PN·ACB-436
95463

THE REPUBLIC OF UGANDA

NATIONAL FOOD STRATEGY

MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT

July 1996

PART I

REPORT ON THE NATIONAL FORUM ON FOOD STRATEGY
at the International Conference Center
on July 22nd - 23rd 1996

PART II

The National Food Strategy Endorsed by the National Forum on Food Strategy

NATIONAL FOOD STRATEGY
A Response to Overcome the Challenge of
Poverty and Growth

PART III

The Proposed National Food Strategy

UGANDA
Toward a National Food Strategy
To Overcome the Challenge of Poverty and Growth

REPORT

ON

THE NATIONAL FORUM ON FOOD STRATEGY

International Conference Center, Kampala
July 22nd - 23rd 1996

ORGANIZED BY:

MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT

SPONSORED BY:

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

3

TABLE OF CONTENTS

FOREWORD

The National Forum is organized by the Ministry of Planning and Economic Development, and sponsored by the USAID Mission in Uganda to discuss a Report which has been prepared by the Export Policy Analysis Unit (EPAU).

NATIONAL FOOD STRATEGY
A Response to Overcome the Challenge of Poverty and Growth

The main objective of the National Forum on Food Strategy is to exchange views among stake-holders in agriculture, industry and trade based on an integrated strategic approach through agriculture-led growth as a basis for industrialization, export development and poverty eradication.

The participatory process of consultation will contribute to the formulation of a National Food Strategy, not only to ensure food security and develop food production in Uganda, but also expand Ugandan food exports in the food deficit countries in the region and enhance food security in the East African Community (EAC), the Greater Horn of Africa (IGADD), and the COMESA.

It is expected that the National Food Strategy would form the basis of Uganda's Country Paper at the World Food Summit in November 1996 in Rome and could serve as a model for other African countries in the region to overcome the Challenge of Poverty and Growth.

Hon. Richard H. Kaijuka F.C.I.B
MINISTER OF PLANNING AND ECONOMIC DEVELOPMENT

I. RESOLUTIONS ON NATIONAL FOOD STRATEGY

- **Final Resolutions of The National Forum on Food Strategy**
- **Report by Rapporteur General at The National Forum**
- **Resolutions of Technical Committees at The National Forum**
- **Resolutions at The Regional Workshops**

I.1 FINAL RESOLUTIONS OF NATIONAL FORUM ON FOOD STRATEGY
at the International Conference Centre, Kampala
July 22nd - 23rd, 1996

The Hon. Minister of Planning and Economic Development who chaired the Opening and Closing Sessions of the two-day National Forum on Food Strategy on July 22nd - 23rd, 1996:

i) Took note of the general concensus of the participants of the National Forum who unanimously endorsed with no change the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth presented by Dr. Tuan A. Nguyen Senior Policy Advisor, USAID/EPAU, and prepared by Ministry of Planning and Economic Development in collaboration with other relevant Government Ministries, Parliament, related Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs, District Representatives, Traders and Farmers.

ii) Emphasized the need for An Integrated Food Strategy for Uganda as it was formulated in the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth, and on behalf of the Government of Uganda reiterated the political commitment and determination of the Government to eradicate poverty, promote accelerated growth and move the country toward a self-reliant economy.

Chairman

Hon. Richard H. Kaijuka F.C.I.B
MINISTER OF PLANNING AND ECONOMIC DEVELOPMENT

Rapporteur General

Dr. John J. Otim
SPECIAL PRESIDENTIAL ADVISOR ON AGRIC. & VET. SERVICES

I.2 REPORT BY RAPPORTEUR GENERAL

At the closing session, the Rapporteur General:

1. Took note of the unanimous approval of the Report on National Food Strategy by the participants of the four technical committees presented by:

    a) Prof. E.O. Ochieng - Chairman of the Committee on Enabling Economic Environment with Focus on Macro-economic Policy in Support of Agriculture.

    b) Mrs. Rhoda Tumusiime - Chairperson of the Committee on Agriculture-led Growth as a Basis for Industrialization, Export Development and Poverty Eradication.

    c) Mr. Martin Olobo - Chairman of the Committee on Trade Penetration for Ugandan Exports with Focus on Maize and Beans Exports.

    d) Mr. B. Kagwa - Chairman of the Committee on Food Security with Focus on Food Relief and Emergency Food Aid.

2. Presented to the Minister of Planning & Economic Development the unanimous endorsement of the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth by the National Forum on Food Strategy.

Rapporteur General

Dr. John J. Otim
SPECIAL PRESIDENTIAL ADVISOR ON AGRIC. & VET. SERVICES

Secretary

Mr. A.Y. Mwanga
**AG. HEAD,
EXPORT POLICY ANALYSIS UNIT**

I.3 Resolutions of Technical Committees at The National Forum

COMMITTEE ON ENABLING ECONOMIC ENVIRONMENT
With Focus on Macro-economic Policy in Support of Agriculture

After listening to the complete presentation of the Report by Dr. Tuan A. Nguyen, Senior Policy Advisor, USAID/EPAU and extensively exchanging views at the Technical Committee, the participants:

1. Unanimously approved the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth prepared by the Ministry of Planning and Economic Development in collaboration with other relevant Government Ministries, Parliament, related Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs, district Representatives, traders and farmers, etc...

2. Expressed their gratitude to USAID Mission for sponsoring the National Forum on Food Strategy and requested the USAID, as well as other International Development Organizations to support the Government of Uganda in its efforts to implement the National Food Strategy.

3. Congratulated the Ministry of Planning and Economic Development for successfully organizing the National Forum on Food Strategy with the participation of more than 1,000 stake-holders in agriculture, industry and trade from Parliament, Government and Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs; and requested the Government to implement the National Food Strategy.

Chairman

E.O. Ochieng

Prof. E.O. Ochieng
PRESIDENT OF UGANDA ECONOMICS ASSOCIATION

Secretary

Yeko

Mr. A. Yeko mwanga
AG. HEAD,
EXPORT POLICY ANALYSIS UNIT

COMMITTEE ON AGRICULTURAL-LED GROWTH
As a Basis for Industrialization, Export Development and Poverty Eradication

After listening to the complete presentation of the Report by Dr. Tuan A. Nguyen, Senior Policy Advisor USAID/EPAU and extensively exchanging views at the Technical Committee, the participants:

- Unanimously approved the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth prepared by the Ministry of Planning and Economic Development in collaboration with other relevant Government Ministries, Parliament, related Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs, district Representatives, traders and farmers, etc...

- Expressed their gratitude to USAID Mission for sponsoring the National Forum on Food Strategy and requested the USAID, as well as other International Development Organizations to support the Government of Uganda in its efforts to implement the National Food Strategy.

- Congratulated the Ministry of Planning and Economic Development for successfully organizing the National Forum on Food Strategy with the participation of more than 1,000 stake-holders in agriculture, industry and trade from Parliament, Government and Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs; and requested the Government to implement the National Food Strategy.

Chairperson	**Secretary**
	Owach
Mrs. Rhoda Tumusiime	Mr. Charles Owach
COMMISSIONER OF AGRICULTURAL PLANNING, MAAIF	**AGRIC. ECONOMIST EXPORT POLICY ANALYSIS UNIT**

COMMITTEE ON TRADE PENETRATION FOR UGANDAN EXPORTS
With Focus on Maize and Beans Exports

After listening to the complete presentation of the Report by Dr. Tuan A. Nguyen, Senior Policy Advisor USAID/EPAU and extensively exchanging views at the Technical Committee, the participants:

- Unanimously approved the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth prepared by the Ministry of Planning and Economic Development in collaboration with other relevant Government Ministries, Parliament, related Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs, district Representatives, traders and farmers, etc...

- Expressed their gratitude to USAID Mission for sponsoring the National Forum on Food Strategy and requested the USAID, as well as other International Development Organizations to support the Government of Uganda in its efforts to implement the National Food Strategy.

- Congratulated the Ministry of Planning and Economic Development for successfully organizing the National Forum on Food Strategy with the participation of more than 1,000 stake-holders in agriculture, industry and trade from Parliament, Government and Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs; and requested the Government to implement the National Food Strategy.

Chairman	**Secretary**
Mr. Martin Olobo	Mr. Paul Wagubi
DIRECTOR OF COOPERATIVES AND MARKETING	**TRADE ECONOMIST, EPAU**
	EXPORT POLICY ANALYSIS UNIT

COMMITTEE ON FOOD SECURITY
With Focus on Food Relief and Emergency Food Aid

After listening to the complete presentation of the Report by Dr. Tuan A. Nguyen, Senior Policy Advisor USAID/EPAU and extensively exchanging views at the Technical Committee, the participants:

- Unanimously approved the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth prepared by the Ministry of Planning and Economic Development in collaboration with other relevant Government Ministries, Parliament, related Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs, district Representatives, traders and farmers, etc...

- Expressed their gratitude to USAID Mission for sponsoring the National Forum on Food Strategy and requested the USAID, as well as other International Development Organizations to support the Government of Uganda in its efforts to implement the National Food Strategy.

- Congratulated the Ministry of Planning and Economic Development for successfully organizing the National Forum on Food Strategy with the participation of more than 1,000 stake-holders in agriculture, industry and trade from Parliament, Government and Public Specialized Agencies, Private Sector Professional Organizations, International Development Organizations and NGOs; and requested the Government to implement the National Food Strategy.

Chairman	Secretary
Mr. A. Bireke-Kaggwa	Mr. James Okeny
AG. COMMISSIONER FOR DISASTER MANAGEMENT	**MACRO ECONOMIST, EXPORT POLICY ANALYSIS UNIT**

I.4 Resolutions at The Regional Workshops

DELIBERATION AT THE REGIONAL WORKSHOP ON FOOD STRATEGY

CENTRAL REGION

MASAKA: June 18, 1996

The Workshop on Food Strategy was organized by the Export Policy Analysis Unit (EPAU) and sponsored by USAID.

I. Presentation of the Report on Food Strategy

- The Report "Uganda: Toward a National Food Strategy" was presented by Dr. Tuan A. Nguyen, Senior Policy Advisor USAID/EPAU.
- The regional workshop was chaired by Dr. John J. Otim - Special Presidential Advisor on Agriculture and Veterinary Services.
- Participants consisted of district leaders, local administrators, technical officials, NGOs, private sector professional organizations, traders and farmers, from Districts of Masaka, Rakai, Mpigi, Luwero, Mukono, Kiboga and Kampala.
- The Workshop was opened by the Chief Administrative Officer and closed by the Local Council V for Masaka.

II. Feedback from Participants

After listening to the complete presentation of the Report, largely exchanging views with EPAU Team and discussing among themselves, the participants:

- Congratulated Dr. Tuan A. Nguyen for the excellent presentation.
- Requested Dr. John J. Otim to present the recommendations to the President.
- Appreciated EPAU Team for organizing the Workshop.
- Expressed their gratitude to USAID for sponsoring the Workshop.

III. Resolutions of the Workshop

At the closing session, the participants representing all the districts present adopted four major resolutions. They:

- Unanimously approved the Report "Uganda: Toward a National Food Strategy".
- Strongly requested the Government to implement the recommendations contained in the Report.
- Firmly committed themselves to contribute their part in the implementation of the National Food Strategy.
- Warmly expressed their wish that USAID will continue to provide support to the Government in its effort to carry forward the National Food Strategy in order to overcome the challenge of poverty and growth in Uganda.

Chairman
(Dr. John J. Otim)

Owach
Secretary
(Mr. Charles Owach)

DELIBERATION AT THE REGIONAL WORKSHOP ON FOOD STRATEGY

EASTERN REGION

JINJA: June 21, 1996

The Workshop on Food Strategy was organized by the Export Policy Analysis Unit (EPAU) and sponsored by USAID.

I. Presentation of the Report on Food Strategy

- The Report "Uganda: Toward a National Food Strategy" was presented by Dr. Tuan A. Nguyen, Senior Policy Advisor USAID/EPAU.
- The regional workshop was chaired by Dr. John J. Otim - Special Presidential Advisor on Agriculture and Veterinary Services.
- Participants consisted of district leaders, local administrators, technical officials, NGOs, private sector professional organizations, traders and farmers from Districts of Jinja, Iganga, Kamuli, Tororo, Pallisa, Mbale, Kapchorwa, Kumi, and Soroti.
- The Workshop was opened by the Resident District Commissioner and closed by Mr. Kazungu, Uganda's Ambassador to France.

II. Feedback from Participants

After listening to the complete presentation of the Report, largely exchanging views with EPAU Team and discussing among themselves, the participants:

- Congratulated Dr. Tuan A. Nguyen for the excellent presentation.
- Requested Dr. John J. Otim to present the recommendations to the President.
- appreciated EPAU Team for organizing the Workshop.
- Expressed their gratitude to USAID for sponsoring the Workshop.

III. Resolutions of the Workshop

At the closing session, the participants representing all the districts present adopted four major resolutions. They:

- Unanimously approved the Report "Uganda: Toward a National Food Strategy".
- Strongly requested the Government to implement the recommendations contained in the Report.
- Firmly committed themselves to contribute their part in the implementation of the National Food Strategy.
- Warmly expressed their wish that USAID will continue to provide support to the Government in its effort to carry forward the National Food Strategy in order to overcome the challenge of poverty and growth in Uganda.

Chairman
(Dr. John J. Otim)

Wagubi Paul

Secretary
(Mr. Paul Wagubi)

DELIBERATION AT THE REGIONAL WORKSHOP ON FOOD STRATEGY

WESTERN REGION

MBARARA: June 25. 1996

The Workshop on Food Strategy was organized by the Export Policy Analysis Unit (EPAU) and sponsored by USAID.

I. Presentation of the Report on Food Strategy

- The Report "Uganda: Toward a National Food Strategy" was presented by Dr. Tuan A. Nguyen, Senior Policy Advisor USAID/EPAU.
- The regional workshcp was chaired by Dr. John J. Otim - Special Presidential Advisor on Agriculture and Veterinary Services.
- Participants consisted of district leaders, local administrators, technical officials, NGOs, private sector professional organizations, traders and farmers from Districts of Mbarara, Bushenyi, Ntungamo, Kabale, Kisoro, Rukungiri, Kasese, Kabarole, Bundibugyo, Masindi, Hoima and Kibale.

II. Feedback from Participants

After listening to the complete presentation of the Report, largely exchanging views with EPAU Team and discussing among themselves, the participants:

- Congratulated Dr. Tuan A. Nguyen for the excellent presentation.
- Requested Dr. John J. Otim to present the recommendations to the President.
- Appreciated EPAU Team for organizing the Workshop.
- Expressed their gratitude to USAID for sponsoring the Workshop.

III. Resolutions of the Workshop

At the closing session, the participants representing all the districts present adopted four major resolutions. They:

- Unanimously approved the Report "Uganda: Toward a National Food Strategy".
- Strongly requested the Government to implement the recommendations contained in the Report.
- Firmly committed themselves to contribute their part in the implementation of the National Food Strategy.
- warmly expressed their wish that USAID will continue to provide support to the Government in it's effort to carry forward the National Food Strategy in order to overcome the challenge of poverty and growth in Uganda.

Chairman	Secretary
(Dr. John J. Otim)	(Mr. A.Yeko Mwanga)

DELIBERATION AT THE WORKSHOPS ON FOOD STRATEGY

NORTHERN REGION

June 28 - July 2, 1996

The Workshops on Food Strategy were organized by the Export Policy Analysis Unit (EPAU) and sponsored by USAID.

I. Presentation of the Report on Food Strategy

- The Food Strategy Report "Uganda: Toward a National Food Strategy" was presented by EPAU Team of Economists.
- The Workshops were chaired by the District Extension Coordinators/District Agricultural Officers.
- Participants consisted of district leaders, local administrators, district technical officials, NGOs, private sector professional organizations, traders and farmers from Districts of Arua, Nebbi, Gulu, Lira, Apac, Moroto and Kotido.

II. Feedback from Participants

After listening to the complete presentation of the Report, largely exchanging views with EPAU Team and discussing among themselves, the participants:

- Congratulated EPAU Team for the presentation and organizing the Workshops.
- Expressed their gratitude to USAID for sponsoring the Workshops.

III. Resolutions of the Workshop

After an exhaustive exchange of views with EPAU Team and general discussions, participants:

i) Unanimously approved the Report "Uganda Toward a National Food Strategy".
ii) Strongly requested Government to implement the recommendations contained in the Report.
iii) Expressed their wish that USAID will continue to provide resources to support the implementation of the recommendations in the Report.

Coordinator
(Mr. A. Yeko Mwanga)

Secretary
(Mr. James Okeny)

II. ORGANIZATION OF THE NATIONAL FORUM

- Program of The National Forum
- Policy Coordination Committee
- Steering Committee
- Technical Committees

II. 1 PROGRAM OF NATIONAL FORUM ON FOOD STRATEGY

Date: July 22, 1996 (Morning) Venue: Main Conference Hall

8.00 - 9.00 a.m.	-	Registration
Opening National Forum:		**H.E. The President**
Opening Session:		**Hon. Minister of Planning & Economic Development, Chair.**
10.00 - 10.15 a.m.	-	Arrival of Distinguished Guests
10.15 a.m.	-	Arrival of H.E. The President of the Republic of Uganda, Guest of Honor or The Right Hon. Prime Minister.
10.15 - 10.30 a.m.	-	Speech by Minister of Planning and Economic Development.
10.30 - 10.45 a.m	-	Opening remarks by H.E. the US Ambassador and/or USAID Director
10.45 - 11.00 a.m.	-	Dr. J.J. Otim Special Presidential Advisor on Agriculture and Veterinary Services introduces Dr. Tuan Anh Nguyen, Senior Policy Advisor USAID/EPAU the Presenter, and invites him to present the Report on National Food Strategy.
11.00 - 12.00	-	Presentation of Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth.
12.00 - 12.30	-	Address by H.E. The President and Official Opening of the national Forum
12.30 p.m.	-	**Lunch**

Date: July 22, 1996 (Afternoon) Venue: Committee Room A

Afternoon Session:		**Hon. Minister of State for Planning and Economic Development, Chair**
2.00 - 3.30 p.m.	-	Feedback from: Members of Parliament and Government Administrations, Specialized Public Agencies and Private Sector Professional Organization, Donors and NGOs, etc...
3.30 - 4.00 p.m.	-	Tea/Coffee break
4.00 - 5.30 p.m.	-	General exchange of views by participants
5.30 - 5.45 p.m.	-	Formation of Technical Committees

Date: July 23, 1996 (Morning) Venue: Committee Room A

Closing Session:		**Hon. Minister of State for Planning and Economic Development, Chair**
9.00 - 10.30 a.m.	-	Technical Committees discussions
10.30 - 11.00 a.m.	-	Tea/Coffee break
11.00 - 11.50 a.m.	-	Resolutions by Technical Committees
11.50 - 12.00 noon	-	Presentation of Resolutions by Dr. J.J. Otim, Special Presidential Advisor on Agriculture and Veterinary Services
Closing Ceremony:		**Minister of Planning and Economic Development**
12.30 p.m.	-	**Refreshments**

II.2 Policy Coordination Committee

Hon. Sam Kutesa	Minister of State of Planning and Economic Development - **Chair**
Government	
Mr. Tumusiime Mutebile	Permanent Secretary/Secretary to Treasury,
Dr. John J. Otim	Presidential Advisor on Agriculture
Mr. Peter Ucanda	P.S, Prime Minister's Office
Mr. John Wagonda Muguli	P.S, Min. of Agriculture, Animal Industry & Fisheries
Mr. Kasirye	P.S, Min. of Trade & Industry
Mrs. Hilda Musubira	P.S, Min. of Lands & Physical Planning
Mrs. Justin Kisakye	P.S, Min. of Labor & Social Affairs
Mr. Gerald Sendaula	P.S, Min. of Gender & Community Development
Mr. Dramadri	PS, Ministry of Natural Resources
Mrs. Mary Muduuli	Commissioner, Economic Planning - MPED
Dr. Tuan Anh Nguyen	Senior Policy Advisor USAID/EPAU
Specialized Government Agencies	
Mr. George Rubagumya	Executive Director, Uganda Investment Authority
Mr. H.G.K. Nyakoojo	Executive Secretary, Uganda Export Promotion Board
Dr. Mukiibi	Director General, National Agricultural Research Organization
Dr. Sabiiti	Dean of Faculty of Agriculture & Forestry, Makerere University
Mr. Gashumba	Director, Agricultural Secretariat
Dr. Fred Opio	Director, Economic Policy Research Center
Mr. Yeko Mwanga	Ag. EPAU/Head
Private Sector Professional Organizations	
Mrs. Janet Museveni	The First Lady - Chairperson of National Strategy for the Advancement of Rural Women in Uganda, or Representative
Dr. S.L. Nsamba	Chairman, Uganda National Farmers Association
Mr. Mulwana	Chairman, Uganda Manufacturers Association
Mr. Sam Kibalama	Chairman, Horticultural Exporters Association.
Mr. Haji Tezikuba	Vice-Chairman, Uganda National Chamber of Commerce & Industry
Hon. John Ndege	Chairman, Uganda Grain Exporters Association

Donors and NGOs

Mr. James F. Dunn	CADO, USAID Representative
Mr. Clive Drew	Chief of Party , IDEA
Dr. Acasio	Team Leader, Post Harvest Handling
Mr. N.A.L. Lexander	Resident Representative, FAO
Ms. Judith Lewis	Director, World Food Program
Mr. Hans Lillelund	Counsellor Danish Embassy/DANIDA
Mr. Anthony Burdon	Country Representative - OXFAM
Mr. Kofi Hagan	Country Director, World Vision

II.3 Steering Committee

Hon. Sam Kutesa	Minister of State for Planning and Economic Development - **Chair**
Mr. Tumusiime Mutebile	Permanent Secretary/Secretary to Treasury
Dr. John J. Otim	Presidential Advisor on Agriculture
Dr. Nsamba	Chairman of Uganda National Farmers Association
Mr. John Wagonda Muguli	P.S, Min. of Agriculture, Animal Industry & Fisheries
Mr. Kasirye	P.S, Min. of Trade & Industry
Mr. E. Sendawula Development	PS, Min. of Gender and Community
Mr. B.Z. Dramadri	PS, Min. of Natural Resources
Ms. J.R. Kisakye	PS, Min. of Labour
Mrs. Mary Muduuli	Commissioner, Economic Planning - MPED
Mr. James Mulwana	Chairman, Uganda Manufacturers Association
Mr. Sam Kibalama	Chairman, Uganda Export Promotion Board
Dr. Tuan Anh Nguyen	Senior Policy Advisor USAID/EPAU, Advisor

II.4 Technical Committees

Committee on Enabling Economic Environment with Focus on Macro-Economic Policy in support of Agriculture

Prof E. Ochieng, Uganda Economics Association, Chair

Mr. James Musinguzi, Chairman Technical Committee of UIA Board of Directors/ Chairman of Human Resource and Capacity Building Committee, Presidential Forum on Investment and Export Promotion, Rapporteur

Mr. Yeko Mwanga, Ag. Head, Export Policy Analysis Unit, Secretary.

Committee on Agriculture-led Growth As a Basis for Industrialization, Export Development and Poverty Eradication.

Mrs Rhoda Tumusiime, Commissioner of Planning, Ministry of Agriculture, Animal Industry & Fisheries, Chair.

Hon. Kityo-Mutebi, Chief Executive Secretary, Uganda National Farmers Association, Rapporteur.

Mr. Charles Owach, Agricultural Economist, EPAU, Secretary

Committee on Trade Penetration for Ugandan Exports with Focus on Maize and Beans Exports.

Mr. Martin Olobo, Director, Cooperatives and Marketing, Min. of Trade & Industry, Chair.

Mr. Sam Kibalama-Katumba, Chairman Board of Uganda Export Promotion Board, Rapporteur

Mr. Paul Wagubi, Trade Economist, EPAU, Secretary

Committee on Food Security with Focus on Food Relief and Emergency Food Aid.

Mr. Kaggwa, Commissioner of Relief, Min. of Labor & Social Affairs, Chair

Mr. Henry Bagazonzya, Technical Advisor to the Prime Minister, Rapporteur

Mr. James Okeny, Macro-economist, EPAU, Secretary.

The Organization of the National Forum on Food Strategy was coordinated by the Export Policy Analysis Unit (EPAU) of the Ministry of Planning & Economic Development.

III. HIGHLIGHTS OF ADDRESS, SPEECHES AND PRESENTATION

- Address by H.E. Yoweri Kaguta Museveni, President of The Republic of Uganda

- Speech by Honorable Richard Kaijuka F.C.I.B, Minister of Planning and Economic Development

- Speech by Mr. Donald B. Clark, USAID Director

- Presentation of The National Food Strategy by Dr. Tuan Anh Nguyen, Senior Policy Advisor USAID/EPAU

ADDRESS BY H.E. YOWERI KAGUTA MUSEVENI
PRESIDENT OF THE REPUBLIC OF UGANDA

---

at the Opening of the National Forum
on Food Strategy
Kampala 22nd July, 1996.

Honourable Ministers,

Ladies and Gentlemen,

On behalf of his Excellency Yoweri Kaguta Museveni, who due to other pressing state duties is unable to open this Forum, I would like to thank Dr. Tuan Anh Nguyen, Senior Policy Advisor, in the Export Policy Analysis Unit (EPAU) of the Ministry of Planning & Economic Development and his collaborators for producing the Report National Food Strategy: A Response to Overcome the Challenge of Poverty and Growth on which your discussions at this Forum will be based. We are also grateful to the United States Agency for International Development (USAID) for sponsoring this Forum.

Food insecurity is related to under-development and poverty. In the developed countries where only 3 to 4 percent of the population is engaged in agriculture there is no hunger or famine but in Sub-Saharan Africa where over 80 percent of the population is engaged in agriculture people suffer from hunger, undernourishment and malnourishment. Famines either, as a result of natural or man made disasters, are a constant worry in many countries and people as well as animals sometimes die as a result of these famines.

So the eradication of food insecurity must be seen in the wider context of overall development; it must be seen in the wider context of the eradication of poverty.

