



AGRA

Sustainably Growing
Africa's Food Systems



Improving the Competitiveness of Agro-Industries in **Uganda**



Uganda Strategic Plan:
2023 – 2027



Country Context and Priorities

Uganda currently has a population of approximately 45 million people, with a GDP of \$40.43 billion as of 2021 and its growth rate has ranged between 3.6 - 6.5% annually for the past decade. The country's budget for FY 2020/21 rose to Ush 45.5 trillion (Approx. \$12.1 billion) up from Ush 40.5 trillion (Approx. \$10.9 billion) in 2019/20. Funding allocation to the agricultural sector increased from Ush 1 trillion (\$274 million) in 2018/19 to Ush 1.3 trillion (Approx. \$346 million) in 2019/20, which is about 2.86% of the entire national budget compared with 2.46% the previous financial year. However, this allocation is still way below the 10% recommended by the Comprehensive Africa Agricultural Development Programme (CAADP).

Furthermore, a poor observance of quality standards right from production all through to the market hugely undermines the value of tradeable surpluses hence subjecting the value chain actors to very small profit margins.

The country's budget for FY 2020/21

↑\$45.5 trillion



Despite employing a majority of the working population and contributing 24% to GDP, the agricultural sector in Uganda still faces challenges of low crop productivity largely as a result of poor adoption of improved crop varieties, low fertiliser usage and poor extension service delivery. The sector also suffers from poor adaptability to climate change and this is currently evident in more frequent floods and prolonged drought, which severely damage crops. This is exacerbated by a low adoption of mechanisation as well as irrigation, which would boost smallholder farmers' capacity to withstand some of these challenges. Furthermore, a poor observance of quality standards right from production all through to the market hugely undermines the value of tradeable surpluses hence subjecting the value chain actors to very small profit margins.



Uganda Strategic Plan: 2023 - 2027

Achievements and Lessons learnt in AGRA 2.0

Policy and state capability



Increased incomes and improved food security for 572,400 farming households directly and **2 million** indirectly through Policy and State Capability, Systems Development and Partnerships.



Private sector lending to agriculture grew from 7.9% in 2017 to **12.9%** in 2021.



104 extension workers were trained and enrolled to complement the services of the 18 seed inspectors countrywide.

System Transformation



A total of **427,806** smallholder farmers reached.



About **89,452** smallholder farmers were registered as having applied improved technology and/or management practises.



\$62.8 million invested in supporting SMEs.



A total of 46 women-owned enterprises along the focus value chains and approximately 25,552 smallholder farmers accessed financial services.



A \$3.6 million grant to boost the capacities of rice farmers and SMEs.



\$0.24 million spent to reach 25,000 farmers directly to promote fertiliser use through partnerships.

Strategy 3.0

Entry Point; to build inclusive and competitive markets through value addition and trade.



Seed systems: The focus here is for farmers to access good quality seed usage for better crop yields, which guarantee obtaining of a tradeable surplus. Activities geared towards strengthening EGS production capacity, inspection and certification services are expected in this business line as well any other gap that shall be identified by the SeedSAT tool currently being used to assess the gaps in Uganda's seed industry.



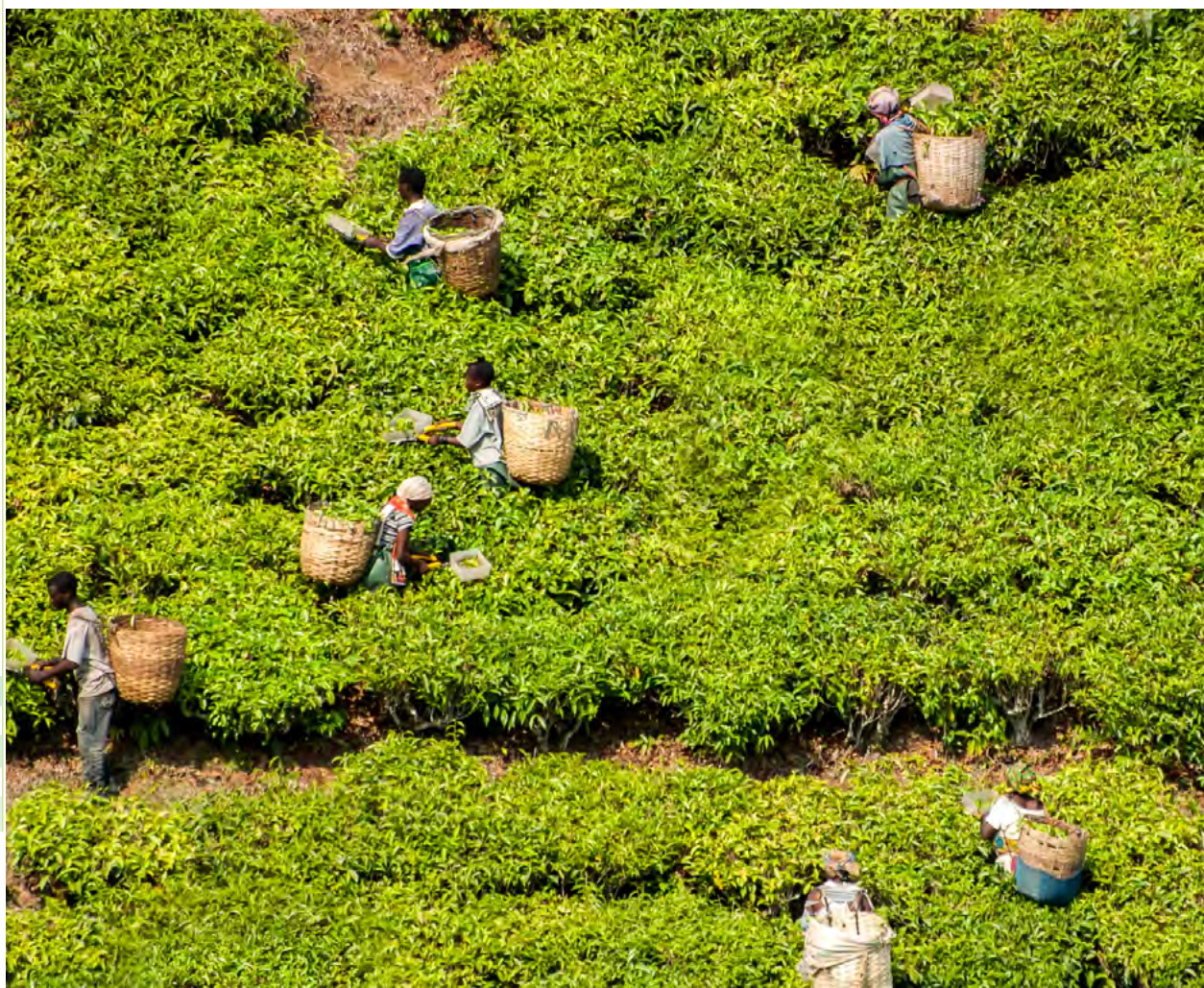
Inclusive markets and trade: The focus shall be on addressing trade barriers, which include observance of quality standards, access to trade finance and building the capacities of SMEs. These activities will build on the successes of AGRA 2.0 with the intention of taking them to scale.



