

CSBAG BUDGET NEWS



Agriculture sector underfunded despite employing 6 out of 10 Ugandans



Women farming in a garden in Jinja. Source (Nile Chronicles)

According to the latest Uganda Bureau of Statistics (UBOS) Labour Market Survey released in 2025, **37.1%** of employed Ugandans work directly in agriculture, forestry, and fishing. In rural areas, this figure jumps to nearly half **46.9%** of the working population making it **6** out of **10** Ugandans.

Other estimates from the Bank of Uganda suggest the sector employs approximately **70%** of the working population while contributing roughly **26%** to the national GDP. By any measure, this is the sector upon which the majority of Ugandans depend for their daily bread.

Despite being the primary employer of the nation's labour force, agriculture remains systematically underfunded. The **FY2024/2025** national budget allocated only **UGX 644.39 billion** to the agriculture sector, a staggering **37%** reduction from the one trillion shillings allocated in the previous financial year.

This represents a mere **1.6%** of the total national budget allocated to government programmes, falling dramatically short of the **10%** commitment African governments made under the 2003 Maputo Protocol and even further below the **7%** set in 2011/2012 when the Parliamentary Committee on Agriculture, led by Abim Woman MP Janet Okori-Moe, protested this reduction, arguing it will undermine efforts to lift Ugandans out of poverty when the majority of citizens depend directly on this sector for their survival.

The government has pointed to the Parish Development Model, or PDM, as its flagship intervention for rural transformation. By the end of the **FY2024/2025**, the government had cumulatively released **UGX 3.258 trillion** to **10,589** PDM SACCOs nationwide.

The model is ambitious, placing revolving funds directly at the parish level, with each parish receiving **UGX 100 million** as a Parish Revolving Fund, as demonstrated by Kazo District where **51** parishes received a total of **UGX 5.1 billion** under the program. On paper, this represents a genuine effort to push financial resources to the lowest levels of governance.

However, the Auditor General's report presented to Parliament on 29 January 2026 tells a far more troubling story. Edward Akol, the Auditor General revealed that only **84%** of the funds released under the PDM had actually reached beneficiary households by the end of the 2024/2025 financial year, leaving more than **UGX 508 billion** undistributed.

With recovery of PDM funds from beneficiaries remains extremely

low, with only **UGX 9.34 billion** recovered from **18,105** beneficiaries across **709** SACCOs in **30** local governments that had commenced voluntary repayment.

The audit also exposed serious weaknesses in implementation, including funding of ghost projects, delays in disbursement, diversion of funds, duplicate beneficiaries, and financing of ineligible projects.

Speaker of Parliament Anita Among warned that such misuse of PDM funds was denying poor Ugandans the opportunity to benefit from the programme, stating that while Parliament appropriates money, the problem remains diversion such that funds do not reach the intended beneficiary.

On the other hand, the government has secured funding from the World Bank for the Uganda Climate Smart Agricultural Transformation Project, a **UGX1.3 trillion** initiative to be implemented in **69** districts.

This **6** year project aims to increase productivity, market access, and resilience for selected value chains including Coffee, Cocoa, Mango, Citrus, Avocado, Cassava, Soybeans, Sorghum, Maize, Livestock, Fisheries, and Bee keeping. It will support cold chain equipment, value-added machinery, and the rehabilitation of farm-to-market access roads.