His Excellency The President, started his anti-poverty crusade about a year ago moving from county to county throughout Uganda sensitizing opinion leaders and the people at large to the possibilities of raising family or household incomes. Poverty elimination figured prominently in his election manifesto and for the next five years we shall be preoccupied with the war against poverty. If this war can be won then our worries about Food Insecurity will be over.

In terms of agricultural resources Uganda is one of the most generously endowed countries in Sub-Saharan Africa and may be in the whole world. It is simply because of this generous endowment that Uganda is one of the very few countries in sub-Saharan Africa that is self-sufficient in food; it is a mere accident of geography. But even with this generous endowment hunger and famine from time to time and malnutrition most of the time keep us company. There is no excuse why there should either be famine or malnutrition in any corner of Uganda. However, the truth is that from time to time Ugandans have to depend on Food Aid to Survive.

Of course, first and foremost, peace and security are the basic preconditions of food security. Man-made hunger and famine is largely due to wars and insurgency. It is, therefore, easy to predict where famine is likely to occur by mapping areas of insecurity and strife. For the last ten years, Government has been trying to reduce the area of insecurity in Uganda. This has been the basic struggle towards Food Security.

The second battle against food insecurity is the one that is going on now, namely the Anti-poverty crusade.

Food security does not require all of us to have farms or gardens; it only requires us to have the means to produce food in the market. In the developed countries where agriculture is highly developed it only requires a few farmers to produce all the food those countries need including surpluses for export. The more the people leave the land the more the development in that country. In our underdeveloped countries, on the other hand the rallying cry is Back to the Land; Back to the land; because productivity is so low that we need all the pairs of hand we can have on the land simply to avoid starvation.

We are determined to change this situation. First of all we must have a literate population. A population that can read, write and master basic arithmetic. If we can have a literate farmers then we shall definitely raise agricultural productivity and farmers' incomes. We need farmers who can read and understand simple instructions; we need farmers who can keep simple records. This is only way they can move from their present economy of 'Affection' to one of profitability. Our aim is to have universal primary education and we have already set this process in motion. His Excellency the President, recently appointed a Minister of State in the Ministry of Education to be in charge of Primary Education and Government will from January, 1997 look after the Education of four children from each family. This is the beginning of a long and difficult journey but all journeys begin with the taking of one step and that is what we have done.

The other important problem to address is the improvement of rural infrastructure especially the feeder roads. In order for the rural farmers to prosper it is not enough to raise their productivity; they must be able to sell what they produce; they must be able to get their produce to the market. In many upcountry areas, farm produce rots on the farm because there are no roads or because, at certain times of the year the roads are impassable. The lack of infrastructure can be demoralizing to our farmers. Our aim is to make sure that our rural farmers have access to the markets. These days the distinction between "cash crops" and "food crops" is fading and I think this is an indication of progress. The fading of these labels has helped in the diversification of our exports in recent years. Food also figures prominently these days in our internal trade. This is healthy and should be encouraged.

However, there are lingering fears that the sale of food can lead to famine. Of course it can in the absence of planning. There are two options: Either the farmers sell the food and keep some of the money to buy food or the keep some of the food for domestic consumption. Either way there is food security.

In the colonial days, the authorities forced people to set aside food so that in the event of drought or some other natural disaster there would be food to sustain them. In some places it was the cassava garden and in others the communal grain granary. Since we still get food shortages from time to time in some parts of the country it may be necessary to revisit some of these colonial day policies and add them to our package in the short term.

Some countries insist on having a national food reserve; a national granary to fall back to when there are food shortages. There is a need for a strategic national reserve and you, the experts, should look into the possibilities and economies of establishing one on this country.

When our farmers become literate and even now when there is very limited literacy they need instructors and instructions to improve their productivity. It is, therefore, crucial that there are extension workers to assist them. I know that the Ministry of Agriculture, Animal Industry and Fisheries is involved in extension work. However the farmers in the rural areas never see the extension workers or see them very rarely. There is a need for more effort in this area and I am happy that the Uganda National Farmers Association has started an extension service pilot project for their members. I hope they will eventually cover all the districts of Uganda. The NGOs and the private sector should also get involved in extension services work. If the farmer has information about production, about marketing, if their ignorance can be reduced or even eliminated then we shall be on our way to development and property.

With regard to access to credit our rural small-scale farmers have a raw deal. It is for this reason that most of them have remained small scale farmers instead of graduating to medium or even large-scale farmers. Even the Uganda Credit and Savings Bank which later became the Uganda Commercial Bank, which was established with monies from the stabilization fund that belonged to the farmers never lent to the small-scale farmers because they had no collateral. The so-called farmers are merely scratchers of the soil who do the best they can without inputs. That is the why amongst other reasons, our agriculture has remained primitive seventy years after the department of agriculture and agricultural research institutions were established in Uganda. This problem of credit must be squarely addressed.

Government has seriously began to address the problem. We established the Entandikwa Credit Scheme to partly address this problem and we shall put more money into the scheme provided the beneficiaries of the scheme honour their obligations. So far the obligations are being adequately met. In many Asian countries these credit schemes to the poor have worked well and have significantly contributed to the alleviation of rural poverty. There is no good reason why they should not work here. The NGOs should be encouraged to establish more of these schemes. Our commercial and development banks should also address this need by the small farmers for medium and long-term credit.

We are grateful for the food aid that has been coming our way for many reasons for many years now. However, food aid should not replace our efforts to become self-sufficient in food. What we need is really not food aid but the tools in a country as well endowed as Uganda is. As a matter of fact permanent or constant food aid would be the surest way of killing our agriculture. If our farmers can not sell their food because food from the subsidized farmers of the developed countries undercuts them in the local markets, then our agriculture will not prosper. It may be better for us, for those who are prepared to assist us with food to simply help in the modernization of our own agriculture, through the education, provision of basic inputs, infrastructural assistance and in internal and distribution and marketing.

There is a need to rationalize production in our region so that our production becomes complementary. That way our food exports will contribute significantly to our overall development.

I wish you very fruitful deliberations.

Thank you.

SPEECH BY HONORABLE RICHARD KAIJUKA F.C.I.B.
Minister of Planning and Economic Development

---

at the National Forum on Food Strategy
International Conference Center, Kampala
July 22nd - 23rd, 1996

Rt. Hon. Prime Minister
Director of USAID,
Honorable Ministers,
Honorable Members of Parliament
Your Excellencies the Ambassadors and High Commissioners,
Distinguished Guests, Ladies and Gentlemen.

Let me welcome you all to this important "National Forum on Food Strategy". Since the implementation of the Economic Recovery Program in 1987, the Government has achieved significant progress in restoring internal and external stability. In the context of macro-economic framework, stabilization reforms have been successful in slowing down inflation from triple digit in 1987 to about 30 percent in 1992 and single digit thereafter. The objective of achieving a year-on-year growth in GDP of at least 5 percent has also been attained. In fact, if economic growth is essential, the quality of growth is as important as its quantity. As the country moves now from rehabilitation to development the Government has been examining the possibility of exploiting further the results so far achieved. The need to eradicate poverty and the imperative to move the country toward self reliance will be the main challenges ahead for policy-makers during the next five years.

I. GROWTH AND POVERTY ERADICATION

It is largely recognized that Uganda has a comparative advantage in agriculture. which accounts for more than 50 percent of GDP, provided about 90 percent of export earnings and more than 80 percent of employment. Industry contributes roughly 12 percent of GDP, of which manufacturing shares 8 percent. The contribution of manufacturers was less than 1 percent of total export earnings. Commerce, service and transport share more than 30 percent of GDP.

For Uganda, because of the dominant role of agriculture, GOU poverty eradication policy has to derive its momentum from the agricultural sector. The country, indeed, has surpluses in almost all crops. For other food items the severity of the shortage is generally low and is transitional in nature. Surpluses in other food substitutes can supplement the related food shortage. In general, it can be observed that Uganda has large surpluses for cereals (maize, finger millet, sorghum) and root crops (cassava and sweet potatoes), and is reasonably secure in oil crops (groundnuts, simsim, soyabean). There is a general deficit in beans but surpluses in other pulses, including field peas, pigeon peas and cow peas largely compensated for the shortage.

It can be concluded that Uganda is generally a food surplus country. Under normal circumstances, Uganda has a fairly sufficient level of food availability. In the case of bad years, unlike in some chronic food deficit countries in Sub-Saharan Africa, the degree of severity is still low, as the deficit in some major staple foods can be supplemented by substitutes in large surpluses. In reality, although Uganda has a comparative advantage in agriculture, food security is still a vital issue for the majority of the population.

In Uganda, based on the 1991 census about 89 percent of the population live in the rural areas where they are engaged predominantly, if not wholly, in agriculture. The sector employs more than 80 percent of the labor force. Small-holders account for practically the entire agricultural output. It is estimated that about 2.5 million farm households, of which 80 percent cultivate less than 2.5 hectares of land each, basically produce food crops which account for about 70 percent of the agricultural production based on official figures from the Statistics Department, my Ministry.

Considering the measure of welfare which is the ratio of total household expenditure per adult to the poverty line, 61 percent of Ugandans are classified as poor. Despite the apparent food abundance, based on the 1994 Food Balance Sheet about 52 percent of the population in Uganda are living in districts with an average per capita food consumption less than the national daily energy requirements, based on a consumption pattern of nutrient intake of 2,400 calories, 50 gm of proteins and 19 gm of fats. This state of affairs has been attributed to a number of factors including heavy dependency on rain-fed agriculture, inadequate agricultural technologies, poor extension services and under-developed post-harvest systems, insufficient agricultural production credit, poor infrastructure and distribution network as well as ineffective markets; thus resulting in low productivity, low farm incomes, and mostly general poverty, particularly in the rural areas.

Since the standard of living of the population is so low, poverty eradication has become a major target of Government policy. There is an increasing recognition that development problems of the poor must be dealt with in a most comprehensive way. More importantly, unless the poor can fully participate in the process of growth, growth by itself will not successfully contribute to poverty eradication as expected. This is the challenge that the Export Policy Analysis Unit (EPAU) tries to overcome by proposing an integrated approach to a National Food Strategy in order to eradicate poverty eradication.

II. GROWTH AND SELF-RELIANCE

In Uganda, economic growth since 1987 has been impressive by any standard, according to the IMF. Growth of the economy has averaged almost 6 percent per annum in the years through 1995. With inflation falling sharply, the economy has been stabilized. Fiscal discipline has played a key role in Government strategy. The external current account deficit (excluding grants) has declined markedly. Moreover, substantial structural reforms have taken place in the economy in the areas of price liberalization, public enterprise reform, financial sector structural adjustment, civil service reform and army demobilization, etc...

Economic growth has been substantial, but it was basically due to support from foreign aid. The budget could only be balanced with the support of foreign aid, and budget deficit will increase from US $ 80 million in 1990 to US $ 768 million in 2003 based on projections prepared by the World Bank. From a deficit of US $ 430 million in 1990, the gap in the resource balance continues to widen to US $ 430 million in 1990 and to US $ 1,086.8 million in 2003. The foreign debt which was US $ 2,097 in 1990 increased to US $ 2,560.7 million in 1994, and is projected to reach the ceiling of US $ 4,866.0 in the year 2003.

In spite of the commendable effort to increase domestic resource, and it is being projected by the World Bank that even if the Government succeeds in attracting more foreign investment, Uganda will remain heavily dependent on foreign aid. For 1994/95 - 1996/97, projected official grants and loans are estimated at US $ 466 million under import support, and US $ 1,032 million in project support. For the three-year period, total foreign aid financing is estimated at US $ 1,498 million. Realistically, the Government of Uganda faces a difficult dilemma. On the one hand, an accelerated economic growth in the next five years requires an increase in foreign aid and private investment inflows. On the other hand, more external support would increase dependence on donors. With a low rate of investment, either living standards of the people would fall in the absence of foreign aid, or Uganda would remain heavily dependent on external resources. And with an adverse change in foreign aid, the process of economic development would be impeded.

President Museveni, in a policy statement on November 8, 1995, stressed that in any case aid from donors was a temporary phenomenon which should be no more in the next 10 years for "Uganda is moving away from that dependence". Until now, one way for Uganda to accelerate economic growth was to draw upon foreign aid to supplement and reinforce available domestic resources. A more challenging way would be to maximize impact of the use not only of its natural as well as human resources available through a well devised development strategy. We in the Ministry of Planning and Economic Development think that we have no choice but to urgently embark on fully fledged diversification of our exports. With the implementation of an effective national food strategy, not only an accelerated rate of growth could be promoted but equitable distribution of growth could be ensured and utilization of Ugandan natural as well as human resource could be maximized. Based on the conclusion of the Report, a successful implementation of the National Food Strategy while promoting accelerated growth of the economy will contribute to overcome the challenge of poverty eradication and move the economy toward self-reliance.

The proposed National Food Strategy that my Ministry has the privilege to introduce today is the outcome of the 1,000 page Report on National Food Strategy which has been prepared in collaboration and with the support of Government Ministries, Public Specialized Agencies.

The Report was approved at four regional workshops (East, Central, West and North) where almost all districts were represented. Today, it comes to the national level to be submitted to all stake holders in agriculture, industry and trade, from Parliament and Government, Public Sector Specialized Agencies and Private Sector Professional Organizations; International Development Agencies and NGO's, etc...

I would like to take this opportunity to express my gratitude to the United States of America for its assistance, and particularly to Mr. Donald Clark, Director of the USAID Mission for his support. USAID/Kampala has always gone pioneer in supporting agricultural-led growth and exports development with focus on Non-Traditional Agricultural Exports. The contribution of the Mission is highly appreciated and has far-reaching impact through various programs such as the Agricultural-Traditional Export Promotion Program (ANEPP) with the Export Policy Analysis (EPAU) as its implementing unit, and the Investment in Developing Export Agriculture (IDEA) with the Agri-Business Development Center (ADC). The goal of these programs is to assist the Government to increase income and employment from agricultural development and through exports with focus on NTAEs. With the funding of the 1,000 page Report on National Food Strategy and the sponsorship of the National Forum today, USAID has moved another significant step forward in supporting the Government in its efforts and determination to overcome the challenge of poverty eradication and growth in Uganda.

SPEECH BY MR. DONALD B. CLARK
Director, USAID

---

at the National Forum on Food Strategy
International Conference Center, Kampala
July 22nd - 23rd, 1996

His Excellency President Yoweri Kaguta Museveni,
Mr. Chairman and Honorable Minister of Planning and Economic Development
Honorable Ministers,
Honorable Members of Parliament,
Your Excellencies the Ambassadors and High Commissioners,
Distinguished Guests, Ladies and Gentlemen.

The United States of America has always been concerned with the problem of poverty and hunger in the developing world. The idea of having a United Nations development decade to promote social progress and better standard of life to meet the challenge of poverty was proposed by President John F. Kennedy in his address to the plenary session of the General Assembly in September 1961. The prevailing thinking was that economic growth could not be explained by the impact of capital and labor alone. Food security for the poor, people's education, basic health facilities were also considered as means of fostering sustainable economic growth. Besides, poverty eradication was also considered a democracy issue - Democracy cannot exist with starvation and famine. Furthermore, the challenge of poverty and growth was even a fundamental foreign policy issues. Poverty is in fact a major contributor to international instability: poverty anywhere is a threat to prosperity everywhere.

At the International Conference "A 2020 Vision for Food, Agriculture and the Environment" in June 1995 to help solve the urgent problem of hunger, poverty and environmental degradation in June 1995, the Administrator of the United Agency for International Development, Mr. Brian Atwood emphasized the need to address critical long-term issues. And for him, none are more important than food security. In Africa, more particularly, the International Community cannot address growing food problems simply with relief. Since 1994, the United States has spent more than a half billion dollars in Rwanda and Burundi, mostly for relief. Yet the same amount invested in development assistance could have a far more reaching impact on poverty eradication.

The Greater Horn of Africa initiative is an example of this strategic approach. It is built on the belief that while natural and man-made disasters may be inevitable, famine and starvation should not be. It has two objectives: first, to prevent natural events from becoming regional disasters which can affect 22 million people at risk; and second, to lay the foundation for cooperation and stability in the region where it would be possible to address the chronic food deficits that are still prevalent.

For the USAID Mission in Kampala, the issue of poverty eradication has always been considered of highest priority through its strategic approach in agricultural development, primary education, basic health care, environment and women in development. USAID programs such as the Agricultural Non-traditional Export Program (ANEPP), Investing in Developing Export Agriculture (IDEA), Support to Uganda Primary Education Reforms (SUPER), Delivery of Improved Services for Health (DISH), Action Plan for the Environment (APE) etc... directly aim at increasing income of the poor mostly in the rural areas, and promoting a better living standard for the population.

USAID also funded the Export Policy Analysis Unit (EPAU) which has been instrumental to the formulation of the Proposed National Food Strategy for Uganda. It gives me great encouragement to know that based on the conclusion of the 1,000 page Report, the country not only can develop food production, distribution and accessibility to eradicate food insecurity in Uganda but also can expand food exports to enhance food security in the EAC, the IGADD and the COMESA. As the country moves from rehabilitation to development, with the commitment and determination of the Government to implement such a proposed National Food Strategy with its far-reaching impact at home and abroad, it is my wish and my hope that Uganda should be able to overcome the challenge of poverty eradication and growth.

NATIONAL FOOD STRATEGY
A Response to Overcome The Challenge of Poverty and Growth

A Presentation

BY DR. TUAN ANH NGUYEN
Senior Policy Advisor USAID/EPAU

---

at the National Forum on Food Strategy
International Conference Center, Kampala
July 22nd - 23rd, 1996

His Excellency President Yoweri Kaguta Museveni, President of the Republic of Uganda
The First Lady,
The Rt. Honorable Kintu Musoke, Prime Minister,
Mr. Chairman, and Honorable Minister of Planning and Economic Development
Director of USAID,
Honorable Ministers,
Honorable Members of Parliament,
Your Excellencies the Ambassadors, and High Commissioners,
Ladies and Gentlemen.

SETTING THE STAGE

I wish to start my presentation with this challenging thought: there are people who look at things as they are, and ask why? and there are people who dream of wonderful things as they have never been, and ask why not? This Report is dedicated to the National Forum, to all the participants - on top of this select group is H.E. President Yoweri Kaguta Museveni - who are committed and determined to overcome the challenge of poverty and growth for Uganda. Confronted with the enormous challenge of poverty and growth, Uganda is looking for answers to questions about development issues based on solid evidence for objective reforms. The task facing Uganda is staggering, but the challenge to its understanding is even more dramatic.

In Uganda, results of surveys undertaken in the past and recent occurrences show that despite its potential and vast resources, the country is not safe from food insecurity. Yet, unlike a great number of countries in Sub-Saharan Africa which have experienced chronic and severe food shortages, Uganda has always been considered to be self-sufficient in food. Studies have shown that prospects for increased food production are real, and Uganda potentially has even a comparative advantage in food exports. The fundamental issue of food security, therefore, is not lack of resources but rather absence of an integrated national food strategy.

The challenge of promoting a national food strategy should lie at the heart of the wider complexities of articulating the broader process of not just food relief and emergency food aid to alleviate poverty. Such a process should also focus on production development, distribution and accessibility of food to the poor to reduce poverty. And finally, it should furthermore aim at promoting higher income generation in order to eradicate poverty through economic development, agriculture-led growth, and more specifically food production development and distribution, and food exports. Policy formulation and implementation designed to promote a national food strategy should, therefore, aim at three complementary and integrated dimensions of poverty alleviation, poverty reduction and poverty eradication.

It is imperative for Uganda, to formulate an integrated national food strategy which should be translated into the implementation of a comprehensive action plan to promote food security in order to overcome the challenge of poverty and growth.

PART I: FORMULATION OF AN INTEGRATED FOOD STRATEGY

The Government of Uganda has adopted an outward-looking growth strategy through investment promotion, export development and diversification. Within this framework, it was clearly stated in Government's development policy that:

> *"Uganda's economy is dominated by agriculture and remains dependent on growth in the agriculture sector. Such growth has to meet the rising food requirements of a growing population. Through exports, it also has to generate foreign exchange earnings to enable the country to import agricultural inputs which are not available, modernize the economy and improve the living standards of the people."*

I. An Integrated Strategic Model for Policy Decision Making

In reality, there seems to be major impediments at policy formulation, implementation and motivation levels, which undermine Government's efforts to achieving better performance. An integrated strategic approach for policy decision making would be required to maximize impact of Government development strategy.

Policy Formulation under Overwhelming Challenge-and-Response: At the level of policy formulation, development strategy of poor countries with scarce resources could not be conducted the same way as in affluent societies, at least at the beginning of the process of development. Policy formulation, choice of system goals, as well as allocation of resource to appropriate priority areas should aim at maximizing impact of Government development strategy. As a result, in order to achieve the ultimate objective of raising the living standards of the people, consistent with Government development policy, the allocation of resource should be directed in priority to support agriculture-led growth, food production development, and food exports to effectively increase their income.

Integrated Strategic Management for Policy Implementation: As for policy implementation, an integrated strategic management is also required. Development implies the achievement of a system goal conceived as a whole, strategy implies coherent policies to achieve it. Macro-economic policy is just one of them. Structural Adjustment places the macro-economic policy framework at the center of economic activities. Though important, macro-economic policy framework is only a means to achieve an end which is the nationally-set development strategy. If macro-economic policy is not in support of government development strategy, it can become very detrimental because development strategy always calls for a well-conceived and coordinated action plan.

Private Sector Cumulative Built-in Profit Motivation: Finally, concerning policy motivation, structural adjustment programs promote liberalization of the economy where market mechanism is considered the rule for government action, and the private sector has to be the preferred engine of growth. Policy reforms under structural adjustment programs need to promote an economic environment where private sector can be motivated to expand. For the private sector to develop, the most important motivation is the prospect for profit. This is a prerequisite for private sector development in a market economy.

In the final analysis, development strategy should be perceived not just as a formal implementation of structural adjustment but also a goal-oriented action system. Policy decision making must be "transcended" and truly "adjusted" to Uganda's ultimate national interest. The model for policy decision making integrates three different levels of policy formulation, implementation and motivation. Missing one of them will cause performance lag behind expectation.

II. Agriculture-led Development as a Basis for Industrialization, Export Development and Poverty Eradication

It is generally believed that within the group of developing economies, it is those with a rather well-developed agriculture that have best succeeded. All of them have engaged in land reform, invested in rural infrastructure and the institutional and organizational aspects of rural development, etc...

The Dynamics of Agriculture-led Development: In Uganda, agriculture accounted for more than 50 percent of GDP, provided about 90 percent of export earnings and more than 80 percent of employment in 1993/94. Industry contributed roughly 12 percent of GDP of which manufacturing shared 6 percent. The contribution of manufactures was less than 1 percent of total export earnings. Commerce, service and transport shared more than 30 percent of GDP. For Uganda, because of the dominant role of agriculture, accelerated economic growth has to derive its momentum from the agricultural sector.

The comparative advantage in investing in agriculture seems to be self evident. Most important, is the fact that the incremental capital output ratio (ICOR) is less in agriculture and more in industry and other fields such as services, utilities and public works. The same amount of investment in agriculture would generate in general more increase in output than in industry, commerce, etc...

Besides, the prospect for increased agricultural production through expansion of cropping areas is real. In Uganda, only between 30 and 40 percent of cultivable land has been used. Even though access to land is not a major problem for most families, land tenure systems have been and are still hindering the improvement of agricultural production.

Furthermore, productivity in agriculture can be significantly improved. It can be observed that farmers achieve between 17 and 50 percent of the yields attainable at Research Stations. It is nonetheless worth noting that with appropriate technology, crop husbandry and extension services, etc... farmers can significantly increase crop productivity and raise the share of agriculture in the GDP.

A Basis for Industrialization: In fact, for Uganda an agriculture-led development should create a sound basis to start industrialization, but in the process of development industrialization in turn would promote increase in productivity of agriculture.

While agricultural growth is essential to improve living standards and provide higher incomes to the majority of the population who depend on agriculture, it can promote savings and investment to promote industrialization and exports. The overall effect not only helps reduce rural poverty but also has a desirable impact on poverty alleviation in the non-agricultural sector as well. Besides, investment strategy based on agricultural development as the leading sector in accelerating economic growth is built on the high potential of consumption and production linkages. Findings from research on consumption linkage associated with higher income generation in the rural areas in several African and Asian countries indicated that for each additional dollar of income in the agricultural sector, the non-agricultural sector income increased by US $ .50 to US $1.00. As a result, the size of the domestic market would be increased. A larger domestic market would make possible the realization of economies of scale. Another significant effect of agricultural development in support of industrialization is its contribution to lowering cost of inputs in the production of manufactures. While producing more amount of food and at lower price, agriculture can increase the purchasing power of the population in general, and the worker more particularly. The favorable effect of lower food prices will spare wage adjustment or increase. Furthermore, beneficial effect of a fully developed agriculture is to make available raw materials in good quality and at lower price for processing industries which produce not only for the domestic market but also for export. As the inputs of labor and raw materials are important elements of production cost, any improvement will help increase competitiveness of Ugandan products both at home and abroad.

Industrial development in turn will help increase the momentum of agricultural growth. A commonly shared belief is that a good investment would be the one using relatively cheap labor, locally available materials and basic inputs, as well as having a significant portion of value-added which earns or saves more foreign exchange and has comparative advantage rather than simply duplicating investment already successfully established in other countries. As a result, the policy-set priorities for the development of various branches of industry should be based on their comparative advantage and their cost-effectiveness. Of highest priority are agricultural supporting industries, those using domestic raw materials and have high export potential, or import-substitution industries using domestic materials, and making intensive use of labor. Potential investment opportunities could be directed toward priority areas of agricultural production development for food security and for export such as food crops, cash crops, horticulture, fisheries and livestock development; and agro-processing and processing of animal resources including fish processing, dairy products and meat, leather, coffee, fruits, spices, etc... It is recognized that the process of development, industrialization will also improve the industrial infrastructure so that it can better use domestic raw materials and labor, raise industrial value-added, and promote key industries which would provide a sound growth of the overall industrial sector. More specifically, investment can be directed in areas such as agricultural inputs, including building materials, tools and implements, processing equipment and packaging, fertilizers, pesticides or even capital-intensive manufacturing launched with foreign investment.