Sustainable farming: Activities will be geared towards making farmers more resilient to climate change. These shall include mechanisation, micro irrigation, crop diversification, regenerative agriculture and scaling of models, which enable wider coverage of extension service delivery.



Policy and state capability: AGRA intends to continue being a thought partner with the state to build a resilient food system, which ensures a tradeable surplus while creating value and employment through agro-industrialisation. Activities will include strengthening data and analytics to inform policy formulation and reviews, as well as better planning for the sector.



Strategic objectives for 3.0



Increase volumes and value of traded agricultural commodities with gainful employment opportunities for youth and women.



Increase incomes and food security of smallholder farmers through improved and sustainable productivity while managing climate and market risks.employment opportunities for youth and women.



Enhance leadership and co-ordination of government ministries, departments and agencies towards an inclusive agricultural transformation and sustainable food systems.

Proposed Interventions:



S01:

Inclusive market system and export trade in value-added agricultural commodities supported by enhanced market actor competitiveness



S02:

Increased production of quality produce in a sustainable manner while managing climate risks to smallholder farmers' resilience.



S03:

Strengthened capacity of agriculture sector institutions for implementation, co-ordination, mutual accountability at national and sub-national levels.



S03:

Strengthened systems for delivery of agricultural inputs and good agricultural practises.

Goal

To build a resilient food system able to produce a tradeable value-added food surplus while creating employment opportunities for youth and women.

Strategic Objectives

Inclusive market system and export trade in value added agricultural commodities supported by enhanced market actor competitiveness

Increased production of quality produce in a sustainable manner while managing climate risks to small holder farmers' resilience

Strengthened capacity of agriculture sector institutions or implementation, coordination, mutual accountability at national and sub-national level

Strengthened systems for delivery of agricultural inputs and good agricultural practices

AGRA Contribution

AGRA Accountable

Activities-Pathways from Outputs to Outcomes

Seed Systems

Sustainable Farming

Sustainable Farming

Policy & State Capability

Climate Change Resilience

Nutrition

Inclusivity (Women + Youth)

Entry Point

To build inclusive and competitive markets through value addition and trade

Integration of business lines for AGRA Uganda's 2023-2027 Strategy



GRA Uganda will adopt a results-based M&E approach to ensure accountability, capture progress, successes and failures of AGRA's activities as well as informing management decisions, strategic planning and risk management.

Delivery models



Measuring and Communicating Results

A GRA Uganda will adopt a results-based M&E approach to ensure accountability, capture progress, successes and failures of AGRA's activities as well as informing management decisions, strategic planning and risk management. This results-based M&E system will incorporate baseline, mid and end of strategy evaluation processes, which will contribute to the generation of evidence and learnings from AGRA's activities including the innovative models it is promoting for scale-up.

Conclusion

Over the next five years, AGRA intends to support the building of a resilient food system in Uganda with surpluses freely and competitively traded in the EAC region and beyond. In this strategy, AGRA will implement its investments in Uganda in an integrated manner to ensure co-ordination across divisions and create efficiencies for better impacts at the country level. This approach has been adopted in response to the recent recommendation to depart from stand alone, division/ unit specific investments, which are not co-ordinated across units. Activities in this strategy document are therefore designed in a way where they complement and add value to each other and will be implemented in an integrated manner.