As the World Bank's Uganda Economic Update (26th Edition) argues, Agro-industrialization is the "clear path" forward. However, this requires alternatives which CSBAG cites;

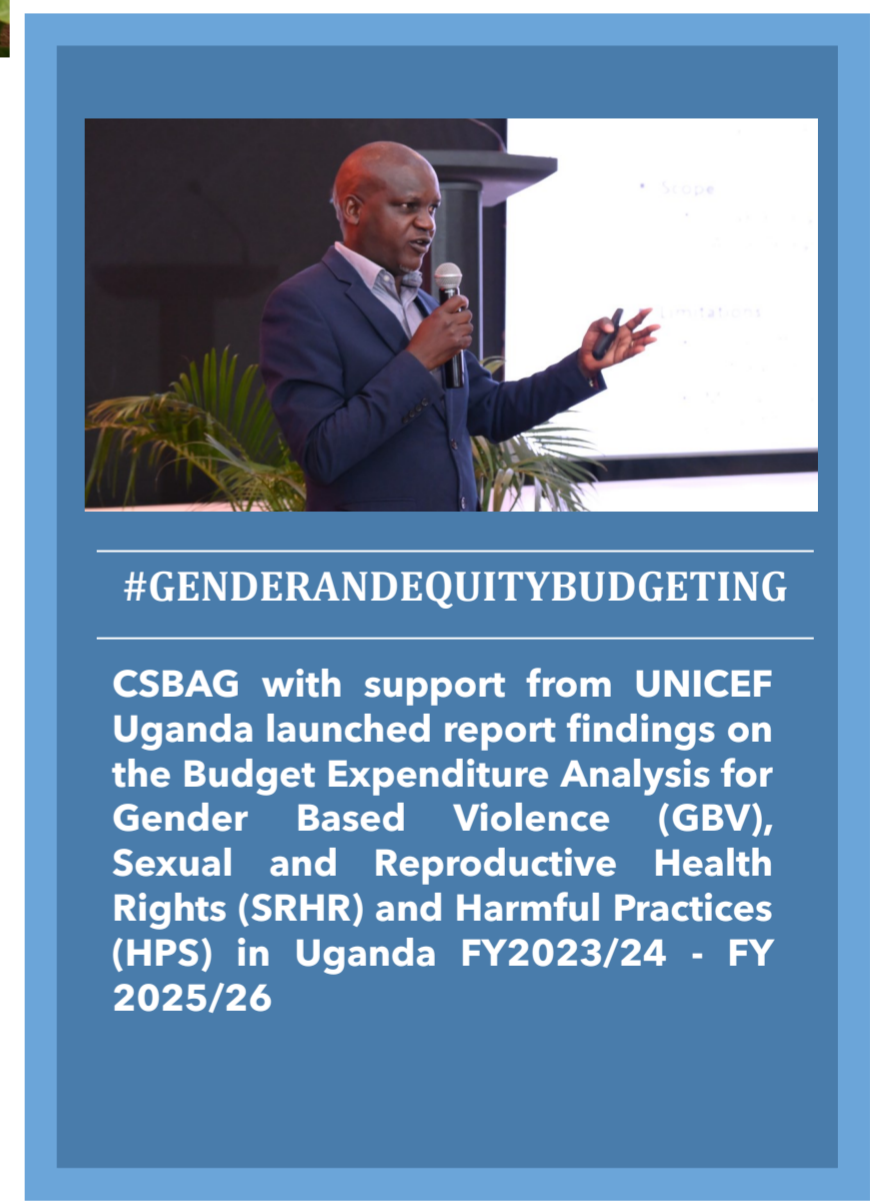
Uganda remains dependent on rain-fed agriculture. Massive investment in irrigation and rural roads (co-located infrastructure) to improve agriculture and value addition.

In addition, Civil Society perspective demands that these loans be tied directly to market access guarantees and to digital platforms that connect the smallholder farmers to factories.

President Museveni recently advocated for "wealth creation citing a farmer on **1.2** acres earning over **UGX200 million** annually through intensive farming. While inspiring, replicating this requires a radical shift in extension services and the demystification of agriculture as a "hardship" rather than a business.

For the **6** out of **10** Ugandans working in the Agriculture space, transformation requires more than interest-free loans—it requires an ecosystem where their labor is not just feeding the nation but lifting them out of the informal trap.

CSBAG IN THE MEDIA



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SOURCE: Uganda Bureau of Statistics (UBOS) 2025