An Effective Expansion of Exports: In Uganda, agriculture accounted for more than 90 percent of exports. Policies biased against agriculture also result in deficient production of agricultural products for exports, reduce foreign exchange earnings, and negatively effect the economy whose main macro-economic constraint in the absence of foreign aid is the capacity to export.

The composition of exports shows a predominance of coffee exports since the 70's when other non-coffee traditional exports like tea, cotton, tobacco started to decline. In spite of the fluctuating trend in international prices of coffee and primary agricultural products, Uganda's comparative advantage in the international markets still relies on agricultural exports. Uganda should exploit its highly productive agricultural resources aimed at increasing productivity and ensuring that cost advantage would be achieved in coffee exports as well as non-coffee traditional exports.

The fluctuation of international coffee prices has brought rather forcefully the danger of over-dependence on a single export commodity with far-reaching impact on personal income, government revenue and the balance of payments. Export diversification, therefore, must be aggressively promoted. In the last five years, foreign exchange earnings of non-traditional agricultural exports have increased significantly, as much as 285 percent. Food crops exports were among the leading NTAEs. The prospect of narrowing the balance of trade should be achieved through NTAEs, and more particularly food exports.

Contribution to Poverty Eradication: Agriculture represents a potential force for poverty eradication in Uganda where more than 90 percent of the population is engaged predominantly or partly in agriculture and live in the rural areas. Smallholders account for almost total agricultural output with an estimate of 2.5 million farm households, of which 80 percent cultivate less than 2.5 hectares of land each. It is believed that not only an agriculture-led development will maximize growth of the economy, but as importantly best contribute to eradicate poverty in Uganda.

The conceptual development paradigm emphasizes the potential contribution of agricultural transformation to broad-based poverty eradication. The fundamental development concept is that agriculture can be managed not only to increase growth of agriculture but also contribute to eradicating poverty. Agricultural growth can effectively improve the living standards of the poor. While promoting better economic growth, faster agricultural growth should be translated into higher reduction in poverty

The implications of maximizing development strategy based on Uganda's comparative advantage is that an agriculture-led growth should be oriented to promote food production and rural development. An agriculture-led development, besides contributing to strengthen food security, will also increase income of the rural poor. As a result, market for consumer goods and agro-based industries will be enlarged, and opportunities for agricultural and manufactural exports will be expanded. The creation of new jobs will raise income of the rural and non-rural poor as well.

In sum, the integrated approach to development has set a consistent linkage between agriculture-led growth as a basis for industrialization, export development and poverty eradication.

III Participatory Strategy to Poverty Eradication

For the Government of Uganda, stabilization, growth and development were equally stressed in the Economic Recovery Program of 1987 which aimed at three major objectives: (a) restoring internal and external financial stability by reducing inflation; (b) accelerating growth in production, particularly production for export; and (c) alleviating poverty and improving standards of living of the population.

Striving for a Balanced Policy Approach: Since the implementation of the Economic Recovery Program in 1987, the Government has achieved significant results. In the context of macro-economic framework, stabilization reforms have been successful in slowing down inflation from triple digit in 1987 to about 30 percent in 1992 and single digit thereafter. Government's objective of achieving a year-on-year growth in GDP of at least 5 percent has also been attained. However, the distribution of the benefit of growth has not yet significantly contributed to eradicate poverty and increase the living standards of the people. As a result, there is a prerequisite for a well-balanced policy.

Stabilization programs usually include reducing Government budget deficit and external debt which have forced many developing countries to curtail social programs, with serious impact on the life of the people, already living under very critical conditions. Growth through development of the private sector has not always set high priority for the agricultural sector which employs more than 80 percent of Ugandans and provides direct or indirect source of income to about 90 percent of the population. Since the standard of living of the people is so low in Uganda, poverty eradication has become a major target of Government policy. Consequently, public expenditures mostly in social sectors do have an essential role to play in reinforcing a growth-oriented poverty alleviation strategy.

A creative functional budget management is also required. It is important that within a relatively stable economic framework, the economy can grow as much as possible, for a significant rate of growth is a pre-requisite for job creation and income opportunities. However, the distribution of the benefits of growth should contribute effectively to eradicate poverty and increase the standards of living of the people. In order to stabilize the economy, the Government has to sharply reduce the overall budget deficit which is the major source of inflation pressure. Under such a circumstance, financial resources for social services could be obtained through changing the pattern of budget expenditures, and thereafter increasing social spending. It can also be expected that the situation will be further improved with an expansion in the revenue base and better use of external assistance.

Participatory Approach to Poverty Eradication: Presently the Government of Uganda lacks the capacity to fully deliver key social services to the poor, thereby adversely affecting their capacity to participate in the economic growth process. Due to limited resources, a more concerted effort and better implementation of Government policies is needed to maximize impact of existing government resources.

The main objective of the decentralization program is to transfer functions, powers and responsibilities from the Central Government to the Local Governments. Government's public sector performance will be improved by eliminating expenses caused by excessive centralization of decision-making in Kampala, and in turn local authorities will be more responsible and accountable for expenditure of public resources. The decentralization program should also offer an institutional framework for community-based organizations and NGO's to get effectively involved in delivering most needed social services to the poor.

While the Government has an important role as a provider of social services, a wide range of other potential agents could be involved in the formulation, implementation and financing of social sector policies. Therefore, it has to play an important role as facilitator and coordinator for provision of services through community based groups, private sector, NGO's and donors to ensure maximum coverage of the population, which can even reach remote and poor rural areas while avoiding waste and duplication of available resources.

Finally, the importance of including a consultative process to ensure that beneficiaries are integrally involved in policy formulation and project planning has been increasingly recognized. In Uganda, the reasons for involving and consulting with a range of stakeholders, including the poor are: to understand better the social, economic and political dynamics which perpetuate poverty in a given country; to ensure that strategies identified for poverty eradication reflect the real concerns voiced by the poor; and more importantly, to promote ownership of the proposed solutions by a variety of stakeholders, and give back the primary responsibility to rural communities themselves.

IV. An Overall Assessment of Food Security Status

Consistent messages which reflect the priorities expressed in poor communities prove extremely valuable to meet the challenge of poverty eradication. Effective functioning of, and access to curative health care is a most important issue for rural and urban areas. In urban areas access to employment, opportunities to learn marketable skills and small-enterprise credit, emerge as the key issues. There is also generally a higher emphasis on education as a serious need among poor urban communities, although those in rural areas also mention the quality and cost of education as a major concern. In arid and semi-arid rural areas, water supply for both domestic and productive use tends to be the most pressing priority. However, the central aspect of the daily struggle of poor people to survive is without any doubt their insecurity of access to sufficient quantity of nutritious food. In Uganda, food security is even a vital issue for the majority of the population.

The Measure of Poverty: If considering the measure of welfare which is the ratio of total household expenditure per adult to the poverty line, 61 percent of Ugandans are classified as poor.

The food poverty line is based on the cost of 2,200 calories as a standard requirement established by World Health Organization (WHO). Despite the apparent food abundance, based on the 1994 Food Balance Sheet about 52 percent of the population in Uganda are living in districts with an average per capita food consumption less than the national daily energy requirements.

The poverty line is based on the cost of 2,200 calories from a given food basket (food poverty line) plus essential non-food expenditures (based on the consumption of non-food items of the households whose total expenditures are equal to the food poverty line). The cut-off point separating poor and non-poor is one. In general there is a rural-urban poverty gap (on average rural households are poorer than urban households). There is also unequal poverty distribution by region. In general, Central and Western regions are relatively better off than the North and the East. Finally, another clear pattern of inequality emerges in the distribution of poverty across districts.

Magnitude of Food Insecurity: At national level, based on the present consumption pattern, the daily average nutrient intake for calories are about 2,400 calories, and for proteins and fats 50 g and 19 g respectively. The national calorie intake is 99 percent of the Sub-Saharan African minimum requirements of 2419 calories. If compared to the WHO "critical" level of 2,200 calories, the national average calorie intake per person per day is about 109 percent. In the case of proteins and fats, the national average intake levels are 87 and 94 percent of the FAO minimum intake levels respectively.

Nutritional intakes at regional level are different depending upon the region. Eastern Region consumes on average 108 percent of calorie intake requirements, 89 percent of protein intake requirements and 79 percent of fats requirements. Northern Region consumes 103, 79 and 82 percent of calorie, protein and fat intake requirements respectively. Western Region has the consumption levels of calories, proteins and fats of 90, 92 and 105 percent of requirements respectively. Central Region consumption levels of calories, protein and fats, average 97, 87 and 111 percent of requirements respectively.

The percentage of total food requirement consumed is based on the real consumption levels as a percentage of what is required for optimal dietary intake. It can be observed that the total food consumed is between 50 to 90 percent of the total food required for optimal intake based on the nature of human activities and consumption patterns in the various regions.

In sum, the national average calorie intake per person per day is about 99 percent of the Sub-Saharan minimum requirement. However, a more specific analysis will show that 62 percent of Ugandans are classified as poor, and 52 percent of the population are living in districts with an average per capita consumption less than the national daily energy requirement.

Overall Food Balance Situation: Uganda has surpluses in almost all crops. Even then, the severity of the shortage is generally low and is transitional in nature. Besides, surpluses in other food substitutes can supplement the related food shortage. In general, it can be observed that:

- Uganda has large surpluses for cereals (maize, finger millet, sorghum) and root crops (cassava and sweet potatoes). In the case of these food items the surpluses are in the range of 100,000 to about 1,000,000 mt per annum.

- There is a general deficit in beans of about 5,000 to 20,000 mt per annum but surpluses in other pulses, including field peas, pigeon peas and cow peas. Overall, there is a surplus in pulses of about 20,000 to 35,000 mt per annum.

- Uganda is reasonably secure in oil crops (groundnuts, simsim, soyabean), with a surplus in the range of about 10,000 mt to 50,000 mt per annum.

- There are large deficits for livestock products, most notably milk, beef, poultry and eggs. The deficits are in the range of 10,000 to 180,000 mt. In the case of milk, the deficit level is between 100 and 200 million litres per annum.

It can be concluded that Uganda is generally a food surplus country with high export potential. Under normal circumstances, Uganda has a fairly sufficient level of food availability. In the case of bad years, unlike in some chronic food deficit countries in Sub-Saharan Africa, the degree of severity is still low, as the deficit in some major staple foods can be supplemented by substitutes in large surplus. If there is any problem of accessibility to sufficient nutritious food for the population, it should not be due to lack of resources but rather to under-utilization and mismanagement of resources. With implementation of an effective national food strategy not only can Uganda eradicate food insecurity at home but also enhance food security in the region.

PART II: ACTION PLAN TO PROMOTE A NATIONAL FOOD STRATEGY

In order to successfully achieve the national food strategy, policy reforms at macro, sectoral and micro levels in support of the National Food Strategy aiming at ensuring food security, developing food production and promoting food exports, are urgently needed.

V. Key Policy Reforms in Support of the National Food Strategy

Government commitment should be consistently translated into its determination to fulfill its responsibility in development through the building of institutional capacity, the setting of an effective legal framework, and an appropriate macro-economic policy framework to achieve the objectives of the national food strategy.

Government Responsibility in Development: Government strong political commitment at the highest level should be considered as a prerequisite condition in determining Uganda's response to overcome the challenge of poverty and growth. A strong commitment of the Government is required at the highest political level to show its determination to promote economic development and exports in general, particularly food security and food exports as a highest national priority objective, and to take any appropriate macro-economic reforms, sectoral policy and micro-economic support required to achieve this goal. Second, Government commitment to a national food strategy will also help generate confidence in the private sector to undertake long-term investment to expand their activities and send such a message to Government agencies to cooperate with existing and potential food producers and exporters. Finally, an integrated national food strategy should be proclaimed by the highest political level of the Government as an objective to guide Government decision-making in other related fields, especially agricultural and agro-based industrial development, productive and social infrastructure improvement, financial and monetary policy, foreign exchange and international trade, etc...

There is also a need for institution capacity building for policy formulation and implementation. The complexity of the strategic approach covering various aspects of food security, food production and food exports, is such that several ministries are involved, with their own planning and research units. Most food and nutrition activities of the various related ministries are carried out without effective coordination e.g., Prime Minister's Office, MAAIF (Early Warning Unit, NARO), MFEP, (Agricultural Secretariat), Ministry of Local Government (Refugee Section), MOLSA (Department of Disaster Management), Ministry of Trade and Industry (Uganda Export Promotion Board), etc... Not only are these institutions under-funded but there is also lack of coordination. Only a strong policy coordinating body can enforce policy and implement program as they relate to agriculture in general, and particularly food security, food production and food exports. It appears that a coordinated multi-sectoral approach to the formulation and implementation of a food strategy will be needed. A simple but effective organizational structure could be set under the form of a Task Force, or Ad-hoc Committee or a National Food Security Council under the high authority of the President or the Vice President or the Prime Minister, and relying on existing specialized related implementing units at different Ministries which should be restructured and strengthened to become more effective.

Legal Framework to Promote the National Food Strategy: Any food strategy would not be fully carried out if it could not ensure a strong commitment of the Government to set an appropriate legal framework and to enact enabling legislation to promote food security and stimulate production through the increase of food exports.

Empowering women in development to strengthen food and nutrition security is a requirement. It is fully acknowledged that while the Constitution accords women rights equal or comparable to men, customary or religious laws and traditional practices may generally continue to put women into a subordinate and vulnerable position in society. It is, therefore, the responsibility of the Government to enforce the Constitution which is the supreme law of the country, and enact legislation to remove discriminations against women, particularly in marriage, separation, divorce, inheritance and rights to property (particularly land) for the purpose of giving full respect to the rights of women guaranteed by the Constitution. Furthermore, in order to enable women to fulfill their potential, the government must take legislative reforms and policy steps to increase women's physical and human capital. First, women's ability to produce food can be enhanced by improving their access to resources, (mostly ownership of land), credit, technology, and information. Second, literacy training for women and education for girls will increase productivity both today and in the future. Third, women's health and nutritional status should be protected to allow women to fulfill their productive roles. Finally, policy makers must increase women's ability to generate income in order to maximize the benefits of women's incomes for household food security and nutrition. In fact, economic empowerment of women in development will decisively ensure access of women to their legitimate legal status and equal rights provided under the Constitution.

To support and promote agricultural development in general, and food production particularly, a modern land tenure system should ensure the full rights in land of the major stake holders, i.e, women-food producers, rural farmers, landowners and foreign investors, within the framework of a modern agriculture and a market-economy. Full rights in land must include access, security, ownership and transferability of land. While recognizing how traditional land tenure has evolved overtime, a successful land tenure reform should propose policy alternatives for constructive change based on a legitimate set of goals. It is essential that the land tenure system: a) be uniform throughout the country and protected under a Government by law and guaranteed by the Constitution, b) support agricultural development through the optimum use of land in terms of productivity and cultivable areas, and c) ensure the rights in land for those who are cultivating the land as well as those who own the land. In a country like Uganda where the majority of the people are poor rural farmers who have no other alternatives than tilling the land, a "The Land to the Tiller" program will effectively contribute to promoting food crop production, raising people's income and meeting the challenge of poverty eradication.

Concerning an appropriate Investment Code for Uganda, a comparative study shows the disadvantage of the Ugandan incentive package as compared to Kenya, mostly with respect to export-oriented activities. In 1995, in a Proposal for Amendments to the Investment Code 1991, EPAU recommended the most conducive investment package in the region as a basis for competitive advantage in investment promotion. More specifically, it strived to achieve the following objectives: first, to create a most credible investment incentive system through the legal protection to help generate confidence in the private sector if it is to be the engine of growth of the economy; second, to confer a comparative competitiveness of local production against imports from neighboring countries while striking an appropriate balance between administrative simplicity, investment promotion and revenue mobilization; and third, to effectively support Government's outward-looking growth strategy through investment promotion, export development of non-traditional agricultural exports with focus on food exports to penetrate foreign markets.

Macro-economic Policy in Support of Government Development Strategy: If Uganda is to meet the challenge of poverty eradication and growth, modernization of agriculture in general and particularly development of food production to promote food security and food exports have to be at the core of its development strategy. Achievement of such a strategy depends basically on the support of macro-economic policies and reforms.

A common temptation of monetarist economists is to overstate the role of monetary policy in stabilization and growth of the economy. In developing countries in general, and particularly in Uganda, key issues for economic policy-makers are not just inflation but also unemployment. A successful anti-inflationary policy will contribute to economic stabilization whereas an effective job creation policy will help promote growth of the economy. A balanced approach in policy formulation and implementation, giving higher concern for unemployment issues should be preferred to better support the workers, the majority of them living in rural areas and depending on agricultural development.

Economic wisdom also dictates that under a well-balanced fiscal policy, government budget has two equally important functions: a development function which should be used to promote growth of the economy in support of government development strategy, and a stabilization function which should ensure that mobilization of resource to finance government spending does not undermine government stabilization efforts. The performance of budget management should be focused on how to maximize impact of government expenditure as well as revenue mobilization. In view of maximizing budget expenditure, the Government has been striving to protect social services and even to increase funding of high priority areas which include agriculture, primary education, health care, etc... From a functional budget assessment, nonetheless, recurrent expenditures of key ministries as well as departments and units related to food security are disproportionally under-funded comparatively to their economic importance. Recurrent expenditures in 1995/96 for key ministries related to food security, food production and food exports are still below the level of funding required. Besides, the under-funding of key ministries related to food security and exports is even more serious when considering the recurrent expenditure as a percentage of total budget. (e.g. Agriculture, Animal Industry and Fisheries with about 1.5 percent, Trade and Industry with about 0.5 percent).

In the area of credit, the fluctuation of real interest rate on savings in general, and particularly negative real interest rate on savings, has not helped much in promoting savings and investment. The liberalization of credit also does have serious side-effects for it has discriminated lending to the real sector and more particularly to agriculture. Furthermore, the neglect of the agricultural sector is obvious in the distribution of credit to private sector by economic activities. In the last three years, the percentage share of loans was on average less than 5 percent for agricultural production, about 15 percent for manufacturing and 65 percent for trade and services. Most importantly, small farmers who form the backbone of the agricultural sector virtually have no access to rural credit. It should be noted that no country has ever successfully experienced the green revolution without an effective rural credit system in support of modernization of agriculture.

As for the exchange rate policy constraint to exports with focus on NTAEs, an overvalued and appreciated shilling would discourage foreign investment, and weaken the competitiveness of Ugandan producers facing cheap imported products. Within a consistent macro-economic policy framework, while allowing the exchange rate to respond to market conditions, the Bank of Uganda should monitor and appropriately respond in light of fluctuations of exchange rate to ensure competitiveness of Ugandan exports. Findings on the appropriate level of exchange rate from an EPAU Study in 1995 based on quantitative analysis of the impact of foreign exchange rate on Ugandan exports, and confirmed by the Exporters' Survey 1995 conducted by EPAU, the central exchange rate around which the exchange rate should be stabilized would be Shs 1,100 per US Dollar. At a lower level than Shs 1,000 per US Dollar most of Ugandan exports would be discouraged, while at the upper level of Shs 1,200 per US Dollar almost all Ugandan exports will be profitable.

VI Creative Approach to Emergency Food Aid and Food Relief

In most cases, the issue of food insecurity is not due to lack of resources but rather absence of disaster management strategy as well as lack of coordination between government relief agencies and international aid organizations.

Strengthening Institutions: Despite the efforts of the National Early Warning Unit (MAAIF), results lag far behind expectation due to a number of reasons. Among these reasons, the most serious one is still the under-funding of the Unit. The same remark can apply to the Department of Disaster Management (MOLSA) which is charged with assisting Ugandans struck by disasters or calamity. The department also resettles internally displaced communities of Ugandan origin or those returning from exile. Recurrent budgetary allocation of Shs 421 million in 1995/96, is considered inadequate to meet the operations of the department. Finally, for the Ministry of Local Government which is responsible for the provision of land needed to resettle the refugees and provision of security in the resettlement camps, the 1995/96 budget allocation of Shs 63 million for recurrent expenditures is still considered too low even though the maintenance of the refugees such as provision of food and logistics, is catered for by the UNHCR.

Coordination of Government and Donors Relief and Emergency Aid Efforts: Given the constraint in which the Government is operating under Structural Adjustment and following tight budget funding, the Government would be unable to meet the burden of emergency relief and assistance to refugees without support from International Aid Organizations and NGOs. An effective interministerial food emergency and relief committee using existing resources and facilities of government and international food aid organizations should be established to coordinate and supervise food relief and emergency food aid programs.

Government's efforts to increase expenditure for food relief and emergency food aid should be encouraged. There is, however, a need for better inter-agency coordination. Achieving emergency food assistance through food relief or food aid to refugees requires an integrative approach involving many agencies of Government, the donor community and the NGOs. More particularly, concerning emergency food aid, there is a need to put in place a national framework for monitoring food security at national and community levels particularly in case of emergency food aid. This would include market information system, viable disaster preparedness, mitigation and prevention system.

In coordination with the United Nations High Commission for Refugees (UNHCR), the World Food Program (WFP) has been providing food assistance for the Sudanese as well as Rwandese, Zairean and Somalian refugees in Uganda since the first influx of 1988. Distribution is handled by Non-government Organizations (NGOs) such as Uganda Red Cross, Interaid, Oxford Famine Relief (OXFAM), Italian Cooperation for Development (AVSI), International Commission of the Red Cross (ICRC) and UNHCR.

A Strategic Approach to Food Aid: Innovative ways of conducting food aid and food relief are required, given the issue of emergency food aid is a major concern for the Government. With the exception of Karamoja, which is particularly susceptible to periodic drought, Uganda is not normally prone to severe climatic disorder. Localized food crises have arisen in relation to insecurity, locust and pest infestations, plant and animal diseases, which have resulted during 1979-1992 in many food aid interventions in the North and the North East of Uganda. The issue of refugees in Northern Uganda may necessitate special attention and requires food aid to the refugee population. Such outbreaks need to be monitored. In any case, an innovative approach to the problem of food security in food insecure areas has to be adopted.

Regions or areas such as Karamoja, which should be particularly targeted as chronically food insecure areas, could establish food reserves for quick movement of food distribution and relief. While direct provision of food is recommended for the vulnerable groups which include children, the elderly and lactating mothers, food for work schemes on public works should be applied to the able. Provision of food and productive inputs such as seeds, cassava stems, potato vines, hoes and ox-ploughs, as well as improvement of the infrastructure, should receive high priorities. Furthermore, efforts to address the problem of food insecurity in Karamoja, while taking care of the longer-term issues of development, should basically ensure better coordination among Government Agencies, and also among Government Agencies, Donors Aid Organizations and NGOs.

The Northern Uganda Food Security Project (NUFSP) is based on the concept that immediate emergency and humanitarian aid to refugees should encourage self-sufficiency in a longer term. The goals of the project is to address the short and long-term development requirements to expand food security in Northern Uganda among both the national and refugee populations while simultaneously providing the basis for economic recovery in the area.

In general, all districts suffer from one kind of deficit or another. The districts with transitory food deficit included, among others, Soroti, Kumi and Kabarole. Their main issues include food distribution, incomes and provision of economic and social infrastructure. The districts with chronic food deficits include Moroto, Kotido, Moyo, Bundibugyo and Luwero. In their case the key issues include food distribution, food aid and relief, income levels and provision of both social and economic infrastructure.

In sum, learning from experience, the effectiveness of relief and emergency aid depends not only on availability of resources but also effectiveness of coordination and implementation. Moreover, it should be noted that while emergency aid relief due to drought and natural disaster could be dealt with in the short-term through emergency food aid, the more general problem of food insecurity due to poverty should be addressed in a more general context of social and economic development policy.

VII Imperative of Food Production Development

Uganda's economy is dominated by agriculture and remains highly dependent on the agricultural sector. Government agricultural development policy is pursuing three key objectives: (a) increasing agricultural productivity to ensure food security and self-sufficiency in raw materials for Agro-processing industries as well as cash crops for export; (b) diversify the country's exports through the promotion of non-traditional exports; (c) increasing people's income and reducing poverty at a faster pace through increased sales of their agricultural surplus.

Restoring the Prominence of MAAIF in Food Production Development: Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), despite reasonable facilitation from the Government and support of the international donors, only receives irregular flow of funds and inappropriate technical assistance. In general, budgetary ceiling and imposed national policies like civil service reforms has undermined the effectiveness of MAAIF.

There is a requirement for better collaboration among Ministries, Government Agencies, involved in the agricultural sector development such as Ministry of Planning and Economic Development (MPED), Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), Ministry of Trade and Industry (MTI), Ministry of Finance (MOF), Ministry of Labor and Social Affairs (MOLSA), Ministry of Gender and Community Development (MOGCD), etc...

There is also an urgent need for better coordination in terms of policy implementation with other agricultural development and export promotion project. Particularly, MAAIF could effectively benefit from the support of various USAID funded projects such as the Agricultural Non-traditional Export Promotion Program (ANEPP) and Investment in Developing Export Agriculture (IDEA). The implementing units of these two projects are respectively the Export Policy Analysis Unit (EPAU) and Agri-business Development enter (ADC). EPAU can provide effective policy support at macro, sectoral and micro levels, while ADC can appropriately provide support for production development and marketing.

Within MAAIF, the Department of Agricultural Planning should be strongly supported to fulfil its important functions in improving policy analysis, formulating of strategic planning and, project implementation at all levels and given the highest priority from the part of the donor community, particularly the World Bank. Several projects and programs are also being implemented in or attached to the Ministry of Agriculture, Animal Industry and Fisheries which aim at improving agricultural productivity and strengthening food security both at household and national levels. These include; Agricultural Extension Services, Uganda Seed Project, Agricultural Research and Extension Training, etc... These projects and programs if well-implemented may provide excellent results. For the time being, their performance so far achieved lags behind expectation.

