heavy reliance on foreign aid to fund agriculture



From left: Peter Eceru (Action Against Hunger), Christina Namubiru (Program Associate, CSBAG), and Aguti Rose (Caritas Uganda), as they presented to the Committee on Agriculture, Animal Industries & Fisheries on 26/03/2025. (Photo: CSBAG)

“The government of Uganda should prioritize financing of the agro-industrialization program through domestic financing and particularly ensure that the government of Uganda contributes at least 75% instead of the estimated 24.1% (Shs330.66 billion) of the development budget for the agro-industrialization program.”

Members of the Civil Society Organization (CSO) have asked government to increase on funding for agricultural programs in the 2025/26 budget since the

sector employs a vast majority of Ugandans.

The CSO fraternity advised government to tone down on its reliance on foreign aid funding for critical programs in the agricultural sector since the practice could cause unseen challenges like sudden suspension of funding.

This caution was contained in the joint CSO presentation the Program Associate at the Civil Society Budget Advocacy Group (CSBAG) Ms Christina Namubiru submitted to the House committee on Agriculture in a meeting held at Parliament on Wednesday 26th March.

Presenting on behalf of the CSOs, Mr Peter Eceru from Action against hunger acknowledged that “whereas Uganda is currently facing fiscal constraints hindering the increment of allocations to key programmes, including the Agro-industrialization programme, we are concerned about the persistent decline in allocation towards the programme despite its significant contribution to the economy.” He therefore decried of the funding shortage in the agricultural sector for the incoming financial year.

“In the current financial year, the government’s contribution to the programme stands at UGX 690 billion however, this is expected to decline to UGX. 330.66 billion, while donor funding is estimated to contribute UGX. 618.20 billion in the FY2025/26,” he said.

He added “This increased dependence on external funds leaves the program and the agricultural sector highly vulnerable to shocks, instability, and economic crises as the agricultural economy becomes susceptible to changes in donor priorities and conditions.”

Similar fears are echoed in the opposition's alternative Ministerial Policy Statement (MPS), which was tabled by the Shadow Minister for Agriculture, Ms. Asinansi Nyakato, last Thursday. She cautioned that this trend exposes the sector to unforeseen shocks, should foreign donors withdraw their support.

“This means the sector's big component is externally funded with associated problems like delayed disbursements and high interest roles, among others negatively impacting the industry given the country's comparative advantage in the region,” Ms Nyakato stated her statement.

The above caution to government comes just less than three months after the US States President Me Donald Trump through an Executive Order effected in January this year suspended foreign aid and grant funding to, among others, programs under the USAID and PEPFER. Consequently, a string of entities such as the Uganda AIDS Commission (UAC) suffered dire consequences.

It is against this backdrop that the CSO fraternity advised that the government makes an upward increment on the resources ring-fenced for Uganda’s Agricultural Sector in the Financial Year 2025/26.

Mr. Eceru added, “In the interests of repurposing the budget and refocusing the economy, we recommend the reinstatement of the Shs317 Billion to the agro-industrialization program.”

Whereas no conclusive ruling was delivered by the Agricultural committee during the meeting with CSOs, majority of the legislators pointed to need for increased funding on funding for critical programs in Agricultural Sector.

CSOs input credited

Most lawmakers on the agricultural committee praised the CSOs for their well-researched presentation, which will inform the committee's final report guiding Parliament's decisions on the 2025/26 budget.

“Sincerely as a committee we want to assure you that we are going to adopt some of your recommendations that we have not yet captured in our committee report,” the Shadow Minister for Agriculture Ms Nyakato Asinansi said as applauded CSO members.

In a similar tone, the Vice Chairperson of the committee Ms Hope Grania Nakazibwe said “We all appreciate that we are operating on resource constrained envelope as a country. That is why we always want to see that little that has been allocated to a particular activity do that very activity.”

The committee’s final position is therefore expected to be delivered in a committee report that will after a thorough scrutiny of the Ministerial Policy (MPS) tabled by both government and the opposition.

The paper presented in parliament was generated through the combined efforts of OXFAM Uganda, Right 2 Grow, World Vision, FRA, Care International Uganda, SEATINI, Global Consumer Centre, ACSA Uganda, The Hunger Project Uganda, Caritas Uganda, and Action Against Hunger Uganda.