Policies in Support of Food Production Development: Despite the relatively good prospects for food crop production development, Uganda has to effectively deal with various key issues in order not only to promote food security but also food production and food exports. These key constraints occur at the production level, post-harvest, marketing and distribution and income earning level.

Promoting food crops development is the appropriate starting point to address the root cause of poverty. The most appropriate approach would be to act on the basic determinants of the growth rate of food crops GDP such as land used in production, agricultural inputs and labor employed in food crops, etc... First, in Uganda, between 30 and 40 percent of the cultivable land is under crop. This low rate is due to the use of hand hoe as the main means of opening land, the use of animal traction in certain regions will certainly help open significant new areas cultivable. Besides, in a number of cases, without adequate security, farmers ability to produce is greatly curtailed. The implementation of an appropriate land reform would also effectively contribute to increase cultivable areas for food production. Due to the low utilization of arable land at national and regional levels, there is good potential for increasing food production through expansion in cultivable areas for both crops and pasture/livestock development. Second, current knowledge on farming systems is quite scanty. During the course of civil strife over the years, farming systems were disrupted. Policies on food production have been implemented in the past, but not enough consideration was given to the importance of farming systems. The general complaint of farmers is there is hardly any extension services. In relation to this, most farmers are not trained and exposed to the latest production techniques. Third, field Survey undertaken in 18 districts by EPAU in 1995 shows low use of agricultural inputs such as improved seeds, fertilizers and pesticides, as well as poor production techniques. In general, all these results into low production levels.

The rate of application of good quality seeds, indeed, is low. The common type of improved seeds for maize planted are hybrid from Kenya and Longe I from Kawanda, NARO. Similarly, the use of pesticides and insecticides are generally quite non-existent. Finally, on farm labor productivity is low in most parts of Uganda. National yields are between 17 and 50 percent of those attainable at research stations. However, the key to realizing this potential is raising the productivity of the farmer as a result of security of land tenure, extension service, use of high-yielding varieties and improved agricultural inputs, as well as investment in research and development. It should be added that lack of adequate training, low level of education and mostly AIDS have seriously contributed to reduce productivity of the labor force in Uganda.

Concerning post harvest constraints, it can be noted that on average crop losses in most cases are generally unacceptably high at farm level. These may be manifested in terms of drying problems, microbial growth, pest problems, and mostly poor storage. As a result of these factors, the levels of post-harvest losses remain very high ranging from 10 to 35 percent. At farm level, storage is also inadequate. In most districts in Eastern and Northern regions, granaries are the main means of storing farm produce. These structures are vulnerable to attacks by pests, rodents and thieves. At district level, storage infrastructure, like most other facilities, are in poor shape. At regional level and in major towns, there exist sizeable storage capacities. These storage infrastructure mostly belong to Produce Marketing Board. Most of the stores are in bad condition. What is perhaps needed is to rehabilitate them and encourage private sector participation in food purchases, storage and distribution.

Food distribution network is also under-developed both at the district and regional levels. In periods of plenty or fairly adequate supply, no food distribution policy is in place. Yet as it is well known, despite the sizeable national surpluses in food, some regions and districts are deficient in some food items. Even within a district, there are certain parts which normally lack food. Market infrastructure is also in poor state. Besides, transportation constitutes an essential element of Uganda's strategy to implement a national food strategy. Roads are needed to bring in agricultural inputs and implements, facilitate the work of extension staff, and provide not only access to markets for farm goods but also basic social services such as education and health. Field survey findings indicate that high cost of transport and poor road network are major hindrances to agricultural production, food security and export diversification. As a result, transport costs are high, contributing to reduced returns to the farmer with negative impact on production and food security.

Finally, a major constraint in food marketing is, among others, lack of market information. The most visible channel for communication of market information among farmers and traders is basically through personal contact. In remote areas, farmers are not informed about prices, quality and quantities required. It would appear that one of the reasons why there are wide differentials between one district and another is lack of information. Marketing margins for selected crops show that there is a high share of wholesalers and retailers. In Uganda, there is evidence of very low farm-gate prices for some crops relative to final consumer prices. In fact, there is a need to use public policy to facilitate proper functioning of markets in agricultural products.

Support at Farm Levels: In Uganda, while there is still potential for expanding the area cultivated, future growth of food production to ensure food security and promote food exports, is expected to depend increasingly on the ability to raise productivity of food crops through effective agricultural policy support at micro level.

The need for strengthening agricultural support services has been clearly recognized during the process of restructuring the agricultural sector. Massive retrenchment of extension staff has heavily contributed to the poor state of extension service situation in the country. An extension of the Agricultural Extension Project under tight budgetary funding implies that better program formulation and implementation should be promoted to maximize impact of extension services to effectively assist rural farmers improve their productivity and, therefore increase their income. The Agricultural Extension Services had covered 29 districts of Uganda by the end of 1995. Most of the districts covered are either food surplus or transitory food deficit. It is, therefore, suggested that priority should be given to the eight above-mentioned districts with special focus on the five chronic food deficit districts. Agricultural extension services should also focus on the legitimate concerns of women in development such as special training programs for rural women, improving appropriateness of the technology for women, facilitating communication between extension agents and female farmers, and most importantly, promoting women in development to take care of women farmers concerns. Furthermore, agricultural extension services should give high priority to production of key staples food such as maize and beans which best contribute to raise incomes of the farmer. Finally, coordination with agencies involved in extension service delivery could be appropriately initiated to strengthen linkage with Makerere University, NARO and other research organizations. Collaboration should also be promoted between the Agricultural Extension Project (AEP) and other programs such as the Agricultural Non-traditional Export Promotion Project (ANEPP) and the Investment in Developing Export Agriculture (IDEA), and with farmers associations such as the Uganda National Farmers Association (UNFA).

Agricultural inputs also play an important part in increasing yield of agriculture and raising income of the farmers. Import of agricultural inputs, particularly chemicals has for long been dominated by the Government. Regulation of agricultural inputs needs to be streamlined. Since most of the agricultural inputs are imported, real opportunities exist in expanding local production to supply the domestic inputs market as well as increasing production to serve the neighboring and regional markets. In 1994, the Uganda Seeds Project (USP) produced more than 1,000 mt metric tons of maize as against a total estimated seed requirement 15,440 mt which constitutes less than 10 percent of the national requirement. Ugandan farmers have traditionally relied on their own local seed supply. Currently, the MAAIF is importing large quantities of agricultural inputs (pesticides, herbicides, fertilizers, etc...) using the Japanese grant. In support of the Government liberalization of trade, and in order to strengthen private sector participation, Government should progressively withdraw from direct purchase and distribution of agricultural inputs.

Furthermore, the rural credit situation in Uganda leaves much to be desired. Small-scale farmers generally have considerable difficulties to gain access to credit for productive purpose. The constraint to acquire rural credit is even more serious for women due to additional reasons such as lack of collateral (usually land title), need for male co-signer, low level of literacy, etc... This has important implications for the supply response in agriculture, particularly in the area of food crops. It is also believed that the cost of credit is high in Uganda for agricultural production and exports. This is due to the fact that Ugandan exporters have to compete internationally with other exporters from countries where interest rates are about or below 10 percent. Besides, although the liberalization of interest rate policy for deposits has made it possible for the banks to compete for deposits, such a policy has discriminated lending to the real sector and more so to agriculture but not to commerce. This is undermines the long-term economic development of Uganda.

VIII **Raising Food Exports to a National Strategic Objective**

Government development strategy recognizes the central role of agriculture in promoting economic growth, and examines the possibility of exploiting this potential further. It targets food production development and exports, especially maize and beans.

Responsibility of Government in Export Promotion: It has been widely recognized that the role of Government in successful export-oriented countries of East Asia is vital in guiding investment in the direction of exports, and gaining foreign markets for their export products.

A common feature of the East Asia export development strategy is the total commitment of these Governments, through their Ministries of Trade and Export Promotion Agencies, to the promotion and development of exports. In Uganda, in order to effectively promote the diversification and growth of exports, it is also most desirable to strengthen institutions established to promote and facilitate foreign trade, particularly, the restructuring of the Uganda Export Promotion Council (UEPC). In the meantime, to promote food exports, with particular emphasis on maize and beans exports which have contributed for about half of NTAEs, UEPC can usefully rely on such programs as the ANEPP and IDEA programs under USAID funding. The Export Policy Analysis Unit (EPAU) can appropriately provide policy support at macro, sectoral and micro levels. The Agri-Business Development Center (ADC) can offer adequate services in production development and marketing.

An enabling economic environment conducive to an export-oriented growth is essential. However, successful trade negotiation should be considered, nonetheless, as a decisive factor. It is recognized, indeed, that macro-economic policy in support of exports development policy is fundamental. Most importantly a "realistic" foreign exchange rate is a most useful and effective policy tool to promote exports. An over-valued currency will discourage exports while encouraging imports. To boost exports, many countries even deliberately under-value the exchange rates of their currency. Other instruments used to promote exports include, among others, preferential short-term and long-term financing to export-oriented enterprises with export performance as the criterion of credit worthiness, tax incentives and export promotion facilities, subsidized infrastructure and utilities, foreign investment incentives specifically targeted to production for export. Above all, however, trade negotiation to capitalize on the comparative advantage of the country for food exports should be the most decisive factor.

Government Food Export Promotion Strategy: Food exports not only provide incentives to promote food production at home to supply the domestic market, but also represent an important sizeable potential market abroad for Uganda, in the context of food deficit in Sub-Saharan Africa and taking advantage of the regional economic integration.

Considering the short-term impact, agricultural export earnings have been dominated by coffee exports since the 70's when other non-coffee traditional exports like tea, cotton, tobacco started to decline. Export diversification, particularly food crops exports, therefore, must be promoted. In 1994, coffee exports earnings rose to about US $ 343 million and shared 74 percent of total exports. Government policy on export diversification is beginning to achieve significant progress. This may be testified by the increase in foreign exchange earnings from NTAEs. In 1994, non-traditional agricultural exports earnings amounted to US $ 87.6 million which represented an increase of 35 percent. Food exports are among the leading non-traditional agricultural exports. Among them maize and beans exports account for about half of NTAEs.

Looking at the long-term prospects, the potential of maize and beans production development and exports is huge. In reality, an in-depth analysis of overall food balance situation shows that Uganda has large deficit for livestock products, mostly milk, beef, poultry and eggs. Increased livestock production is most desirable and feasible, and should basically contribute to meet the requirements of domestic consumption and thereafter for exports. Fisheries may also present good prospects for export; however, the potential of fish exports is still limited and modest at present. It is in the areas of food crops production that Uganda has large surpluses which can reach 1,000,000 metric tons. Particularly, maize and beans have great prospects for production development not only to satisfy domestic consumption but also to supply for export markets in the region.

Within agriculture, food crops contribute for more than 70 percent as compared to livestock with 17 percent, fisheries with 5 percent and forestry with 4 percent. Among the different components of the agricultural sector food crops also record the highest growth rates and provide the major source of nutrition to the population. The contribution of food crops to food security is also essential. Particularly, both maize and beans can be part of the national strategy for poverty reduction as they are nutritious staples food. Maize can be grown throughout the country and is fast becoming the staple food for the country. Besides, persistent drought in some parts of the country and the increasing number of refugees increase the demand for food relief. Beans also are grown in almost all districts in the country. Besides, production development in maize and beans will not only contribute to ensure food security at household and national level in general, but also generate higher income for households with the use of improved seeds if compared to other food crops production. An assessment of the rate of return of improved seeds for

Maize and Beans shows the comparative advantage of these two food crops. The contribution of improved maize and beans seeds on increased income generation reveals to be very attractive (e.g. improved maize seeds gives a return of 1 to 17). And furthermore, production development in maize and beans can be increased not only to ensure food security at household and national level but also to promote food exports in the region. Either conservative projection or attainable projection already show a high positive food balance and substantial amount of excess of food for export. Uganda should be able to have a surplus in maize and beans between 500,000 mt and about 1,000,000 mt for export from now to the year 2000. Prospects for export markets for maize and beans are also real. Both maize and beans are indeed widely consumed in food deficit countries in the East African Community (EAC), the Inter-governmental Authority on Drought and Development (IGADD), and the Common Market for Eastern and Southern Africa (COMESA).

Trade Penetration for Ugandan Exports with Focus on Maize and Beans: Uganda's food exports, mainly maize and beans can be significantly increased. More and more, food exports have the potential to increase dramatically over the next decade if well supported by an appropriate national food strategy. A common feature of successful export-oriented economies is not only the total commitment of Government but also the implementation of an effective export promotion policy. In fact, Government assistance is decisive in penetrating new export markets.

Procurement Contract with International Aid Agencies can provide a significant market for Uganda. The Government has requested for International Aid Organizations assistance for emergency food distribution many times. It is essential that an agreement and understanding be set between the Government and Aid organization to generalize the practice of locally purchasing projects and emergency operations of food commodities whenever possible. WFP has made a significant attempt to purchase from the local market food items destined for its development activities and its refugee and emergency operations within Uganda and in the neighboring countries. It is, therefore, essential for the Government of Uganda and International Aid Organizations to spell out an effective strategy for local procurement for food aid and projects.

Bilateral Trade exchange with Kenya potentially has to be appropriately negotiated between the two countries. If considering trade exchange between the two countries, the complementarily is very accentuated. Kenya, more industrialized than Uganda has to export its manufacturers to its neighboring country. Uganda is at present a relatively huge export market for Kenyan manufactured products. Until now, trade exchange has always played to the advantage of Kenya and at the expense of Uganda. While the Ugandan market is considered as a safe haven for Kenyan exports, Ugandan exports could not benefit the same in return. Kenyan exports to Uganda kept increasing at an accelerated rate during the last five years from US $ 71.13 million in 1990 to US $ 233.80 million in 1994 (i.e., an increase of about 300 percent), as compared to Ugandan exports to Kenya of US $ 8.77 million in 1990 and US $ 13.52 million in 1994 (i.e. an increase of about 55 percent). In reality, Uganda has not been successful to take advantage of Kenya's markets for maize and beans. Maize and beans exports to Kenya are still negligible if compared to the potential of Kenya's export market. Even very cautious projections would show that Kenya has an annual deficit in maize and beans of between 500,000 to 1,000,000 mt. Because of land pressure and the increasing population, it is expected that the deficit will even increase. Kenya has not always been favorable to Ugandan exports in general, and particularly for maize and beans. A fair and effective trade agreement between Uganda and Kenya would certainly bring mutual benefit to both countries. However, trade exchange should be two-way benefits based not only on the principle of complementarity but also reciprocity. The example of tough and firm trade negotiations undertaken by the USA with Japan may provide good insights for future trade negotiations.

There is now opportunity for cooperation in the EAC. It is suggested that the issue of food security be examined by Uganda, Tanzania and Kenya together. Uganda, may have a comparative advantage in food surplus, particularly maize and beans to be exchanged with Kenya and Tanzania which are heavily food deficit countries. On average Tanzania and Kenya could provide the export markets of more than 1,000,000 mt for Ugandan surplus in maize and beans which is projected between 500,000 to 1,000,000 mt. A successful cooperation between the three countries would solve the food problem without any need to recourse to any outside source of supply or food aid.

A successful trade cooperation between Uganda, Kenya and Tanzania within the EAC will provide a comparative strength for these three countries in their regional cooperation with other countries in the COMESA. With the reduction and elimination of tariff and non-tariff barriers, Ugandan maize and beans exports can even be in a better position to penetrate the markets of the food deficit member states, being more competitive and protected from source of supply outside the COMESA. Within the COMESA, Uganda should pay most attention to the food deficit members in the Inter Governmental Authority on Drought and Development (IGADD) which have an average deficit of about 3,000,000 mt for year and in the food deficit countries in COMESA of about 6,000,000 mt per year while food aid accounts for more than half.

In sum, with a successful trade negotiation with Kenya, a good trade cooperation within the EAC and an effective trade penetration into the member countries of IGADD and more generally of COMESA, Uganda can be assured of more than enough export markets to export its surplus maize and beans from 500,000 mt to 1,000,000 mt as projected. It should be stressed that regional cooperation, in the final analysis, will find more strength based on economic mutual interest rather than on political common ideology.

NATIONAL FOOD STRATEGY
A RESPONSE TO THE CHALLENGE OF POVERTY AND GROWTH

The overall results of a successful integrated national food strategy would not only contribute to eradicate poverty and promote accelerated growth, but also effectively move the country toward self-reliance.

Food Strategy and Poverty Eradication: From the proposed food security and exports strategy, with appropriate policy support at macro, sectoral and micro-levels, an increase in production and export of 1,000,000 mt of maize and beans should not be out of reach for Uganda from now to the year 2000. Such an export will increase income by about US $ 170 per household with one cultivable hectare of maize using improved seeds per year, and US $ 340 per household with two cultivated hectares of maize using improved seeds per year. As a result, each household will have at least doubled their income, considering a per capita GDP of US $ 170. A food export program of 1,000,000 mt could also contribute to raise the living standards of more than 500,000 households, i.e, about 3,000,000 people, considering an average of 6 persons per household. If accounting for the multiplication and acceleration effects of new income generation, such an increase in income would have an impact on at least an equal number of people, resulting in a potential improvement in the living standard of more than 6 million poor people. With an effective National Food Strategy, the overall impact of a food export program of 2,000,000 mt would contribute to raise the living standard of about 13 million people, i.e. 60 percent of Ugandans who are classified as poor based on the welfare assessment by the World Bank.

Food Strategy and Accelerating Growth: With the implementation of an effective national food strategy, not only equitable distribution of growth could be ensured, but also accelerated rate of growth could be promoted. An annual export earnings of 1,000,000 mt of maize exports will provide US $ 175.0 million. With cumulative multiplication and acceleration effects, total increase earnings from new income generation could be double this amount, i.e. US $ 350.0 million. In total there will be an additional increase of about 7 percent of GDP which was about US $ 4,850 million in 1994/95. A successful maize export program of 1,000,000 mt would help double the growth rate of 6 percent of GDP in 1994/95 as it is projected now under structural adjustment program. A more successful maize export program of 2,000,000 mt would help more than triple the projected 6 percent growth rate of GDP in 1994/95.

Food Strategy and Self-Reliance: A successful food export program of 1,000,000 mt of maize would provide about US $ 175 million in export earnings bringing food exports to the same level of the major traditional coffee exports. More importantly, it would contribute to bridge the gap in the balance of trade. An effective food export promotion strategy coupled with an appropriate import policy limiting the level of imports to the average level of the last three years of about US $ 700 to 750 million will contribute to successfully bridge the balance of trade, without having to depend on external sources for balance of payment support. Export earnings in 1994/95, which were US $ 539.8 million, if added to US $ 175 million of expected potential exports would amount to about US $ 715 million. With a food export program of 2,000,000 mt, Uganda could even achieve US$ 350 million in export earnings which should provide a comfortable surplus in the balance of trade without the need to curb even the present abundant import program in Uganda, to move the country toward a self-reliance economy.

In conclusion, in a most unforgettable and remarkable speech, Dr. Martin Luther King once said I have a dream. Today, I wish all of us also have a dream. In a Uganda in quest for development, the 1995 Constitution provides the general framework for a nationally-set development strategy. It aims at moving the country from a traditionally structured society, disrupted by the long legacy of colonial regime and extensive damage from civil war into a democratically built modern and sovereign nation. And Dr. Martin Luther King also added the time has come. Today, we also can say the time has come to make our dream become a reality. The proposed National Food Strategy is an act of faith. Faith in the leadership of this country, faith in the people of Uganda, but also faith in the international community. For the outcome of the challenge of poverty and growth is not only a function of the success of Uganda but also the result of performance of the international community which assist this country in its development task.

Annex

IMPACT OF NATIONAL FOOD STRATEGY TO PROMOTE FOOD SECURITY, FOOD PRODUCTION, AND FOOD EXPORTS

Increase in income and employment per household

Increase in Exports (in Metric tons)	High Income generated Employment (2 members per household)	Increase in income per household in US $ (1)	(2)
100,000	106,667	170	340
500,000	553,333	170	340
1,000,000	1,066,667	170	340
2,000,000	2,133,333	170	340

Note: (1) Each household cultivates 1 hectare per annum (two seasons) on average
(2) Each household cultivates 2 hectares per annum (two seasons) on average

Number of Farmers to get increased incomes
(Based on the current seed rate of 12.5 Kg per Hectare)

Increase Exports (in Metric tons)	Seeds Required (in Metric tons)	No. of households to benefit	Population to benefit	Overall Population to benefit*
100,000	1,333	53,333	320,000	640,000
500,000	6,667	266,667	1,600,000	3,200,000
1,000,000	13,333	533,333	3,200,000	6,400,000
2,000,000	26,667	1,066,667	6,400,000	12,800,000

<u>1,000,000 mt Exports</u> * In reality, the overall population to benefit should be up to 6.4 million people or about 30 percent through income multiplication and acceleration effects, based on findings from research on consumption linkage which indicate that each additional US $ 1.00 of income in the agricultural sector would generate between US $ .50 to US $ 1.00 of increased income in the non-agricultural sector.

<u>2,000,000 mt Exports</u> * The overall population to benefit should be much higher up to 12.8 million people or about 60 percent through income multiplication and acceleration effects in the agricultural sector and non-agricultural sector. If considering the measure of welfare based on the World Bank, 61 percent of Ugandans are classified as poor, almost all the poor could be better off.

Prospects for Self-Reliance

Year	Exports US $ million	Imports US $ million	Trade Balance US $ million
1992/93	169.3	530.0	-360.7
1993/94	253.9	717.7	-463.7
1994/95	539.8	981.0	-441.2
Average	321.0	742.9	-421.9

Source: Key Economic Indicators, November 1995, Quarterly Economic Report Volume 02/94, and Background to the Budget 1995/96.

<u>1,000,000 mt Exports</u>: US $ 540 million (exports in 1994/95) + US $ 175 million (increase in export earnings) = US $ 715 million.
Imports: Projected to be between US $ 700 million and US $ 750 million.
Balance of trade would be achieved.

<u>2,000,000 mt Exports</u>: US $ 540 million (exports in 1994/95 +US $ 350 (increase in export earnings) = US $ 890 million.
Imports: Projected to be between US $ 700 million and US $ 750 million.
Balance of trade would be in surplus.

Increases in Export Earnings and Accelerated Growth

Increase in Exports (in Metric tons)	Seeds Required (Metric tons)	Cost of seeds per season (US $)	Annual increase Export Earnings (US $)	Overall increase in earning (US $)
100,000	1,333	316,667	17,500,000	35,000,000
500,000	6,667	1,583,333	87,500,000	175,000,000
1,000,000	13,333	3,166,667	175,500,000	350,000,000
2,000,000	26,667	6,333,333	350,000,000	700,000,000

<u>1,000,000 mt Exports</u>: An increase of US $ 350.0 million would increase an additional 7 percent of growth rate of GDP which was US $ 4850 million in 1994/95.
The overall growth rate of GDP could be brought to more than 12 percent, i.e. double the present projected growth rate of 6 percent.

<u>2,000,000 mt Exports</u>: An increase of US $ 700.0 million would increase an additional 14 percent of growth rate of GDP and the overall growth rate of GDP

IV. LIST OF PARTICIPANTS ON NATIONAL FOOD STRATEGY

- List of Participants at Regional Workshop (Central, Eastern, Western and Northern Regions)

- List of Participants at Technical Committees of The National Forum on Food Strategy (Committee on Enabling Economic Environment, Committee on Agricultural-Led Growth, Committee on Trade Penetration for Ugandan Exports, Committee on Food Security)

- Overall List of Participants at The National Forum on Food Strategy

IV.1 List of Participants at Regional Workshop (Central, Eastern, Western and Northern Regions)

EXPORT POLICY ANALYSIS UNIT

CENTRAL REGION WORKSHOP ON FOOD STRATEGY HELD ON
JUNE 18, 1996 AT LASTON HOTEL - MASAKA

ATTENDANCE

S/NO	Name	Title	District	Signature
1.	Mayanja Nathan	Sec. UNFA	Kiboga	[illegible]
2	Waije Fred	Agric Trainer	Rakai	[illegible]
3	Buteeraba Lawrence	Farmer	Mpigi	[illegible]
4	Mubiru Stephen	DAO	KIBOGA	[illegible]
5	Eriya J. Wamala	Farmer	Masaka	[illegible]
6	Francis Tuggya	Farmer	Masaka	[illegible]
7	GodFREY SEMBAJWE	U.N.F.A	MASAKA	[illegible]

EXPORT POLICY ANALYSIS UNIT

CENTRAL REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 18, 1996 AT LASTON HOTEL - MASAKA

ATTENDANCE

No.	Name	Title	District	Signature
8	Okello P.J. Degaouchii	District Fisheries Officer	MASAKA	[illegible]
9	Nalongo Mukiinda	Mulimi	MALONGO	Mukiinda
10	Mrs. Zamuda Lukyamuzi	Busibo United farm	Kyazanga	Zamuda
11	Bwanika Joseph	D/Environment Officer	MASAKA	[illegible]
12	F. Mwanjizi	farmer	Msk	Fmwanjizi
13	MRS. MUTUMBA. P.E.N.	District Agric. officer	MASAKA.	[illegible]
14	Mr. LUUTU SAM MASAKA	DISTRICT FISHERIES	KIROGA.	[illegible]
15	SSEMBUUSI RICHARD	MD Bulenge farmers	MASAKA	[illegible]
16	Ssentongo Eugenio	UNFA Member	MASAKA	[illegible]
17	Mrs Josephine Kizza	Farmer/UNFA Member	Masaka	Kizza
18	MWOGEZA. GEOFFREY	D/DAO.	MPIGI.	[illegible]
19	KANOONYA PAUL	DEC MASAKA	MASAKA	[illegible]
20	Saul Fx	FARMER	Masaka	Fx Saul
21	Nserere Fredrick	Project Coordinator	Kiboga	[illegible]
22	Christine Mukiibi	Councillor	Masaka	Mukiibi
23	Bacia Kezah.	Deputy DAO. Agric officer	Masaka	[illegible]
24	DR. PATRICK. OING	VET. OFFICER.	MPIGI	[illegible]

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

CENTRAL REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 18, 1996 AT LASTON HOTEL - MASAKA

ATTENDANCE

No.	Name	Title	District	Signature
25	Nkunyingi Richard	mobile	Masaka	[illegible]
26	E. Liagu Alemu. M.	DFO/MOU	Masaka	[illegible]
27	Monica Kalema	D/CAO/MPIGI	MPIGI	[illegible]
28	F. Matovu-Amooti	Farmer	Masaka	[illegible]
29	MARGARET NAKALEMBE	[illegible]	KIBOGA	[illegible]
30	Abiazi Kweyangyeza	Prisons farm/m.	Masaka	[illegible]
31	Luwukya J. MB(MS)	FARMER councellor/ chairperson	-do-	[illegible]
32	Hajji A. Kitawe	P & Marketing [illegible]	Masaka	[illegible]
33	Bitakaramire Henry [illegible]	Councillor LC5	Masaka	[illegible]
34	P. M. [illegible]	Farmer	Masaka	[illegible]
35	Dr ATIKOLO	DVO/DEC [illegible]	Kiboga	[illegible]
36	MUNYAWERA JOHN	FARMER	KIBOGA	[illegible]
37	MUGERA JOHN	FIELD EXTWORKER.	MASAKA	[illegible]
38	Philip Mulinya	SMS/PP	MASAKA	[illegible]
39	Dr Michael Kizza	FARMER	LUWERO	[illegible]
40	SSENTONGA WILSON	DAO	LUWERO	[illegible]
41	GERARD MULWANA	Farmer	MBIRIZI	[illegible]

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

CENTRAL REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 18, 1996 AT LASTON HOTEL - MASAKA

ATTENDANCE

No.	Name	Title	District	Signature
42	Kisiva Jimmy ABC.	DAO.	Rakai	[illegible]
43	Hajji S. Mawaggali	Muchi mui	Mawaggali	[illegible]
44	Grace Lwanga	UNFA Dist. Extension Officer	MASAKA	[illegible]
45	Kamya-Matovu	ACAO	LUWERO	[illegible]
46	Dr. Sekandi M.	for DVO	Luwero	[illegible]
47	Miss Nannyonga Alice	Trader	Luweero	Nannyonga Alice
48	Joseph Kanjinha Kirabo J.	UNFA Pub. Secretary	Luwero	[illegible]
49	DAVID MUSIIGE	T.D.O	LUWERO	[illegible]
50	Enoch Katende	D.I.O	Masaka	[illegible]
51	Getrude Ssempala		Masaka	Ssempala
52	John Kizito	General Services Manager	Masaka	[illegible]
53	SEKANDI BASIL	IDO	RAKAI	[illegible]
54	MWEBGWA AGABUS	DIST. EXTENSION COORDINATOR	RAKAI	[illegible]
55	Elizabeth Tomusange	Tech. Training Coord. w/V	Mpigi	[illegible]
56	Rogers Rwaburiro	Agric. Head.	USAID	[illegible]
57	Nakabuye Paddy	Dir Interlink Mukono	Mukono	[illegible]
58	L.S. Lukambe	Mirambi	Masaka	[illegible]

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

CENTRAL REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 18, 1996 AT LASTON HOTEL - MASAKA

ATTENDANCE

No.	Name	Title	District	Signature
59	R.M. Beyanga	District Commercial Officer	MPIGI	[signature]
60	KIZITO FLORENCE MRS	FARMER	MASAKA	FKizito
61	DR. KAWOYA. K. Emmy	VET. DEPT.	MASAKA	[signature]
62	Jim O'Hearn	Health Administrator	Asembabule	Jim O'Hearn
63	Haji M.B. KAYONGO	Farmer/Trader	Rakai	Kayongo
64	Kebba Allen Kirya.	DAO	MUKONO	[signature]
65	SENKO SOLOMON	D/Economist	Mukono	[signature]
66	Dr. KYAMANYWA	DDE DVO	Mukono	[signature]
67	Molly Nnyombi (Mrs)	Farmer	MUKONO	[signature]
68	MUTYABA LIVINGSTONE	MANAGER	MUKONO	[signature]
69	TUMWESIGYE.R	MANAGER	MUKONO	[signature]
70	Savis Lubega	AHO	MASAKA	[signature]
71	Sekamwa Billy	FARMER	RAKAI	[signature]
72	Mwesigye Bangchulgi	field Extension worker	Masaka	[signature]
73	Dan. K. Musoke	C/Dentist	Kiboga	[signature]
74	V. Magunda R Magudaf	Mulimi	Masaka	Magunda
75	G. Magunda	mulimi	Masaka	G. Magunda

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

CENTRAL REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 18, 1996 AT LASTON HOTEL - MASAKA

ATTENDANCE

No.	Name	Title	District	Signature
76	DR. KIWANUKA- KIMBUGWE	DVO	RAKAI	[illegible]
77	Bbaale J.C.	CAO	Masaka	[illegible]
78	SSENSONGO M. R	ACAO	- do -	[illegible]
79	Dr. Tuan A. Nguyen (Presenter)	Senior Policy Advisor USAID/EPAU		[illegible]
80	A. Tello Mwanga	Acting Head EPAU		[illegible]
81	Charles Owach	Agric. Economist (EPAU)		Owach
82	Paul Wagubi	Trade Economist EPAU		[illegible]
83	James Okeny	Macro-Economist EPAU		[illegible]
84	Francis Can	Administrative Officer - EPAU		[illegible]
85	Dr. John J. Otim	Special Presidential Advisor-	KAMPALA	[illegible]
86	Ochen Boniface	EPAU		[illegible]

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

EASTER REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT HOTEL TRIANGLE - JINJA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
1	J. Namenkere	DAO/DEC	Mbale	[illegible]
2	J.K. OPEJO-OWYONG	Ag DAO	Kumi	J.Opejo
3	S. Isabirye	Bulunzi	JINJ	S.Isabirye
4	Kakaire E.B.	Forester	Jinja	[illegible]
5	ONGOM. B. SILVER	Ag. DAO	SOROTI	[illegible]
6	KATATSIKO J. OUGA	SEC KOKA RDC'S OFF.	SOROTI	[illegible]
7	ZITTA MUGISHA	MOBILISER	JINJA	[illegible]
8	KISAMBIRA FLORENCE	FARMER	"	[illegible]
9	(SANGAIRE - J.)	Dy. Deputy D.V.O	JINJA	[illegible]
10	Patrick Bamuze	Farmer	Jinja	[illegible]
11	Mukama Mathias	Farmer	JINJA	Mukama Mathias
12	Maganda Joseph	Farmer	Jinja	J. Maganda
13	J.S. KAKAIRE	TRADE DEV. OFFICE	IGANGA	[illegible]
14	OKOTH EZRA	Extension Specialist DFPEP-IGANGA	IGANGA	[illegible]
15	S. Baligeya	Snr crop prog.	Iganga	[illegible]
16	Kyafu A K	R.D.C. L	Iganga	[illegible]
17	Kayuza J.A.	District Planning officer	Iganga	[illegible]

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

EASTER REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT HOTEL TRIANGLE - JINJA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
18.	IMALINGAT JM	COMM. WORKER	PALLISA	
19	Hajji ABU Hur	"	JINJA	
20.	Wakusansa C.C.	Asst. CAO	PALLISA	
21.	Gwanyi Betty mrs	Farmer	Pallisa	
22.	IREDUNA CHRISTINE	DAO	PALLISA	
23.	JACKSON SEWANKAMBO	PHOTOGRAPHER	K'LA	
24.	DR. MAGIRIGI.	D.V.O.	IGANGA	
25.	S.W.B YAKIKA	farmer	JINJA	
26.	Posianso Waiswa	Farmer	Jinja	
27.	NYENDE JUMA	ACAO	IGANGA	
28.	Ulysses Acasio	ANEPP/PHH Team Leader	Kampala	
29.	P.L. OPIGE	P.C.O	JINJA	
30.	Haji Ahmed Nalebe	Chairman UNFA Tororo	TORORO	
31.	CAPT. NKEREJE	Chairman Production	TNLYD	
32	FRED. KUSIGE	Dept DAO Jinja	JINJA	
33.	Keren Klokubira	Project Co-ordinator YWCA.	JINJA	
34.	David Kuwya	Farmer	IGANGA	

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

EASTER REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT HOTEL TRIANGLE - JINJA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
35.	APUET J.K. OPIO	AFO	PALLISA	[illegible]
36.	MUKAMA FRANCO	FARMER	JINJA	[illegible]
37.	HUSSEIN GRANIA	PHOTOGRAPHER	Kampala	[illegible]
38.	E. Joy Batamuliza	Farmer	Jinja	E.J.B.
39.	BAITEEZE IBRAHIM	FARMER	JINJA	[illegible]
40.	Samuel Mwigh	FARMER	Pallisa	[illegible]
41.	LYAGOBA J.S.	DAO	KAPCHORWA	[illegible]
42.	WILSON CHEMUSTO	FARMER	KAPCHORWA	[illegible]
43.	ABLU CHECANGAT	FARMER	KAP.	[illegible]
44.	e Henry Isabirye	Farmer	Iganga	[illegible]
45.	A. Iga Mugeni	Farmer	Jinja	[illegible]
46.	Dr. D. KALUNGU	MSRDP Co-ord	Bugiri/Iganga District	[illegible]
47.	Sam Kabanda	C/man UNFA	Kamuli	[illegible]
48.	Musenero Richard	DFO	Kamuli	[illegible]
49.	TIGATONA PAUL	D.A.O.	Kamuli	[illegible]
50.	GALISANSANA VINCENT	FARMER	KAMULI	Galisae
51.	EUNICE DAKA	C/PERSON-RANO(NGO)	TORORO	[illegible]

BEST AVAILABLE COPY

EXPORT POLICY ANALYSIS UNIT

EASTER REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT HOTEL TRIANGLE - JINJA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
52.	Yasin Hampeke	Farmer	Jinja	YHampeke
53.	NATHAN KOTEKI	AG O-OFFEP	TORORO	[illegible]
54.	N. E. MASABA	UNFA	MBALE	[illegible]
55.	Joseph Balisanyuka	ACAO	MBALE	[illegible]
56.	Dr. [illegible]	DVO.	MBALE	[illegible]
57.	CHARLES TWOKIRIZE	ACCO	MBALE	[illegible]
58	DR-S. OKULLO	AG DVO	KAPCHORWA	[illegible]
59.	OKOLIMONG B	D. COMM. OFF	KAMULI	[illegible]
60.	OKOROPOT .AR	D CAO	SOROTI	[illegible]
61.	OLUGA G. W	PROJECT Co-ordinator MATILONG.	SOROTI	[illegible]
62.	DR. KALUNSHA. G.	A/ D.V.O	PALLISA	[illegible]
63.	WABWIRE M.M.	ECONOMIST	SOROTI	[illegible]
64.	JALIA KITTO	FARMER	JINJA	Kitto
65.	KIBWIKA DAN	DEC/DFO JINJA	JINJA	[illegible]
66.	Sulliman Bagalewo	DAO/Jinja	Jinja	[illegible]
67.	Margaret Bamwise	Farmer	Jinja	[illegible]
68.	OKODI OUMO	Farmer	Pallisa	[illegible]

EXPORT POLICY ANALYSIS UNIT

EASTER REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT
HOTEL TRIANGLE - JINJA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
69.	Rebecca Batwala.	D.P.O	KAMULI	KBatwala.
70.	YSNAIGOBYA KISIRA	FARMER	KAMULI	[illegible]
71.	E. Ndimukika	Farmer	Jinja	[illegible]
72.	E. Idhwege-Musika	"	Jinja	[illegible]
73.	YASINI KAUTA KIRUNDA	ES/MTEA	IGANGA	[illegible]
74.	MRS. DHIZAALA	FARMER	KAMULI	Dhizaala
75.	KIDA WAAKO (Dr)	Dist Vet. Officer	Kamuli	[illegible]
76.	KABUMBA	DCAO	KAMULI	[illegible]
77.	BINDYA J.C	DIST/STATISTICIAN	KAMULI	[illegible]
78.	TATWAALE MOSES	TRADER	KAMULI	Tatwale
79.	NGOBI MOSES	Dist co-op. officer	IGANGA	[illegible]
80.	Monica Kilumanga	Farmer	Jinja	MKilumanga
81.	Nabulere Joshua	Ag DAO	Tororo	[illegible]
82.	Isanda Sam	Farmer	Jinja	[illegible]
83.	Sam Wandera	Farmer	Mbale	[illegible]
84.	Walyambogo F.M.	D.F.O	Mbale	[illegible]
85.	J.B.M. Byokika	CM LCV	Iganga	[illegible]

EXPORT POLICY ANALYSIS UNIT

EASTER REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT HOTEL TRIANGLE - JINJA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
86.	OMIDINE. R.	F.DEC.	IGANGA.	[illegible]
87.	KISAKYE D.	FARMER	IGANGA	[illegible]
88.	Dr Mukonge Teguli	D.V.O	TORORO	[illegible]
89.	PAUL R. LUBALE.	FARMER	IGANGA	[illegible]
90.	MR Kirezyeei	Farmer	Jinja	[illegible]
91.	PETER WATHUM.	M&E Specialist	KLA	[illegible]
92.	Mrs Norah Muwembe	FARMER	JINJI	[illegible]
93.	MR. MUKOLI J.I	D.C.D Iuwani	Iuwmi	[illegible]
94.	Mr. GILBERT Musia	UNFA [illegible] Kapchorwa	Kapchorwa	[illegible]
95.	Dr. Tran Nguyen	IISAD/EPAU	Kampala	[illegible]
96.	Charles Owach	Agricultural Economist	Kampala EPAU	Owach
97.	Edward Masiga	Ag. RDC	Jinja	[illegible]
98.	Wagula Paul	C/ECONOMIST	KAMPALA	[illegible]
99.	[illegible] NAMYALO	Research Assistant ~~[illegible]~~	KAMPALA	[illegible]
100.	Khasifa Kaddu	Secretary	KAMPALA	[illegible]
101.	Mr Sangoza John	Farmer ~~P. Assistant~~	Jinja	[illegible]
102.	JAMES OKENY	MACRO-ECONOMIST EPAU	KAMPALA	[illegible]

EXPORT POLICY ANALYSIS UNIT

EASTERN REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 21, 1996 AT
HOTEL TRIANGLE - JINJA

<u>ATTENDANCE REGISTER</u>

No.	Name	Title	District	Signature
103.	Dr. John J. Otim	Special Presidential Advisor on Agriculture and Veterinary	KAMPALA	[illegible]
104.	Ochen Boinjee	EPAU		[illegible]
105.	A. Yeko Mwanga	Acting Head EPAU		[illegible]
106.	Francis Can	Administrative Officer - EPAU.		[illegible]

EXPORT POLICY ANALYSIS UNIT

WESTERN REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 25, 1996 AT
LAKE VIEW HOTEL - MBARARA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
1	BAINENAMA FRANCIS	DISTRICT PLANNER	KISORO	[illegible]
2	[illegible]	A CAO	KISORO	[illegible]
3	NABORAHBANYANGA	FARMER	NTUNGAMO	[illegible]
4	W. KABASINGUZI	FARMER	KABARALE	WKab.
5	BAGUMA Patrick	[illegible] Coordinator	JESE KABAROLE	[illegible]
6	Kisembo Isaac	Kyenjojo LDC Agriculture [illegible]	Kasese	[illegible]
7	BEATRICE BYARUGABA	DISTRICT AGRIC OFFICER	MBARARA	[illegible]
8	Dorline Tindimwebwa	Farm	Mbarara	Tindimwebwa
9	Karooco O.K	DCO NTUNGAMO	NTUNGAMO	[illegible]
10	Irene Lwere	Farmer	Mbarara	Lwere
11	MWANAMWOLHO M. STANLEY	UNFA SECRETARY GENERAL	KASESE/ UNFA HQR.	[illegible]
12	DR. BERINDA E.R.	PRODUCTION COORDINATOR.	MBARARA	[illegible]
13	KABAZEYO JOHN	DISTRICT PLANNER	BUSHENYI	[illegible]
14	C. R. KANGYE	DCO	KISORO	[illegible]
15	G. K. MUGYENYIMA	FARMER	NTUNGAMO	[illegible]
16	Viccy Kyaka	Councillor	Mbarara	Kyaka.
17	Rev. Can. S. MFITUMUKIZA	Diocesan Director of Planning & Dev.	KISORO.	[illegible]

EXPORT POLICY ANALYSIS UNIT

WESTERN REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 25, 1996 AT
LAKE VIEW HOTEL - MBARARA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
18	MUGIZI ROBERT	DCO	KABAROLE	
19	KAGOROGOZA BENSON	DIST-ECONOMIST	RUKUNGIRI	
20.	BOONAH, CHRIS.	DISTRICT PLANNER/ ECONOMIST	MBARARA	
21.	Rev. Muhoro Jehoiada	DISTRICT CO-ORD. UNFA KASESE	KASESE	
22	F.R. ATUKUNDA	DCO	MBARARA	
23	HIMBISA J.	D.A.O	NTUNGAMO	
24	FRED MUKHOLI	PROJECT MANAGER	CARE-BUSHENYI	
25	DANIEL AYISENI	PROJECT OFFICER	CARE BUSHENYI	
26	BEGUMISA EZRA	FARMER	MBARARA	
27	BITARABEHO JONATHAN	FARMER	KABALE	
28	Besingyera Pontias	Farmer.	Bushenyi	
29	Michael Baingana	Farmer.	Mbarara.	
30	J. Tumushabe	District Prodn Coordinator	Bushenyi	
31	Peter Wathum	M&E Specialist	Kla	
32	MUHEIRWE LABAN	DCO	RUKUNGIRI	
33	DR KWESIGA C.	D.V.O.	RUKUNGIRI	
34	MRS. R. SSANYU	FARMER	KISORO	

EXPORT POLICY ANALYSIS UNIT

WESTERN REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 25, 1996 AT
LAKE VIEW HOTEL - MBARARA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
35	ANGELIC KUBU	FARMER	MBARARA	[illegible]
36	DR. RWABWOGO AN	DVO	BUSHENYI	[illegible]
37	ADONIA KARANZI	for D.C.O.	Bushenyi	[illegible]
38	JAMES KAMURAR	FARMER	MBARARA	[illegible]
39	L. Kasigazi	DAO	Rukungiri	[illegible]
40	KYAMATUKU	FARMER	RUKUNGIRI	[illegible]
41	RUGOMWA A.	TRADER	RUKUNGIRI	[illegible]
42	Ludo Ahmali	MD - Business	Mbarara	[illegible]
43	ELIZABETH PATERSON	C.R.S.	MBARARA	[illegible]
44	FRANCIS BURINGA	C/MAN U.N.F.A	NTUNGAMO DISTRICT	[illegible]
45	DR. BARIGYE	J.L DVO	MBARARA	[illegible]
46	SILVER KARUHANGA	FARMER	MBARARA	[illegible]
47	Mrs Kellen K. Tumusiime	Farmer	Mbarara	K. Tumusiime
48	Jackson Mutebi	Dept. Project Manager	CARE - Uganda	[illegible]
49	E.B. Tusingwire	Produce dealer	Mbarara	[illegible]
50	NDYAKIRA C.	Produce dealer	Bushenyi	[illegible]
51	NAMANYA NABOTH	District Economist	Ntungamo	[illegible]

EXPORT POLICY ANALYSIS UNIT

WESTERN REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 25, 1996 AT
LAKE VIEW HOTEL - MBARARA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
52	BESIGA STEPHEN	INDUSTRIAL ECONOMIST	MBARARA	[illegible]
53	DR BERNARD NIWAGABA	DISTRICT VET OFFICER	NTUNGAMO	[illegible]
54	DR BALAAM KASISI	DISTRICT CO-ORDINATOR UNFA LAB	MBARARA	[illegible]
55	SUNDAY MUTABAZI	DAO	KABALE	[illegible]
56	KANYABUGIDK	ACAO	KABALE	[illegible]
57	JULIET NTWIRENABO	FARMER	BUSHENYI	[illegible]
58	ELIAS BAAMUNGU	ADMINISTRATOR	KABAROLE	[illegible]
59	DR. C.K KAIRUMBA	D.V.O	KABAROLE	[illegible]
60	Eric R. Abigaba	Farmer	KABAROLE	[illegible]
61	KAGANDA JOAN	PLANNER	KABARALE	[illegible]
62	Buyonga Holgons	PLANNER	Bundibugyo	[illegible]
63	BAHIZI ZKM.	DAO	KISORO	[illegible]
64	C.G. BAZIRAKE NTAWERA	DAO	Kabarole	Antara
65	MWITABWIRE PATRICK	D/CAO	NTUNGAMO	[illegible]
66	BYAMUKAMA MARTIN	DCO	KASESE	[illegible]
67	KAKOOZA E.K.	FARMER	KASESE	[illegible]
68	DR.J.K.TUMUSHABE	D.V.O	KASESE	[illegible]

EXPORT POLICY ANALYSIS UNIT

WESTERN REGION WORKSHOP ON FOOD STRATEGY HELD ON JUNE 25, 1996 AT LAKE VIEW HOTEL - MBARARA

ATTENDANCE REGISTER

No.	Name	Title	District	Signature
69	MATTE ROGERS	DIST. ECONOMIST	KASESE	[signature]
70	MUNYAZIKWIYE N.T.	DIST. AGRIC OFF	KASESE	[signature]
71	JAMES SABOLI	Farm	Kaso	[signature]
72	Mrs. R Bitarikashoborokire	Farmer	Ibanda T.C.	RKB.
73	DENIS S. NGABIRANO	Les sec for Fin. Councillor Ntungamo T/C	NTUNGA	[signature]
74	BEGUMISA JACKSON	FARMER	BUSHENYI	[signature]
75	Vincent Akikiratuma	Farmer	Rukoni	[signature]
76	John Katusoke	Farmer	Kabale	[signature]
77	Dr. Tuan A. Nguyen	Senior Policy Advisor EPAU/SARD		[signature]
78	Dr. John J. Otim	Special Presidential Advisor on Agric. & Veterinary	KAMPALA	[signature]
79	A. Yello Mwanga	Acting Head EPAU		[signature]
80	Charles Owach	Agric. Economist EPAU		Owach
81	Paul Nagulbi	Trade Economist EPAU		[signature]
82	James Okeny	Macro-economist EPAU		[signature]
83	Francis Can	Administrative Officer - EPAU		[signature]
84	Ochen Boniface	EPAU		[signature]

EXPORT POLICY ANALYSIS UNIT

ATTENDANCE REGISTER

District Masindi

85.	Mr. Matanda Peter	-	DAO (Chairman)
86.	Dr. Tumwine James	-	DVO
87.	Mr. Kasolo Chris Damale	-	DCO
88.	Mr. Opwonya E.R.	-	DFO
89.	Mr. Kazimbiraire M.G.A.	-	Farmer
90.	Mr. Kubalikenda Johnson	-	Farmer
91.	Mr. Wandera Peter	-	DMO
92.	Mr. Mwambu Nathan	-	Ass. DAO
93.	Mr. Sempa Joseph	-	UCDA -Liason Officer
94.	Mr. Justus Ariho	-	Businessman
95.	Mr. Masaba Pascal	-	Businessman

District Hoima

96.	Mr. Kasaija Simon	-	Farmer
97.	Mr. Nyendwoha K. Edward	-	Ag. DLO
98.	Mr. Kyomuhanzi Perez	-	Entomologist
99.	Mr. Mugenyi E. Muchwa	-	Agricultural Officer
100.	Mr. Nyakoojo Lawrence	-	Ag. DAO
101.	Dr. Sikoola Bwali	-	DEC

District Kibale

102.	Mrs. Nakachwa	-	DAO
103.	Mr. Tamale Mark	-	AAO
104.	Mr. Tibagalika Fred	-	Member-Productive Committee

NORTHERN DISTRICTS CONSULTED ON NATIONAL FOOD STRATEGY

APAC DISTRICT: 1.7.96

S/No	Name	Title	Address	Sign
1.	FLAVINE OKWITINGOL	CAO/US	BOX 1 APAC Tel: 1	
2.	PATRICK ODYOMU	for DAO	Box 5 Apac Tel 12	
3.	DR. ONGU ELIM	for DEC.	Box 9 APAC	
4.	OKELLO JOSEPH	for DCCO	Box 8 Apac	
5	Y.C. OGWANG	for D.FISH.OFF.	P.O. BOX 62	
6.	DR. H.R. DAVID OTTO	DEC	Box 9 APAC	
7.	Mr. Nicholas Okello	Trader	Apach	
8	Mr. Obonyo	Trader	Apac	
	LIRA DISTRICT: 2.7.96			
9.	A. OCHEN LALUR	Ag CAO.	BOX 49 LIRA Tel 235, Lira	
10.	Elem John H.	DAO Lira	Box 20 Lira Tel 10-Lira	
11.	Ocen Livingstone	District Commercial officer		
12.	Mr. Eweta Jacob	DEC. Lira-		
13.	Ayer Milton	District Finance Officer - LIRA		
14.	Bonny Ogong	Trader	Lira	
15.	Ms. Rita Atoo	Farmer	Lira	
16.	Mr. Alfred Okitte	Farmer	Lira	
17.	Mr. Charles Akeny	Farmer	Lira	

Arua District; June 28, 1996

	Name	Title	Sign:
18	ALPHONSE D. AMAFEKU	DEC/DAO	[signature]
19	CAROLINE ARUBAKU	D/DAO	[signature]
20.	Dr. Batre D. A	D/D.V.O	[signature]
21.	Richard Okethwengo	DEC/OA	[signature]
22.	D. A. Odubker	D.CO	[signature]
23.	Dr A. J. Okwora	DMO	[signature]
24.	Tom Ofoyuru	SMS P.P./AAO	[signature]

GULU DISTRICT : 28-6-96

	Name	Title	Address. Sign
25.	Ishmael Origa	ACO(AOE)	P.O. Box 106 Gulu [signature]
26	Dr. J. F. Okalany	DVO/Gulu	T. No 0268 Box 7, Gulu Tel: 185
27.	Gwoir-Acuf	CAO	Gulu. Box 2. Tel 132
28.	John Olitti	Omor County, Division Koro, Parish Labwoc. (farmer)	
29.	LAKWELL CONLET	"	Farmer
30.	ANYWAR	Parish Pageya	Farmer
31.	Nyeko F.	Parish Pageya (Chairman youth	Farmer Farmer
32.	ORYEM CHARLES (Ag. MARKETING OFFICER GULU)	(farmer) for D Ao Gulu	Box 7, Gulu Tel 185

MOROTO DISTRICT: 28.6.96

List of Participants Present

33. ERUM BONIFACE — AGRIC COORDINATOR LWF MOROTO
34. LOCHIAM M. ROSE — UNFA MEMBER MOROTO DISTRICT
35. LORU CHRISTINE SUSAN — UNFA MEMBER MOROTO DISTRICT
36. OYO DAINGA SAM — AAO MOROTO
37. Dr. EYUDU PATRICK — VET. OFFICER MOROTO.
38. Nayina L. Abalan — Trade and Industry ~~District Commercial Officer~~ MOROTO
39. Moro Charles — District Agric. Officer - MOROTO
40. SAM. KATAHENGWA — C.A.O

KOTIDO DISTRICT: 28.6.96

List of Participants Present — P.O. KOTIDO

41. DR. PANVUGA PASCAL A. — D.V.O. Kotido
42. MR ABURA LEVI — D.A.O KOTIDO
43. MR. OWILLI DAVID — LOCALS KOTIDO
44. Mr. W.L Obonyo — District Coordinator/Trade & Marketing
45. BEN. OGERAWORTH — C.A.O

IV.2 List of Participants at Technical Committees of The National Forum on Food Strategy

I. TECHNICAL COMMITTEE ON

ENABLING ECONOMIC ENVIRONMENT
With Focus on Macro-Economic Policy in Support of Agriculture

Prof. Erisa Ochieng	Chairman, Uganda Economics Association - **Chair**
Mr. James Musinguzi	Chairman, Human Resource & Capacity Building (Private Sector Forum) - **Rapporteur**
Mr. Yeko A. Mwanga	Head, EPAU/MPED - **Secretary**

Members of Parliament

Hon. Babihuga Winnie	Member Parliament, Rukungiri
Hon. Alinyikira Owagage	Member Parliament, Jinja District
Hon. R. Nankabirwa Sentamu	Member Parliament, Women's Rep., Kiboga
Hon. Yoramu J. Ajeani	Member Parliament, Arua
Hon. Miria Matemba	Member Parliament, Women's Rep., Mbarara

Goverment Officials

Dr. J.J. Otim	Special Presidential Advisor on Agric. & Vet. Services
Mr. Thomas Nkayarwa	Commissioner, DAI, Ministry of Local Government
Mrs. Margaret Acayo	Commissioner. Min. of Gender & Comm. Dev.
Mrs. Harriet Mugerwa	Asst. Commissioner, Min. of Finance & Eco. Plan.
Mr. Mwesigye Ephraim	Agric. Officer, Presidents Office
Ms. Mpagi Jane	Commissioner, Ministry of Gender & Comm. Development
Mrs. Margaret Oguli-Oumo	Comm. Legal, Min. of Gender & Comm. Development
Mr. Kagamba J. Singoma	FS/Officer, Ministry of Foreign Affair
Dr. C.L. Sezi	Senior Consultant, Ministry of Health
Mr. C.A. Okello	Secretary, Law Council, Ministry of Justice
Mr. Munakenya H.	Programmer Radio Uganda, Ministry of Information
Mr. Kapasi Kakama	Ministry of Trade & Industry.

Donors & NGOs

Ms. Laetitia Diaz	Acting Director, USAID
Dr. Tuan A. Nguyen	Senior Policy Advisor USAID/EPAU
Ms. Ulrike Wilson	Resident Representative, IMF
Mr. David S. Nsubuga	Economist, USAID
Ms. Rwampororo R.	Agric. Economist, USAID
Mr. Douglas S. Lubowa	Programme Officer, UNICEF
Mr. James Ameda	National Director, Christian Chidren's Fund
Mr. Owino Mark	Executive Director, African Child Foundation
Ms. Judy Adoko	Programme officer, OXFAM
Ms. Margaret Galukande	Admin. Secretary, Uganda War Widow's Foundation

Public Sector Specialized Agencies

Mrs. Jolly Sabune	M/Director, Cotton Development Organisation
Mr. Ezra Suruma	Chairman/Managing Director, UCB
Mr. Peter Ngategize	Director, Research, Uganda Coffee Devel. Authority
Mr. Mpande Mustafa	Director, Environment
Mr. Lugarama Peter	Uganda Revenue Authority
Mr. Mungyereza Ben Paul	Young Professional, Eco. Policy Research Centre
Mr. Kyoratungye Karemente	Officer, Uganda Investment Authority
Mr. Muyondwa Humphrey	UTA Secreteriat, Kampala
Mr. James Okee-Obong	Research fellow, Institute of Environmental Research
Mr. Mukiise Ben	Physical Planner, Institute of Env. Research
Mr. Kibirango Francis	Physical planner, PPTI
Mr. Silver Mukwasiibwe	Lecturer, Uganda Polytechnic Kyambogo
Mr. Katabarwa J. Samuel	Student of Environment Education

Private Sector Agencies

Mr. Mwanamwolho M.S.	Sec. General, UNFA
Mr. J.F. Kyagulanyi	Director, SGA
Ms. Edith Nsajja Mwanje	D/Executive Director, UMA
Mrs. Eva Mukasa	G/M, Uganda Women's Finance & Credit Trust
Mr. W.F. Ssali	Farmer, UNFA Kawempe
Mr. Augustine A. Opolot	Sales Representative, MEDVET Labs
Ms. Hamidy Malidadi	UNFA Luzira
Ms. Esther Kaddu	UNFA Luzira
Dr. J.B. Ssekamatte-Ssebuliba	
Mr. Tibagwa A.	
Mr. Serumaga	Jinja
Mr. Katabarwa Samuel	
Ms. Rhoda Mukasa	Farmer
Mr. Tumwesigye M.	Farmer

District Officials

Mr. Benson Bagorogoza	District Economist, Rukungiri
Dr. James M. Tumwine	District Veterinary Office, Masindi
Mr. Namanya Naboth	District Planner, Ntungamo
Mr. Matte Rogers	District Economist, Kasese Local Government
Mr. Kamya Matovu	Asst. Chief Administrative Officer, Luwero District
Mr. Gahafu Peter	Chief Administrative Officer, Kiboga
Mr. Justin Sabiti	Chairman RC 5, Mbarara
Mr. Dunstan Balaba	Asst. Chief Admintrative Office, Jinja District
Mr. Mugume B.A.	District Planning Officer, Bundibugyo

Number of members in the Committee on Enabling Economic Environment: 66

II. TECHNICAL COMMITTEE ON

AGRICULTURAL-LED GROWTH
As a Basis for Industrialization, Export Development and Poverty Eradication

Mrs. Rhoda Tumusiime	Commissioner Planning, Min. of Agric., Animal Ind. & Fisheries - **Chair**
Hon. H. Mutebi Kityo	Member Parliament/Chief Executive Secretary UNFA , Mpigi - **Rapporteur**
Mr. Charles Owach	Agricultural Economist, MPED/EPAU - **Secretary**

Members of Parliament

Hon. Loice B. Bwambale	Member Parliament, Women Representative, Kasese
Hon. William Otage	Member Parliament, Soroti
Hon. Kwizera Eddie	Member of Parliament, Kisoro District
Hon. Kabakamba Masiko	Member of Parliament,Masindi District
Hon. Ken Lukyamuzi	Member of Parliament, Kampala District
Hon. Akwero Odwong J.	Member of Parliament, Women Representative, Kitgum
Hon. N. Bitamazire	Member of Parliament, Women Representative, Mpigi
Hon. Fred Lukumu	Member of Parliment, Masindi District
Hon. Eng. Kiiza	Member of Parliament, Masindi District
Hon. Okumu-Ringa P.A.	Member of Parliament, Nebbi District
Hon. Omony- Ogaba	Member of Parliament, Kitgum District
Hon. Elijah D. Mushemeza	Member of Parliament, Bushenyi District

Government Officials

Mr. H.K. Masemba	Deputy Head, Statistics Department, MAAIF
Mr. J.B. Mubiru	Director, Agricultural Extension, MAAIF
Mrs Hadija Gava	Asst. Commissioner, Economic Planning, MFEP
Mr. Solimo Sabila	President's Office
Mrs. Sarah Kiyingi	Commissioner, Extension, Crop Prod. & Marketing, MAAIF
Mr. Omoding	Ag. Commissioner, Land Resources & Dev., Min. of Land, Housing, & Urban Development
Mr. Bwoga	Commissioner, Surveys & Mapping, Ministry of Land, Housing, & Urban Development
Mr. Bazilaki	Ag. Deputy Commissioner, Plant Protection, MAAIF
Mr. Lenin K. Yiga	Deputy Comm., Crop Production & Marketing, MAAIF
Mr. L.D. Semakula	Commissioner, Entomology, MAAIF
Mrs. R.A Okwele	Desk Officer, Food & Agricultural Organization, MAAIF
Mr. Micheal Semwanga	Water Department, Ministry of Natural Resources
Mr. J.W. Mubiru	Ag. Asst. Commissioner, Statistics Department, MFEP
Mr. D. Lubega	Ag. Coordinator, Early Warning, MAAIF
Mrs. Kasangki	Princpal Agricultural Officer, MAAIF
Mrs. Kalule Sewali	Princpal Agriculture Officer, MAAIF
Dr. Bamusonghe	Director, Animal Resources, MAAIF
Mr. Kapkwomei	Welfare Officer, Uganda Prisons
Ms. Jane Mary Makayi	Ministry of Public Service
Mr. Anthony A. Esemu	Officer of Prime Minister

Mr. E. Bazira	Dept of Meteorology, Ministry of Natural Resources
Mr. M.S.Z. Nkalubo	Dept of Meteorology, Ministry of Natural Resources

Donors & NGOs

Mr. James F. Dunn	Chief Agricultural Development Officer, USAID
Dr. Tuan A. Nguyen	Senior Policy Advisor USAID/EPAU
Mr. Nsyambi	Representative, FAO
Mr. Sam Ibanda	Representative, UNDP
Dr. James Kaliisa	County Director, VOCA
Mr. Owino Mark Owoko	Executive Director, African Child Foundation, Kampala
Rev. Fr. Beetunguura	Treasurer, SWUADA, Mbarara
Mrs. Margaret Balabye	Agricultural Trainer, World Vision
Ms. Margaret Balaka	World Vision
Mr. Miiro Mivule	VEDCO

Public Specialized Agencies

Prof. Okedi	Executive Director, National Environmental Management Authority
Dr. Aryamanya	Director, National Environment Management Authority
Prof. Mukiibi	Dir. General, Nat. Agric. Research Organization, MAAIF
Dr. Ulysses Acasio	Team Leader, Post Harvest Handling & Storage, NARO
Dr. Silim Nandi	Head, Post Harvest Program, NARO
Dr. M. Kalunda	D/Director General, Nat. Agric. Research Organ., MAAIF
Dr. C. Tizikara	Asst. Director, National Agric. Research Organ., MAAIF
Dr. Flavia Kabere	Seed Technologist, NARO
Mr. Gashumba	Director, Agricultural Secretariat
Mr. C. Tukacungurwa	Senior Agriculturalist, Agricultural Secretariat
Dr. Sabiti	Dean of Agriculture, Faculty of Agric. & Forestry, MUK
Mrs. Kaya	Lecturer, Food Science & Technology, MUK
Dr. O.P. Kathuria	Common Wealth Expert in Sampling & Statistics/Lecturer, Institute Statistics & Applied Economics
Mr. P.O. Olango	Makerere University Kampala
Ms. Connie Kyarisiima	Makerere University Kampala
Mr. Byaruhanga	Uganda Polytechnic Kyambogo Kampala
Mr. Moses Bukenya	Kawempe Secondary School

Private Sector Agencies

Dr. Nsamba	Chairman, UNFA
Mrs. Anges Kalibala	Vice Chairperson, Nat. Strategy for the Advancement of Rural Women in Uganda
Mr. Jacob Kazinga	AG. Chief Executive Sec., Uganda Grain Exporters Assoc.
Mr. G.I.L. Nsubuga	Managing Director, Cooperative Bank
Mr. Bob Lumu	Managing Director, Balikudembe Co.
Mr. Charles Kabuga	General Secretary, Uganda Cooperative Alliance
Dr. Fred Ssewava Kitaka	Vice Chairman, UNFA, Kampala Branch
Mr. G. Ndituuka	Secretary, UNFA

Dr. James Ssemwanga	Post Harvest Technologist
Dr. Stephen O. Mallinga	Butebo
Mr. Richard Kimbowa	Jeep Kabalagala
Ms. Serah K. Tukahirwa	Agricultural Economist
Mrs. Teopista Mugerwa	Member, UNFA
Mr. Vicent Mugerwa	Member, UNFA
Mr. T. Kakande	Member, UNFA
Mrs. Margaret Bamukyawa	Member, UNFA
Dr. M. Kalunda	Farmer
Mr. Z.K.M. Bahizi	Farmer
Mrs. Mugerwa Jane	Farmer
Mrs. Magulu Faith	Farmer
Mrs. Chimila Mbuga	Farmer
Mrs. Rhode Mukasa	Farmer
Mrs. Margaret Olujo	Farmer
Ms. Jane Nauuyanzi	Farmer
Ms. Jane Wangue	Farmer
Ms Jennifer Muheirwe	Farmer
Dr. D.L.T. Ddungu	Farmer
Hahji Sebunya Kimera	Farmer
Mr. Henry Lutalo	Farmer
Mr. Tom Musoke	Farmer
Mrs Catherine Ssendagire	Farmer, Bukesa
Ms. Soya Florence	Farmer, Bukesa
Ms. Milly Mukiibi	Farmer Bukesa
Dr. Fred Ssewava	Farmer, Kitaka
Mr. Dan Lutwama	Farmer, Luwero
Mr. James Kigozi	Member, UNFA, Mukono
Mr. Henry L. Selunkuma	Farmer, Mukono
Mr. Mangeni	Farmer, Mukono
Mr. Sempa	Farmer, Mukono
Mrs. Nakalema Agnes	Farmer, Mukono
Mr. Buyondo	Farmer, Mukono
Mrs. Edith Kyeswa	Farmer, Masaka

District Officials

Mr. Phares M. Katamba	Resident District Commissioner, Kamuli
Mrs. Monica Kalembe	Deputy Chief Administrative Officer, Mpigi
Dr. Batre D.A.	District Veterinary Officer, Arua
Dr. Tumushalu	District Veterinary Officer, Kasese
Dr. Tumwine	District Veterinary Officer, Masindi
Dr. B. Niwagaba	District Veterinary Officer, Ntungamo
Dr. Barigye J.L.	District Veterinary Officer, Mbarara
Dr. Chris K. Kairumba	District Veterinary Officer
Mr. Besiga Stephen	Industrial Economist, Mbarara

Mr. Kifamurusi	Asst. Agricultural Officer, Jinja
Mr. Kapkwomu	District Veterinary Officer, Kapchorwa
Mr. J.S. Lyagoba	District Agricultural Officer, Kapchorwa
Mr. Chris S. Boonah	District Planning Officer, Mbarara
Ms. Caroline Arubaku	Deputy District Agricultural Officer, Arua
Mr. Munyazikwiye	MAAIF, Kasese
Mr. Fred Kisige	Deputy District Agricultural Officer, Jinja
Mr. Alyo Andrew	District Fisheries Officer, Arua
Mr. Ssentongo Wilson	District Agricultural Officer, Luwero
Mr. Opio John Patrick	District Fisheries Officer, Apac
Mr. Lajul J.C.	Ag. District Agricultural Officer, Gulu

Number of members in the Committee on Agricultural-Led Growth: 126

III. TECHNICAL COMMITTEE ON

TRADE PENETRATION FOR UGANDAN EXPORTS
With Focus on Maize and Beans Export

Mr. Martin Olobo	Director, Marketing & Cooperatives, MTI - **Chair**
Mr. James Wamala	Principal Trade Economist, MTI - **Rapporteur**
Mr. Paul Wagubi	Trade Economist, MPED/EPAU - **Secretary**

Members of Parliament

Hon. Kayongo Deo	Member of Parliament, Kassanda South, Mubende

Government Officials

Mr. Josef Kim Ssewanyana	Ministry of Trade & Industry
Mr. Ocana Jackson	FS/Officer, Ministry of Foriegn Affairs
Mr. Kagamba J. Singoma	FS/Officer, Ministry of Foreign Affairs
Mr. J.P. Ojjully-Mura	FS/Officer, Ministry of Foreign Affairs
Mr. Joseph Ssebaggala	Ministry of Finance & Economic Planning
Dr. Kiiza-Waako	District Veterinary Officer, Kamuli

Donors

Dr. Tuan A. Nguyen	Senior Policy Advisor USAID/EPAU
Mr. Wilson Kwanya	UNDP

Public Sector Specialized Agencies

Mr. Sam Kibalama	Chairman, Uganda Export Promotion Board
Dr. E. Kasirye-Alemu	Director, Uganda National Bureau of Standards
Mr. J.K. Twinomusinguzi	Managering Director, Uganda Development Bank
Ms. Diana Atungire	Investment Officer, Uganda Investment Authority
Mr. John I. Kirungi	Produce Marketing Board
Mr. Silver O.K. Ojakol	Uganda Export Promotion Board
Mr. Muwonge George	Makerere University Kampala

Private Sector Agencies

Mr. Tim Byara	Vice Chairman, Ug. Nat. Chamber of Comm.& Ind.
Mr. Joshua Mugwisa	Maco International Ltd
Mr. Eric Lubega	Kawoko General Agencies Ltd
Mr. Adam Manguru	Inter Agency Procurement
Mr. Bernard Mugerwa	Member, UNFA
Mr. Samuel I. Atuhurra	Pan World Insurance Co.Ltd
Elsie Nabyonga	Member, UNFA
Mr. Muhamad Manafa	T.W.A.U.L., Mbale
Mr. Enoka Kiregyera	Member, UNFA

Mr. Kiwanuka Stephen	Agricultural Economist. PAN Consultant
Mr. Amos Muhindo	Uganda Coop. Fishing Union
Mr. Baseka P.K. Stephen	Gomba Produce & Commodities
Mr. Tumwesigye Moses	Farmer
Mr. Tobias O. Okello	Member, UNFA
Mr. Joshua Lubuula	Member, UNFA
Mr. Dan Wanzala	District Extension Coordinator, UNFA
Mr. Hamis Musoke	Manager
Mr. Basahirwa Richard	Farmer

District Officials

Mr. Joseph Okello	District Commercial Cooperative Officer, Apac
Mr. Asiimwe B.S.	District Cooperation Officer, Ntungamo
Mr. David Musiige	District Trade Development Officer, Luwero
Mr. P.L. Opige	Principal Commercial Officer, Jinja
Dr. Ongu Elim	Ag. District Veterinary Officer, Apac
Dr. Kiiza-Waako	District Veterinary Officer, Kamuli

Number of members in the Committee on Trade Penetration For Ugandan Export: 43

IV. TECHNICAL COMMITTEE ON

FOOD SECURITY
With Focus on Food Relief and Emergency Food Aid

Mr. Kaggwa	Commissioner, Relief, Min. of Local Government - **Chair**
Mr. Henry Bagazonzya	Technical Advisor, Prime Minister's Office - **Rapporteur**
Mr. James Okeny	Macro-economist, MPED/EPAU - **Secretary**

Members Of Parliament

Hon. Grace Akello	Member Parliament, Women Representative, Soroti
Hon. Dominica W. Abu	Member Parliament, Moyo District
Hon. Adome C .Lokwii	Member Parliament, Kotido District
Hon. Hyuha S. Dorothy	Member Parliament, Women's Representative, Soroti
Hon. P.S. Musumba	Member Parliament, Kamuli District

Government Officials

Mr. R.M. Wafula	Ag. D/Director, Refugees Dept., Min. of Local Government
Dr. Philip Moses Ociba	Commissioner, Veterinary Services, MAAIF
Mr. Jack Kyobe	Under-Secretary, Pacification, Prime Minister's Office
Mr. J. Kapasi-Kakama	Ministry Trade & Industry
Mr. G.E. Ongom	Ministry of State for Karamoja
Mr. D. Lubega	Ministry of Agriculture, Animal Industry & Fisheries

Donors & NGOs

Dr. Tuan A. Nguyen	Senior Policy Advisor USAID/EPAU
Mr. Bernie Runnebaum	PL480, USAID
Mr. Lemmy Solomon	International Care & Relief
Ms. Tumusiime M.Goreti	Internationl Care & Relief Kampala
Mrs. Frances Akello	Coordinator, Osulel Rural Action Group, Soroti
Mr. Tom Tuma	Church of Uganda

Public Sector Specialized Agencies

Mrs. Magala-Nyago C.	Head of Dept., Food Science & Technology, MUK
Mr. Buzira Henry	Faculty of Agriculture & Forestry, MUK
Mr. Kizito Robert	Dept. of Agriculture & Environment, Mengo- Buganda
Ms. Nakkungu Teopista	Food Science & Technologist
Mr. Ngorok Pasquale	Karamoja Task Force
Mr. Bonyoro Ibrahim	Delegate, Nkumba University

Private Sector Agencies

Dr. D.W. Harrison	
Dr. Francis Byekwaso	
Ms. Nsibirwa Margaret	Consultant, UMA Consultancy & Information Service
Ms. Y. Bukenya	Chairperson, UCFU

Mr. N. Kalubi Kipanda	Director, Kiige Farmers Association
Mr. Fred S. Ssenkatuuka	Field Network Assistant, Central Rural Community Development.
Ms. Ruth Mubiri	Member, Uganda Women Tree Planting Association
Mr. Kato	Kyakulumbye Development Foundation
Mr. Mulamba James	Member, Kishita Young Farmers
Mr. Mukundane Albert	Member, Uganda Youth Environmental Association
Mr. Christopher Buyondo	Chairman, UNFA
Mr. Lawerence Nyombi	Member, UNFA
Mr. Francis Lukange	Member, UNFA
Mr. G.W.Y. Kaggwa	Member, UNFA
Kauki Sekitoleko	Member, UNFA, Kampala
Mr. Kasiribiiti Livingstone	Member, UNFA, Kampala
Mr. Ateenyi Willy	Member, UNFA, Kampala
Mr. David Nsubuga	Member, UNFA, Kampala
Mr. Muhamad Kasujja	Member, UNFA, Kampala
Mr. Charles Ndinuka	Member, UNFA, Kampala
Mr. Samuel Ssekiwunga	Chairman, UNFA, Kazo-Angala
Mr. S.K. Mulindwa	Member, UNFA Kituntu
Mr. L. Bwete-Nsubuga	Chairman, UNFA, Kawempe
Mrs. Jane Masembe	Treasurer, UNFA Katooke Branch Kawempe West
Mrs. Kaggwa Justine	Member, UNFA, Kawempe
Ms. Sekimpi Macleane	Member, UNFA, Makindye Division
Ms. Lwanga Mary	Chairperson, UNFA Katooke Branch, Mpigi
Mr. Ssabalongo M.Nanseera	Member, UNFA, Lubaga North
Mr. S.L. Kawesi	Chairman, UNFA, Mubende District
Mr. Mayanja Sully	Publicity Secretary, UNFA, Mukono
Mrs. Kaweesi Kibiriitia	Secretary, UNFA, Mukono District
Mrs. Sande Katumba	Member, UNFA, Mukono District
Mr. Francis Lukanze	Member, UNFA, Mukono District
Alhaji S. Kayongo	Farmer, Mukono
Mrs. Namubiru Asha	Farmer
Mrs. Ida Nantaggya	Publicity, UNFA, Natete-Busega
Mr. A.K. Wamala	Secretary, Nateete Busega Farmers
Mrs. Baliruno C.	Member, UNFA, Nateete Branch
Mrs. Kateregga I.	Member, UNFA, Nateete Branch
Mrs. Mulranga C.	Member, UNFA, Nateete Branch
Mrs. Peninah Wamala	Member, UNFA, Nateete Branch
Mrs. Sarah Mayanja	Member, UNFA, Nateete Branch
Mrs. Proscovia Kidza	Member, UNFA, Nateete Busega
Ms. Norah Kafeero	Member, UNFA, Nsambya
Mr. Emmanuel K. Jjingo	Member, UNFA, Wakiso Branch
Mrs. Christine Kabaale	Member, UNFA, Wakiso
Ms. Josephine Kintu	Member, UNFA, Zzibulaludde
Mrs. Sserwada Doreen	Member, UNFA
Mr. Deo Byabafumu	Member, UNFA
Mr. Kakooza Paschal	Farmer
Dr. Persis Nakate	Treasurer, DWCSA, Kampala

Dr. Hassam Sserwadda	Cultural Mental Clinic, Kevina Rd
Miss. Milly Kayaga	Women Representative RCI
Ms. Nantongo Irene	Buganda Environment Board
Ms. Bwekembe Sarah	Buganda Environment Board
Ms. Namulindwa Kintu	Buganda Environment Board
Mr. Mawazo Yusuf	Uganda Fisheries & Fish Cons. Assoc.
Mrs. M. Kibuka	Farmer
Mrs. C. Mulyanga	Farmer
Mr. Kizito Robert	Farmer
Mr. P. Kizza	Farmer
Mr. Mumanye Milton	Farmer
Mr. Ton Tuma	Farmer
Mr. Olowo Raymond	Farmer
Mr. Ssalongo Sserugga	Farmer
Mr. Ismail Mulamba	Farmer

District Officials

Mr. Bbaale J.S.	Chief Administrative Officer, Masaka
Mr. Mumanye Milton	Bundibugyo
Mr. Opwonya E.R.	District Fisheries Officer, Masindi

Number of members in the Committee on Food Security: 95

IV.3 Overall List of Participants at The National Forum on Food Strategy

OVERALL PARTICIPANTS AT THE NATIONAL FORUM ON FOOD STRATEGY

	NAME	TITLE	ORGANIZATION
	Ministers		
1	Rt. Hon. Kintu-Musoke	Prime Minister	Prime Ministers' Office
2	Hon. Richard Kaijuka	Minister	MPED
3	Hon. Joash Mayanja-Nkangi	Minister	Min. of Finance
4	Hon. Janat Mukwaya	Minister	MOGCD
5	Hon. M.G.A. Kazimbiraine	Minister	Bunyoro Kitara Kingdom
6	Hon. S. Sentamu-Makumbi	Minister	Buganda Kingdom
7	Hon. Gerald Sendaula	Minister	Min. of Natural Resources
8	Hon. Owing-Dollo C.A.	Minister of State	President's Office
9	Hon. Sam Kuteesa	Minister of State	MPED
10	Hon. Mukasa Muruuli	Minister of State	Office of President
11	Hon. Baguma-Isoke	Minister of State	Min. of Natural Resources
12	Hon. Dr. Kezimbira M. L.	Minister of State	MAAIF (A.H)
13	Hon. Peter Teko Lokeris	Minister of State	President's Office (Karamoja)
14	Hon. Dr. P. Byaruhanga	Minister of State	Min. of Information
15	Hon. Dr. Abel Rwendeire	Minister of State	Min. of Trade & Industry
16	Hon. Syda Bbumba (Mrs)	Minister of State	President's Office
17	Hon. Col. Lo Arapi Omaria	Minister of State	Min. of Internal Affairs
18	Dr. I. Kibirige-Sebunya	Minister of State	MAAIF
19	Hon. Kuka Jane Frances	Minister of State	MOG & CD
20	Yafest Otim Omara	Minister of State	Min. of Tourism
	Members of Parliament		
21	Hon. Dr. Beatrice Wabudeya	M.P.	Mbale
22	Hon. Kaziwe Musisi Tom	M.P.	Mukono
23	Hon. Baku Raphael Obudra	M.P.	Moyo
24	Hon. Matembe Miria R.K.	M.P.	Mbarara/Women
25	Hon. Deo Kayongo	M.P.	Mubende
26	Hon. John Ken Lukyamuzi	M.P.	Kampala
27	Hon. Emmanuel Pinto	M.P.	Rakai
28	Hon. E.J. Mwandha	M.P.	Disabled
29	Hon. Mushemeza Elijah Dickens	M.P.	Bushenyi
30	Hon. Ruth Nankabirwa Ssentamu	M.P.	Kiboga/Women
31	Hon. Fred Mukisa	M.P.	Iganga
32	Hon. Birimumaaso Mulindwa	M.P.	Masaka
33	Hon. Baba Diri Margaret	M.P.	Disabled
34	Hon. Akida Alli Gabe	M.P.	Nebbi
35	Hon. Aisu Omongole Tom	M.P.	Kumi
36	Hon. Nnyanzi Vicent	M.P.	Mubende
37	Hon. Juliet Rainer Kafire	M.P.	Pallisa
38	Hon. Grace Akello	M.P.	Soroti

39	Hon. Balingirira A. Nakendo	M.P.	Iganga
40	Hon. Henry Kyemba	M.P.	Jinja
41	Hon. Kabasharira Naome	M.P.	Ntungamo
42	Hon. Mary Keriogi	M.P.	Apac
43	Hon. Eng. Ndawula E.M. Kaweesa	M.P.	Kiboga
44	Hon. Arthur A. Ofory Rugette	M.P.	Nebbi
45	Hon. Omony Ogaba Alfred	M.P.	Kitgum
46	Hon. Kibaale Wambi G.	M.P.	Mbale
47	Hon. Pataki Amasi	M.P.	Moyo
48	Hon. Kakoba Onyango	M.P.	Mukono
49	Hon. Otage Wilson	M.P.	Soroti
50	Hon. Akech Okullu Betty	M.P.	Gulu
51	Hon. Major John Kazoora	M.P.	Ntungamo
52	Hon. J. Luzinda Kizito	M.P.	Kampala
53	Hon. A. Ruzindana	M.P.	Ntungamo
54	Hon. Adolf Mwesise	M.P.	Kabarole
55	Hon. Lydia Balemezi	M.P.	Mukono
56	Hon. Adroa Onzima Alex	M.P.	Arua
57	Hon. Ntabgoba Jemimah	M.P.	Kisoro/Women
58	Hon. Tezira Janwa	M.P.	Tororo/Women
59	Hon. Omeda Omax	M.P.	Soroti
60	Hon. Osire Jackson	M.P.	Kumi
61	Hon. Abdallatif Wangubo	M.P.	Iganga
62	Hon. Eliphaz Mazima	M.P.	Disabled
63	Hon. Loice Bwambale	M.P.	Kasese
64	Hon. Alleluya Ikote	M.P.	Pallisa
65	Hon. Sam Rwakoojo	M.P.	Masaka
66	Hon. Florence Nayiga	M.P.	Disabled
67	Hon. Dr. Byarugaba L.	M.P.	Kabale
68	Hon. Isanga Musumba	M.P.	Iganga
69	Hon. Proscovia Salaamu Musumba	M.P.	Iganga
70	Hon. Dr. Mwebesa Ntegamahe	M.P.	Kabale
71	Hon. Kayongo Deo	M.P.	Mubende
72	Hon. Adome Lokwuoo Callistus	M.P.	Kotido
73	Hon. Steven B.K. Kavuma	M.P.	Mpigi
74	Hon. Anthony L. Butele	M.P.	Arua
75	Hon. Alinyikira Owagage Ruth	M.P.	Jinja
76	Hon. Dr. Daudi Subi Magezi	M.P.	Jinja
77	Hon. Magimbi John Sebastian	M.P.	Kamuli
78	Hon. Okumu-Ringa P.A.	M.P.	Nebbi
79	Hon. David Pulkol Bwangamoe	M.P.	Moroto
80	Hon. Logiro Ngokok Peter	M.P.	Moroto
81	Hon. Obiga Kaia Maro	M.P.	Arua
82	Hon. Joyce Mpanga	M.P.	Mubende
83	Hon. Tom Samson Bagalana	M.P.	Iganga
84	Hon. Namumbya Sarah Mwanje	M.P.	Iganga
85	Hon. Byenkya Beatrice	M.P.	Hoima

86	Hon. Aggrey S. Awori	M.P.	Tororo
87	Hon. Okiror Augustine	M.P.	Soroti
88	Hon. Kwizera Eddie-wa-Gahungu	M.P.	Kisoro
89	Hon. Dr. Mutesasira Timothy	M.P.	Mpigi
90	Hon. Dr. Byaruhanga M. Fabius	M.P.	Kabarole
91	Hon. Mateke Philemon	M.P.	Kisoro
92	Hon. Bambalira J. Jackson	M.P.	Bundibugyo
93	Hon. Wandyaka Nsubuga Moses	M.P.	Mukono
94	Hon. Kabakumba M. Labwoni	M.P.	Masindi
95	Hon. Yoram J. Ajeani	M.P.	Arua
96	Hon. Hyuha S. Dorothy	M.P.	Tororo
97	Hon. Dr. Akeny John Richy	M.P.	Lira
98	Hon. Kakooza Robert	M.P.	Kibaale
99	Hon. Amongin Aporu C. Hellen	M.P.	Kumi
100	Hon. Dominica W. Abu	M.P.	Moyo
101	Hon. Oryokot John	M.P.	Soroti
102	Hon. Nkalubo Anette	M.P.	Army
103	Hon. Babihuga Winnie	M.P.	Rukungiri
104	Hon. Kityo Mutebi Henry	M.P.	Mpigi
105	Hon. Chebet Maikut	M.P.	Kapchorwa
106	Hon. Namirembe Bitamazire	M.P.	Mpigi

Diplomats, Donors, International community

107	Donald Clark	Director	USAID
108	Leticia Diaz	D/Director	USAID
109	James F. Dunn	Agric. Dev. Officer	USAID
110	Souibes Rabah	Ambassador of Algeria	
111	Adel Elmelegy	Ambassador of Egypt	
112	Mr. Brian Falconer	Resident Rep.	World Bank
113	Ulrike Wilson	Resident Rep.	IMF
114	Ahmed Magdy	Comm. Counsellor	Egyptian Embassy
115	Prof. Babatunde T.	Resident Rep.	UNDP

Permanent Secretaries

116	Wagonda-Muguli J. Wilson	Permanent Secretary	MAAIF
117	F. J. Kasirye	Permanent Secretary	Min. of Trade & Industry
118	Mitala John	Secretary/ PSC	Public Service Commission
119	George Ongom	Ag. P/Secretary	Min. of State, Karamoja
120	Y. R. Kisakye	P/Secretary	Min. of Labor
121	Dr. J.J. Otim	Presidential Advisor	President's Office

Public Institutions

122	Enoka Kiregyera	Director	UEPB
123	John Ndyabagye	Director	UEPB
124	Peter Ntaki	Director	UEPB
125	Kibalama-Katumba	Chairman	UEPB
126	Tim Byara	Vice Chairman	UEPB
127	Prof. J.K. Mukiibi	Director General	NARO
128	Dr. Maurice Kalunda	Dep. Director General	NARO
129	Dr. Peter K. Ngategize	Director	NARO/Coffee research
130	Dr. T. Sengooba	Director of Research	NARO, Namulonge
131	Tizikara Clesensio	Assistant Director	NARO
132	Abaliwano A.B.	Chairman	UIA
133	James Musinguzi	Chairman/Technicl	UIA
134	Karugonjo Frederick	General Manager	Produce Marketing Board
135	C.H. Gashumba	Director	Agric. Policy Committee
136	J.K. Twinomusinguzi	M/Director	UDB
137	Jolly Sabune	Managing Director	Cotton Dev't Org.
138	E. Kasirye-Alemu	Executive Secretary	UNBS

Private sector

139	Dr. S.L. Nsamba	Chairman	UNFA
140	Edith Nsajja Mwanje	DED	UMA
141	Kashambuzi R.	Commissioner	Petroleum Exploration
142	Dr. Maggie Kigozi	Director, Marketing	Crown Bottlers Ltd
143	E.O. Ochieng	Director	IDC, Kampala
144	Eva Mukasa	General Manager	UWFCT
145	Hilary Obonyo	Executive Director	UMA
146	Mary I.D.E. Maitum	Chairperson, Board	UWFCT
147	Ebenezer Essoka	Managing Director	Standard Chartered Bank
148	John Ndege	Chairman	UGEA
149	Uma O.Eleazu	UNIDO Consultant	UMA
150	Kasozi-Kaya Mary	Director	YWCA
151	John M. Mugisha	President	Uganda Law Society
152	Dr. D. W. Harrison, M.O. MPH	Managing Director	African Basic Food
153	Stephen Banya	Chairman	Ug. Coffee Farmers Ass.
154	Banyangirah Emmanuel	Director	UCFA
155	Agnes Kalibbala	Vice Chairman	NSARWU

156	James Ameda	Director	CCF
157	Sam Aisu	Country coordinator	ACORD
158	Dr. Rita Laker-Ojok	Int. P/Director	AT (Uganda)
159	Dr. Bernard R. Muyeya	Country Director	HPI
160	Daudi Kaliisa	Country Director	VEDCO
161	Rose K. Ssebatindira	Associate Director	US Peace corps

Government Officials

Directors

162	Solome Mukisa	Director	NRM Secretariat
163	Arthur Gakwandi	Director	Min. of Foreign Affairs
164	Baba James	Director, Africa	Min. of F/Affairs
165	Dr. T.C. Bamusonighe	Director	MAAIF
166	Mubiru John Baptist	Director	MAAIF
167	F. Kamugira	Director	MAAIF
168	A. S. Okello	Ag. Director	MAAIF
169	Martin Olobo	Director	Min. of Trade & Industry
170	T.K. Sabakaki	Dir. Foreign Trade	Min. of Trade & Industry
171	Dr. Jotham Musinguzi	Director Pop. Sec.	MPED
172	Claudius M. Olweny	Director of Labor	Min. of Labor & Welfare
173	Jimmy R. Lwamafa	Director, Land	MOLG
174	John Leonard Rucogoza	Director	MOLG
175	R.M. Wafula	Ag. D/Director	MOLG

Commissioners

176	Jonathan N. Tibisaasa	Commissioner/Land	Min. of LH & PP
177	Sarah Ibanda	Commissioner	Min. of LH & PP
178	Mboijana S. N	Commissioner	Geological Survey & Mines
179	Herbert Sekandi	Commissioner	Physical Planning Dept
180	Sanyu-Mpagi Jane	Commissioner	MOG & CD
181	Margaret Oguli-Oumo	Commissioner/Legal	MOG & CD
182	Edna Baryamha	D/ Commissioner	MOG & CD
183	Acayo Margaret	Comm. (Youth)	MOF & CD
184	Joatham Kapasi- Kakama	Commissioner	Min. of Trade & Industry
185	A. N. Semyano	Commissioner	Min. of Trade and Industry
186	J.K. Sewanyana	Commissioner	Min. of Trade & Industry
187	Oule D.E.	Comm/Coop. Officer	Min. of Trade & Industry
188	Mwesigye Fred	Commissioner	Min. of Trade & Industry
189	Lewis D. Balinda	Commissioner	Min. of Foreign Affairs
190	Gladys Lulu Kinimi	Commissioner	Min. of Health
191	John F. Barenzi	Commissioner	Min. of Health
192	Obong O.O. David	Comm. L/Council	Min. of Local Government
193	Thomas M. Nkayarwa	Comm. D/Admin.	MOLG
194	Crispus Mundua	Commissioner	Min. of Information

195	J.P. Okullu-Mura	Commissioner	Min. of Information
196	Mrs. C.M. Muduuli	Comm. Planning	MPED
197	H. N. Gava	Ass. Commissioner	MPED
198	Harriet Mugerwa	Asst. Commissioner	MPED
199	E. K. Kagganzi	Commissioner	Min. of Tourism & Wildlife
200	R.P. Tumusiime	Comm. Ag/Planning	MAAIF
201	S.N. Kiyingi	Commissioner	MAAIF
202	Omoding Japheth O.Y.	Ag. Comm. Lands	MAAIF
203	C.B. Bazirake	Ag. Commissioner	MAAIF
204	Dr. Onega M.M	D/Comm. Veterinary	MAAIF
205	Dr. C. W. Bunoji	Ag. Commissioner	MAAIF
206	Dr. S.H.B. Lwamafa	Dep. Commissioner	MAAIF
207	Lawrence Semakula	Commissioner	MAAIF
208	Dr. F.L Orach-Meza	Commissioner	MAAIF
209	Dr. Francis Mbuza	Asst Commissioner	Animal Production, MAAIF
210	A.O. Mugisa	Ag. Commissioner	Min. of Works, Trans. & TC.
211	Jane Mary Makayu	Ag. Commissioner	Min. of Public Service
212	Ssali Mukasa. H.	Commissioner	Public Service Commission
213	Margaret Ndawula	Commissioner	Min. of Justice
214	B.K. Byenkya	Asst. Commissioner	Police Force
215	Otim-Ogwal J.C.	Asst. Commissioner	Min. of Labor
216	Bireke Kaggwa	Ag. Commissioner	Min. of Labor
217	William Kaaya Kizito	Comm. DIT/VT	Min. of Labor
218	Dr. Ogaram David	Commissioner	Min. of Labor

Others

219	Kigozi Kawesa	Mobilizer	NRM Secretariat
220	M.M. Mwambu	Agric. Officer	MAAIF
221	Mulamda James	Fisheries Officer	MAAIF
222	Jacob Oweta	DEC	MAAIF, Lira
223	Mawanda F.X.	Prin. Agric. Officer	Prisons Department
224	Patrick Ojirot	Radio Producer	Prime Ministers Press Unit
225	Sabila Salimo	Deputy SPA/PA	President's Office
226	Eng. J.G. Mwedde	Ag. Eng.in-Chief	Min. of WT & TC
227	Mwesigye Ephraim	Agric/Econ Dept	President's Office
228	Bagazonzya Henry	Technical Advisor	Prime Minister's Office
229	Olanya Joseph	Government Analyst	Government Chemist Lab.
230	Taliwaku C.H.	R/Planning & Policy	
231	Mwesigye Ephraim	Agric. Officer	President's Office
232	C.A. Okello	Sec. Law council	Min. of Justice
233	Munakenya H.	Civil Servant	Min. of Information
234	Fred Muwanga	Agric. Teacher	NARI
235	Himbisa Joshua	DAO	MAAIF

236	Elly Turyamubona	Registrar	Judiciary
237	Eliot Masters	Exec. Coordinator	DERO: NUFSP
238	Okello Joseph	DCC. Officer	Min. of Trade & Industry
239	Caroline Arubaku (Mrs)	Deputy DAO	MAAIF
240	H. Masembe-Kajumbi	Senior Statistician	MAAIF
241	Olana B. Jackson	FSO Grade IV	Min. of F/Affairs
242	Mrs. Ruth C. Masika	Registrar General	Min. of Justice
243	J. Kapasi-Kakama	Officer	Min. of Trade & Industry
244	Busingye John E	Prin. Youth Officer	MOG & CD
245	P. Mubiru	D/Secretary	Public Service Commission
246	F. Nanyumba	Nutritionist	MAAIF
247	Augustine M. Mwendya	Prin. Agric. Officer	MAAIF
248	Caroline. A. Okello	Sec., Law Council	Min. of Justice
249	Abby N. Kalule Sewali	Food & Nutrition	MAAIF
250	Buteera Richard	DPP	Min. of Justice
251	M. Mubiru	Economist	President's Office
252	Oluka Akileng	Forestry Officer	Forest Department
253	Katurebe Tayebwa	FS/Officer	Min. of Foreign Affairs
254	James Wamala	Trade Officer	Min. of Trade & Industry
255	Dr. Jesca Nsungwa- Sabiiti	S/Medical Officer	Min. of Health
256	Muwaniika Abdul	Senior Economist	Min. of Tourism
257	Ziigira M. Samuel	State Attorney	Min. of Justice
258	Dr. Kapkwomu N.K	DVO	MAAIF
259	Davis M. Bamuleseyo	Commercial Officer	Min. of Trade and Industry
260	Desire Lubega	Documentalist	MAAIF
261	Alio Andrew	For DEC	MAAIF
262	Kibwika Daniel	DEC & Fisheries	MAAIF
263	Dr. Francis Byekwaso	D.V.O./Nutritionist	MAAIF/ HQS
264	Nsubuga E. Nvule	Ag. S/Entomologist	MAAIF
265	Victoria Mukasa	Information Officer	Min. of Information
266	Joshua Namenkere	DAO/DEC Mbale	MAAIF
267	Florence N. Kuteesa	Principal Economist	MFEP
268	Mubiru James William	Prin. Statistician	Statistics Department
269	Ngobi Moses	D/ Co-op. Officer	Min. of Trade & Industry
270	Bakoowa Sam	F/S Officer	Min. of Foreign Affairs
271	Mrs. Kajumba	D/Chief of Protocol	Min. of Foreign Affairs
272	Santa Laker	Protocol Officer	Min. of Foreign Affairs
273	H. Kayiza	Protocol Officer	Min. of Foreign Affairs
274	Catherine Otiti	Protocol Officer	Min. of Foreign Affairs
275	Ocana Jackson	FS/Officer	Min. of Foreign Affairs
276	Kagamba J. Singoma	FS/Officer	Min. of Foreign Affairs
277	J.P. Ojully-Murra	FS/Officer	Min. of Foreign Affairs
278	S. Nsamba	Civil Servant	Min. of Health
279	Joseph Ssebaggala	Officer	Min. of Foreign Affairs
280	Issa Makumbi	Health Planner	Min. of Health
281	Mukasa E.	Teacher	Min. of Education
282	Security Official I		Prime Minister's Office
283	Security Official II		Prime Minister's Office

284	Security Official III		Prime Minister's Office
	Public Institutions		
285	Patrick M. Kalunda	Socio Economist	KARI
286	Byamugisha Albert	Statistician/Head	MUK
287	Agnes Akwang	Agric. Economist	NARO/Kawanda
288	Dr. J. Galyon Fenzi	Director	DERO
289	Ssali E. Sentongo	Student	St. Balikudembe
290	Dr. Edmund Katiti	Chairman	NSC
291	Paul Wagubi	T/Economist	EPAU
292	Esther Wasmus	Student	Wereldnipliel
293	Osusut Stephen	Staff	EPAU
294	Daniel Kimbugwe	Staff	EPAU
295	Susan Nyamwenge	Staff	EPAU
296	Dr. Moris Ogenga Latigo	Senior Lecturer	Makerere University
297	Esau Muzira	Student	Makerere University
298	Sammy Senkumba	Executive Secretary	Ug. Scouts Association
299	Ms. Buko Joyce	Secretary	URC
300	Dr. Flavia Kabeere	Seed Technologist	NARO/KARI
301	Prof. B.H. Ogwang	Biodiveristy Specialist	NEMA
302	Dr. C. Omaswa	Senior Consultant	Mulago Hospital
303	Dr. Mary Rwakaikara Silver	Lecturer	Makerere University
304	Milly Kayaga	R/Council Member	Kampala
305	Benyoko Ibrahim	Student	Nkumba University
306	Tom Tuma	Pastor	Church of Uganda
307	Mukiise Ben	Physical Planner	MUIENR
308	Kibirango Francis	Physical Planner	MUEINR
309	Katabarwa J. Samuel	Student	MUK
310	Silver Mukwasiibwe	Lecturer	UPTK
311	Sam S. Lubanga	Student	Makerere University
312	E. Nzaro	Senior Consultant	Min. of Health
313	Dr. A.J. Upoki	Senior Consultant Surgeon	Mulago Hospital
314	Dr. Ulysses A. Acasio	T/Leader & Advisor	PHHS/ANEPP
315	Mayanja Aloysius	Director	Audit
316	Connie C. Kyarisiima	Lecturer	Makerere University
317	Dr. Henry Ssali	SPRO	Kawanda
318	Mark Wood	Low Value Advisor	IDEA Project
319	Tumugabirwe Benon	Student	Makerere University
320	Dr. F.B. Bareeba	Head/Animal Science	Makerere University
321	Muwonge George	Economist	Makerere University
322	Ngabirano Henry	Quality Manager	UCDA
323	D.S.O. Osiru	University Professor	Makerere University
324	John Irumba Kirungi	Technical Manager	Produce Marketing Board
325	Dr. Richard Odoi Adome	Senior Lecturer	Makerere University
326	Muyondwoli H. Fred	Teacher	UTA
327	Kanhenga Kenneth	Environmentalist	Makerere University
328	Dr. John S. Kaboggoza	Head/Forestry Dept.	Makerere University

329	Kaaya N. Archileo	Lecturer	Makerere University
330	Sempiira Samuel	Social Scientist	Makerere University
331	Barigye B.	Economist	Makerere University
332	Besigye Bafaki	Lecturer	Polytechnic Kyambogo
333	Tumugabirwe Benon	Student	Makerere University
334	Dr. M. Silim Nahdy	Head, Postharvest Program	NARO
335	Anthony Eseru	M & E. Officer	NURP
336	Charles Lepera Kiryangu	Student	Makerere University
337	Mrs Florence Mutanga	Lecturer	Makerere University
338	Dr. J.F. Kakule	Dep. Executive Secretary	Uganda National Council
339	Lugarama Peter	Revenue Officer	URA
340	Mungyereza Ben Paul	Young Professional	EPRC
341	Kyoratunge Karemente	Investment Officer	UIA
342	Mpande Mustafa	Director	Environment
343	Muyondwa Humphrey		UTA Secretariat
344	Joyce Muwanga	Ag. Ass. Exec.Secretary	Uganda National Council
345	Silver O.K. Ojakol	Market Rsch. Officer	UEPBoard
346	Dr. O.P. Kathuria	Sampling & Security Expert	ISAE
347	James B. Okee-Obong	PND Research Fellow	Makerere University
348	Dr. Grace Nyerwanire	Medical Officer	Ministry of Health
349	J.B. Ssekamatte-Ssebuliba	Head, Dept. Pop. Studies	Makerere University
350	Dr. George Zirembuzi	Pediatrician	Mulago Hospital
351	Kaganzi K. Patrick	Finance Manager	Produce Marketing Board
352	Dr. Mupere Ezekiel	Medical Officer	Bugiri Hospital
353	Tukahirwa Sarah	Research Assistant	Kawanda Research Inst.
354	Dr. Mugombe Kafumisi	President	Uganda Vet. Association
355	Eng. Byarugaba G.W.B.	Food Processing Engineer	Polytechnic Kyambogo
356	Eng. J.B. Turyagyenda	Head, Mech. Engineering	Makerere University
357	Richard K, Kasawuli	University Coordinator	Makerere University
358	Dr. Gregory Tumweheire	Head, E.N.T.	Mulago Hospital
359	Prof. Byarugaba Foster	Head	Makerere University
360	Isabirye Paul	Senior Meteorologist	Meteorology Dept.
361	Dr. R. B. Thakore	Technical Advisor	Uganda Seed Project
362	Nakawooya Grace	UTV	Min. of Information
363	Sarah Nakabo - Ssewanyana	Lecturer	Makerere University
364	Dr. W. Nganwa	Sen. Consultant Oral Surg.	Mulago Hospital
365	P.O. Olango	Head, Science & Techn.	Makerere University
366	Muwonge George	Student	Makerere University
367	Mrs C. Kisamba-Mugerwa	Head, Sociology	Makerere University
368	Eng. Dr. B.M. Kiggundu	Head, Civil Engineering	Makerere University
369	Charles Tukacungurwa	Senior Agriculturalist	Agricultural Secretariat
370	Wilson M. Wamukota	Assoc. Professor	Makerere Medical School
371	Z. Adolu-Otojoka	Head, MMD	Makerere University
372	J.W. Kiryabwire	Senior Consultant Surgeon	Mulago Hospital
373	Kibwika Muyinda	Assistant Director	Mulago Hospital
374	Bakinga Alex	Student/Environmentalist	Makerere University

375	S. Ecec	Doctor	Makerere University
376	Apio Sophia Kerwegi	Senior Research Officer	N/ Chemotherapeutics
377	James Okeny	Macro-Economist	EPAU
378	Flora N. Walusimbi	Research Assistant	EPAU
379	Dr. Flavia Kabeere	Senior Research Officer	NARO/KARI
380	Levi Kasisira	Lecturer	Makerere University
381	Kawongolo John	Lecturer	Makerere University
382	Yeko Mwanga	Ag. Head	EPAU
383	Charles Owach	Agricultural Economist	EPAU
384	Margaret Namyalo	Research Assistant	EPAU
385	Dr. Rubaire-Akiiki	Ag. Head, Vet. Parasitology	Makerere University
386	Dr. Mwesigye Frank	Senior Medical Consultant	Mulago Hospital
387	Dr. J.P. Kabayo	Doctor	Makerere University
388	P. Mungoma Mwalye	Head, Curriculum Teaching	Makerere University
389	Dr. Fred Kigozi	Director	Butabika Hospital
390	Dr. Yusto Kaahwa	Associate Professor	Makerere University
391	Muzira Isha	Student	Makerere University
392	Emesu Pius	Student	Makerere University
393	Jacinta Luwukiya	Student	Makerere University
394	Fred Yiga	S/Consultant	Kampala
395	Patrick Mangeni	Adult Studies	Makerere University
396	Deogratius Mukiibi	Grad. student	Makerere University
397	Annet Nalubega	Student	Makerere University
398	D. Mwesigye Gumisiriza	Student	Makerere University
399	Mugambe S. Samuel	Student	Makerere University
400	Nasasira Naomi	I/C Agric. Division	Bank of Uganda
401	E. Kiiza	Principal Banking Officer	Bank of Uganda
402	W. Serumaga	Head, Medical Illustration	Makerere University
403	Nyonjo M.	Student	Makerere University
404	Atungire Diana	Investment Officer	UIA
405	Fred Byabashaija	Lecturer	L.B. of Accountancy
406	Kyoratungye Karemente	Head/Natural Resources	UIA
407	John Magara	Resident Representative	DLCO-EA
408	Dr. C. Zirabamuzaale	Head, IPH	Makerere University
409	P.K. Tibenderana	Professor	Makerere University
410	Ocilo Robert	Agric. Research Assistant	Kawanda Res. Station
411	Milton Michael Waiswa	Agro-Meteorologist	Meteorology Dept.
412	C. Magala-Nyago Mrs	Head, Food Science	Makerere University
413	Nathan K. Nsobya	Environmentalist	Makerere Institute
414	J.K. Ssali	Director	Kawanda Agricultural
415	Dr. S.S. Tickodri-Togboa	Senior Lecturer/Head	Makerere University
416	Mr. Andrew Okoboi	Head, Agriculture	ITE, Kyambogo
417	Teopista Nakkungu	Food Technologist	Makerere University
418	Madanda Aramanzan	Teacher	Mengo S.S.
419	Francis Can	Administrative Officer	EPAU
420	Ochen Boniface	Staff	EPAU

422	Isabirye Badru	Student	Makerere University
423	Dr. Samuel Adenyi	Consultant Nutrition	N.I.H
424	Byaruhanga	Orthopaedic Officer	Mulago Hospital
	Private sector		
425	Gitta Willy	Director	Combined Foods Limited
426	Karen Eberhardt Wennlisen	Dev. Worker (Agric)	MS- Uganda
427	Steven K. Ssebunya	Admin. Director	UWCPA
428	Rev. Isaac Bakka	Journalist	The Tribune Newspaper
429	Mubiru Ali	Field Assistant	Feed The Children-Katwe
430	Joan Rutaroh	Liason Officer	ADF
431	Adam Manguru	Employee	Inter Agency Procurement
432	Sam Irumba Atuhurra		PWICO
433	Muhamad Manafa		T.W.A.U.L., Mbale
434	Amos Muhindo	Member	Ug. Cooperative Fishing Union
435	Baseka P.K. Stephen		Gomba Produce & Commodities
436	Hamis Musoke	Manager	Musoke & Bros. Ltd
437	Musoke Alex	Project Manager	Mycolex. G. Enterprise
438	Rev. Fr. P. Beetunguura	Priest	SWUADA
439	Ishmael Okinga	ACO	Cooperative
440	Ethel Boosa	Farmer	Y.W.C.A
441	Musoke D	Business Editor	New Vision
442	Mary Kisirikko	Member	Mwebaza Fishing Society
443	Mulindwa Mohammed	Sales Manager	G.W. Kajjule (U) Ltd
444	Charles Kabuga	General Secretary	Uganda Cooperative Alliance
445	Kibirango Francis	Planner	PPTI
446	Baseka P.K. Steven	Program Officer	Namunura Ranch
447	Mpande Mustapha Rahim	Director	BEF & RD.
448	Fredrick Ranch	Editor	College Publishers
449	Margaret Nakanjako Njeri	Member Executive	DWCSA
450	Sanya Wifred	Journalist	Ngabo Newspaper
451	Sarah Lubwama	Member	Nateete-Busega Farmers
452	Ssebugwawo David	Project Manager	HAMRO
453	Kironde Jamir	Project Manager	Youth Project
454	Bireese J. M. James	Admin. Secretary	HAM Alliance
455	Kivumbi Patrick	Prog. Officer	Environmental Alert
456	Mukasa Wilson	Vice Chairman	Mwebaza Fishing Society
457	Joseph Kayondo	Eng. Manager	Scoul
458	Dr. Persis Nakate	Treasurer	DWCSA-Kampala.
459	Mawazo Yusuf	Member	UF & FC
460	Nantongo Irene	Member	Buganda Environment Board
461	Bwekembe Sarah	Member	"
462	Namulindwa Harriet	Member	Buganda Env'tal Board
463	Kizito Robert	Agric. & Env't .	Bulange, Mengo
464	Dr. Hussein Sserwadda	Director	Keviina Mental Clinic
465	Amos Muhindo	Asst. Secretary	UCFU

466	Namutebi Olivia	Sr. Asst Manager	SCOUL
467	E.K. Mujunga Yanga	Managing Director	Bisengao Fishing Co.
468	C. M. Sajjabi	Chairman	Kamuli Adult Assoc.
469	Agnes Kalibbala	Vice Chairperson	NSARWU
470	Ismail Mulumba	Businessman	
471	Mukundane B. Albert	Executive Secretary	Youth Env't Assoc.
472	Mwanamwolho M. Stanley	Secretary General	UNFA
473	Daniel Lutwama	Farmer	UNFA
474	Ssenyonga Vicent	Farmer	"
475	Haji Unusu Kabegga	Farmer	UNFA
476	Hamidy Malidadi	Farmer	UNFA
477	Esther Kaddu	Farmer	UNFA
478	Mutyaba Noah	Farmer	UNFA
479	John Mary Kaddu	Farmer	UNFA
480	Namuddu Betty	Sec/Farmer	UNFA
481	Sempala Kigozi	Executive Secretary	Poultry Dev. Association
482	J.M.N. Kasule	Farmer	J & J Farmers
483	Amon Baluku	Asst. Coordinator	Bukka Farmers Assoc.
484	Mulamba James	Member	Kishita Young Farmers
485	Kasiribititi Livingstone	Farmer	UNFA
486	Ateenyi Willy	Farmer	UNFA
487	Kateregga T.	Farmer	UNFA
488	Charles Ndituuka	Farmer	UNFA
489	A.K. Wamala	Secretary	UNFA-Nateete/Busega
490	S.L. Kaweesi	Chairman-UNFA	Mubende
491	Kaweesi-Kibiriitia	Secretary	UNFA-Mukono
492	Ida Nantaggya	Publicity	UNFA
493	Sande Katumba	Farmer	UNFA
494	Francis Lukanga	Farmer	UNFA
495	Christine Kabaale	Member	UNFA
496	Ssabalongo M. Nanseera	Member	UNFA
497	Samwir Mulumba	Farmer	UNFA
498	Mrs. Musinguzi	Farmer	UNFA
499	Ataa Jesca	Farmer	LC V Women - Kotido
500	Kabuye Yonasani	Farmer	UNFA - Mukono
501	Eriazaali Semakula	Farmer	UNFA
502	Mrs Aliziki Nanteza	Farmer	Mbuya II
503	Mrs Ndagire Proscovia	Farmer	Mbuya II
504	Mrs Asia Matovu	Farmer	Kiwatule
505	Madrine Kaggwa	Farmer	UNFA
506	Seremba George Willy	Farmer	Buyiwa Livestock Co-op.
507	Japusito Boney - Vicents	Farmer	Paya-Tororo
508	Kateregga Teddy	Farmer	
509	Donah Karashani	Farmer	Ibanda - Mbarara
510	Dr. D.L.T. Ddungu	Farmer	Masaka
511	Miss Victoria Segujja	Farmer	Kampala
512	Kezaala Ahamada	Managing Director	Kishita Young Farmers
513	Joyce N. Kawooya	District Coordinator	UNFA

514	Grace Lwanga	District Extension Officer	UNFA
515	Kauki Sekitoleko	Sec. Kawempe Div.	UNFA
516	William Frederick Ssali	Farmer	UNFA
517	Emyalo Dickson	Farmer - Horticultural	UNFA
518	Muhammadi Ssekandi	Vice Chairman	UNFA - Nakifuma
519	Mrs Catherine Ssendagire	Mobilizer	UNFA - Bukesa
520	Jennifer Mukeirwe	Committee Member	UNFA - Bukesa
521	Milly Mukiibi	Secretary for Women	UNFA - Bukesa
522	Saya Florence	Publicity	UNFA - Bukesa
523	Ahamada Kezaala	Chairman	Uganda Matooke Assoc.
524	Tumwesigye Moses	Farmer	Rukungiri District
525	Mugabi Simon Peter	Manager	Bulamu Farm - Mubende
526	John Mark Kimera	UNFA Member	UNFA - Mukono
527	Hajati Safina Namusisi	Farmer	UNFA - Bwaise
528	Ibanda Jimmy	Member UNFA	UNFA - Mbuya
529	Ssaka Joyce	Farmer	Kawanda Res. Station
530	Mrs Sserwadda Doreen	Farmer	UNFA - Kampala
531	Mary Kayaga	Farmer	UNFA - Kampala
532	Hajat Zam Zam Hamid	Rearing Rabbits	UNFA - Kampala
533	Dr. Hassan Sserwadda	Treasury	UNFA - Kampala
534	Willy Atenyi	Youth Representative	UNFA - Nsambya
535	A.K. Wamala	Secretary	Busega Farmers
536	Haji Sebunya Kiwe	Member	UNFA - Mukono
537	Benard Mugerwa	Publicity Secretary	UNFA - Kampala
538	Sulait Maate	Coordinator	Bukka Farmers
539	Edward Mukwaya	Farmer	UNFA - Mukono
540	Kyoramugabo Sammu	Treasurer	UNFA - Mukono
541	Semusinge Margaret	Farmer	UNFA - Mukono
542	Mpagi Sarah	Farmer	UNFA - Mukono
543	Dirisa Mpagi	Farmer	UNFA - Mukono
544	Paul Kasirye	Farmer	UNFA - Mukono
545	Edward Ssemugooma	Farmer	UNFA - Mukono
546	Siraje Sempala	Farmer	UNFA - Mukono
547	Molicea Kapere	Farmer	UNFA - Kampala
548	Hamidy Malidadi	Farmer	Kampala
549	Ssenyonga Musoke	Chairman	UNFA - Buikwe
550	Emmanuel K. Jjingo	Secretary	UNFA - Natete
551	Baliruho Clotilde	Treasurer	UNFA - Natete
552	James S. Mulyanga	Farmer	Busega Farmers
553	David Ssenyonjo	Chairman	UNFA - Ntenjeru
554	Musa Kiwimi	Cashier	Mbiko
555	Bernard Mugerwa	Farmer	UNFA
556	Enoka Kiregyera	Farmer	UNFA
557	Tumwesigye Moses	Farmer	UNFA
558	Tobias Okello	Farmer	UNFA
559	Penninah Wamala	Member	UNFA - Kampala
560	A.K. Sendigya	Farmer	UNFA - Kampala
561	John Herman Sserunjogi	Secretary	UNFA - Kampala

562	Kibinge Godfrey Sseggalye	Vice Chairman	UNFA - Mubende
563	Jagwe Noah Bosco	Committee Member	UNFA - Kampala
564	Muhamad Kasajja	Member	UNFA - Mbuya
565	Experto Kyeyune	Treasurer	UNFA - Kampala
566	Muyonga Paul	Member	UNFA
567	Nnyombi Peterson	Member	UNFA - Mubende
568	Alex Kiseego	Farmer	Masaka District
569	Mr. Nsubuga Kyewalyanga	Vice Chairman	UNFA - Jinja
570	Sarah Mayanja	Member	UNFA - Kampala
571	Jane Kamugisha	Member	Busega Farmers
572	Deborah Kaweesa	Member	UNFA - Natete
573	Proscovia Kidza	Chairperson	Busega Farmers
574	Chance Mulyanga	Member	Busega Farmers
575	Mukasa Jackson	Farmer	Ntinda
576	Tegabala Solomon Kaddu	Farmer	Kampala
577	Nasaib Kikonyogo	Member	UNFA - Luzira
578	Sempa Saabwe Mafesi	Member	UNFA - Mukono
579	Sseguya Mathew	Chairman	UNFA - Kituntu, Mpigi
580	Mrs Mugwanya Night	Finance	UNFA - Bukesa Branch
581	Mrs Norah Kafeero	Farmer	UNFA - Kampala
582	Benon Walusimbi	Chairman	UNFA - Makindye
583	Mrs Lwanga Mary	Chairperson	UNFA - Kawempe
584	Rebecca K. Senkooto	Secretary	UNFA - Bwaise
585	Hajati Maliyamu Nnakku	Farmer	UNFA - Bwaise, Mutawe
586	Moses Mutawe	Farmer	UNFA - Kawanda
587	Penninah Ntabadde Nsiko	Secretary	UNFA - Kampala
588	Haji A.K. Walugembe	District Chairman	UNFA - Masaka
589	Mayanja Christopher	Member	UNFA - Kyampisi
590	N. Kawubi Kipanda	Director	Kiige Farmers Co. Ltd
591	Nangobi Joyce	Farmer	Mbuya
592	Mugongo Bernadette	Chairperson	UNFA - Mpigi
593	Dr. S. L. Nsimba	Chairman	UNFA - Kampala
594	Margaret Mukasa	Farmer	UNFA - Kampala
595	Mrs Sekimpi Maclean	Member	UNFA - Kampala
596	James Kigozi	Member	UNFA - Kampala
597	Sebugwawo Denis	Sec. for Mobilization	UNFA - Jinja
598	Mukabazi Muhamud	Farmer	UNFA - Kampala
599	Ssendaula Wilson	Farmer	UNFA - Kampala
600	Ssemuko Fred	Member	UNFA - Kampala
601	Francis G. Lugoloobi	Member	UNFA - Lugazi, Mukono
602	Henry Lutalo	Member	UNFA - Mukono
603	Serugga Shem Ssalongo	Member	UNFA - Mubende
604	Joyce Makumbi	Member	UNFA - Kampala
605	Tobias Oree Okello	National Treasurer	UNFA - Kampala
606	Margaret Bamukyawa	Women Representative	UNFA - Luwero
607	Christine Namusisi	Farmer	UNFA - Kampala
608	Kyomuhendo Jane Baitwa	Information Officer	UNFA - Kampala
609	Dan Wanzala	Chairman	UNFA - Masindi

610	Kakeeto Godfrey	Member	UNFA - Kampala
611	Margaret Nanseera	Member	UNFA - Natete
612	Dr. Freddy Ssewava Kitaka	Vice Chairman	UNFA - Kampala
613	Mrs Pascazia Nyanga	Member	UNFA - Mpigi
614	Vicent Mugerwa	Publicity Secretary	UNFA - Mpigi
615	Magdalene Ntanange	Member	UNFA - Kampala
616	Sewali Florence	Member	UNFA - Kampala
617	Teopista Mugerwa	Secretary	UNFA - Mpigi
618	Francis Mutumba	Treasury	UNFA - Kampala
619	Christopher Buyondo	Chairman	UNFA - Mukono
620	Edward Kabuye	Treasurer	UNFA - Mityana
621	Osuka Raphael	Member	UNFA - Mukono
622	Christine Kabaale	Secretary	UNFA - Mukono
623	Haruna M. Muteesaasira	Sec. for Information	UNFA - Kawempe Div.
624	Tom Musoke	Chairman	UNFA - Kampala
625	Muwonge T.K.	Farmer	UNFA - Kampala
626	Nalongo Ritah Nsigaye	UNFA	Kampala
627	Fatuma Kimera	Farmer	Kampala
628	Edith Kyeswa	Member	UNFA - Kampala
629	Joshua Lubuulwa	Publicity Secretary	UNFA - Kampala
630	Elsie Nabyonga	Youth Secretary	UNFA - Kampala
631	Olivia Nakubulwa	Member	UNFA - Makindye
632	Eddy Kiwanuka	Technician	UNFA - Kampala
633	Douglas Kasule	Businessman	UNFA - Kampala
634	Mrs Margaret Kasule	Member	UNFA - Kampala
635	Samalie N. Mulindwa	Farmer	UNFA - Mawokota
636	Samuel Mulindwa	Member	UNFA - Mpigi
637	Marjorie Kibuka	Women Affairs	UNFA - Kampala
638	Mukakigeli Hadija	Member	UNFA - Kampala
639	Faith Magulu	Publicity	UNFA - Kampala
640	Mugerwa Jane	Member	UNFA - Kampala
641	Yusuf Senoga	Farmer	UNFA - Kampala
642	Kamuron Peter	Farmer	UNFA - Kapchorwa
643	Semande Moses	Youth	UNFA - Kampala
644	Sarah Jjemba	Farmer	UNFA - Kampala
645	Ssentongo Eugenio	Treasurer	UNFA - Masaka
646	Abdu Kamya	Chairman	UNFA - Kampala
647	David Nsubuga	Farmer	UNFA - Kampala
648	Sam Kiwanuka	Member	UNFA - Kawempe
649	Mary Kimbowa	Farmer	UNFA - Mutumdwe
650	Florence Walusimbi	Farmer	UNFA - Mutundwe
651	Mrs Feeza Musisi	Organizer	UNFA - Kampala
652	Kaweesi Kibiriiti	Secretary	UNFA - Mukono
653	Theresa Kamya	Farmer	UNFA - Kampala
654	Matovu Stephen	Executive Secretary	Kasubi Farmers

654	Francis Kizito	Farmer	UNFA - Kampala
655	S. Katamba	Farmer	Mukono
656	Alhaji S. Kayongo	Farmer	Mukono
657	Agnes Kimbugwe	Sec.(V/Chairperson)	UNFA - Makindye
658	Faibe Lugoloobi	Member	UNFA - Njeru Farmers
659	Eva Serwanga	Housewife	UNFA - Kampala
660	Jane Lutaaya	Housewife	UNFA - Kampala
661	Harriet Luyonde	Housewife	UNFA - Rubaga Div.
662	Vitaris Kimukwire	Farmer	Ogutali Mutume Coop.
663	Henry Ssekkadde	Farmer	UNFA - Kampala
664	Mrs Hellen Masembe	Veterinary Assistant	UNFA - Kampala
665	Mubiru D.K. Rogers	S.O.	UNFA - Bwaise
666	Samuel Ssekiwunga	Chairman	UNFA - Kazo
667	L. Bwete-Nsubuga	Chairman	UNFA - Kawempe
668	Semakula Stanely	Chairman	UNFA - Kiwatule
669	Musisi Maliyamu	Member	Kampala
670	Safina Mukalazi	Chairperson	UNFA - Kulambiro
671	N. Rebecca Lukwago	Member	UNFA - Kulambiro
672	Kifamulusi Patrick	Farmer	UNFA - Wakisi, Jinja
673	Lwanga Robert	Youth Secretary	UNFA - Kulambiro
674	Ddamulira Moses	Coordinator	UNFA - Kampala
675	Moses Sebuwufu	Farmer	Najjanankumbi
676	Mrs Rhoda Monge Mukasa	Member	UNFA - Kampala
677	Micheal Kabwagu	Company Secretary	Kishita Young Farmers
678	G.W. Kaggwa	Member	UNFA - Kampala
679	Mrs Kaggwa Justine	Member	UNFA - Kampala
680	Suudi Tenywa	Chairman	UNFA - Buikwe
681	Kizito Wilson	Treasurer	UNFA - Buikwe
682	Robert Irali Sande	Secretary for Youth	UNFA - Mukono
683	Nsamba Eva	Poultry Farmer	Kampala
684	Cate Gebuloba	Secretary for Women	Mukono
685	Francis Lukanze	Secretary	UNFA - Mukono
686	Ben Bakulumpagi	Secretary	Kampala
687	Sarah Makula	Farmer	UNFA -Kampala
688	Dr. David Ddungu	Farmer	UNFA - Masaka
689	Haji Adam Kitenda	Farmer	UNFA - Masaka
690	Kitumba Joseph	Farmer	UNFA - Mukono
691	Tinkasimire Jackson	Farmer	UNFA - Ntinda
692	Eridard Wangowa	Farmer	UNFA - Nabbaale
693	Fredrick Nsereko	Publicity Secretary	UNFA - Kiboga
694	Fred Kitanywa	Farmer	UNFA - Mukono
695	Nsubuga Lewis	Member	UNFA - Mukono
696	Makumibi Christopher	Secretary	UNFA - Mukono
697	Prisca Sselunjogi	Farmer	UNFA - Kampala
698	Expedito Kibuka	Farmer	Kampala
699	Jane Masembe	Treasurer	Kawempe, Mpigi
700	Margaret Serunjogi	Member	Kulambiro, Kampala
701	Mrs Yusufu	Farmer	Kulambiro, Kampala

703	Mrs Mbaziira Faith	Secretary	UNFA - Kiwatule
704	Dan Musoke	Comm. farmer	Kiboga
705	Haji Walugembe B	Farmer	Wobulenzi
706	Jackson Sewankambo	Farmer	Masaka
707	Aligaweesa Ali	Farmer	Jinja
708	Harriet Namutebi	Farmer	Kireka
709	John Odoi	Farmer	Lira
710	Yunusu Sekanyo	Farmer	Busunjju
711	Temanju Norah	Treasurer	UNFA - Kiwatule
712	Mutemba Lawrence	Chairman	UNFA - Mukono
713	Nakintu Christine	Member	Mwebaza Fishing Society
714	Jack Muwanga Kazibwe	Member	Mwebaza Fishing Society
715	B. Mukasa Gwotayisenaye	Secretary/Manager	African Coop. Housing
716	Rhita Lutaya	Self Employed	Wasula Assorted Services
717	Robert Walimbwa	Field Manager	Dairy Corporation
718	Chenge Mulyanga	Member	Natete
719	John Masembe	Farmer	Buwama
720	Yoakimu Bukenya	Chairman	Ug. Co-op Fishing Union
721	Kamugenga Moses Kawoya	Farmer	NAKO, Kampala
722	Owor David	Panelist	Oyen Yeng Newspaper
723	Alice Dkito	P.F.O.	E.A. Chronicle, Mbale
724	Dr. Duncan T. Kafeero	Managing Director	Market Lab. Ltd
725	Bakka Ali	Businessman	Kampala.
726	Abel Rwamukaaga Kaahwa	Coordinator	Ug.Industrial Res. Inst.
727	Lawrence E. Eturu	Director	Vanlaw Associates Ltd
728	Shadrach Ndulube	S. Manager	E.Africa Trade Review
729	Kiwanuka Stephen	Agric. Economist	Pan Consultants
730	Nayebare Shartsi Kutesa		
731	Kimbowa Richard	Program Officer	JEEP
732	Nsibirwa Margaret	Research Officer	UMA
733	Kapkwomey F. S. Chesakit	Welfare & Rehab.	Uganda Prisons
734	Bonyeko Ibrahim	Student	NAPS Coop Society
735	Mrs D. Mpiima Mugabi	Chairman	Njeru Dev. Organization
736	Odong James	Reporter	Rupiny Newspaper
737	Wood Amanda	Banker	Kampala
738	M. Alan	Banker	Crane Bank
739	Paul Ssekyewa	Director	Kitone Foam Factory
740	Bro. J.B. Nsubuga	General Manager	Kitone Ltd
741	Ekemem Zakaria	D.H.T.	UGWEP
742	Frank Brown Kibulip	Journalist	The New Vision
743	Ruth Mubiru	Chairperson	Woman Treeplanters
744	Mary Teresa Kajubi	Member	Women Treeplanters
745	G.W. Lutaaya Wasula	Accountant	W. Assorted Services
746	Muhamad Manafa	E/Director	Transworld Atlas
747	James Onyango	Reporter	The Market Place
748	Balayo A.J.	P/O	Private Sector
749	Dr. Biraro Samuel	Director	Seventh-day Adventist
750	Akello Frances	Co-ordinator	Osulel Rural Action

751	Tim Byara	O/Manager	Africa Basic Foods
752	Bwekembe Sarah	Buganda Env. Board	Environmental Protection
753	Vezzini Carlo Maria	Delegate	Roko Technical Services
754	Edmond Maito	Journalist	Reuters News Agency
755	Charles Opolot	Journalist	The New Vision
756	Patrick Ojirot	Journalist	Prime Minister's Office
757	Paul Pedetali Mubiru	Research Dev.	Getemi Ministries
758	Kezia Musanje	Member	Mwebaza Fishing Society
759	Edward Nnyanzi	Member	Mwebaze Fishing Society
760	Mrs. Nnyanzi Marjonne	Member	Mwebaze Fishing Society
761	Eric Lubega	Managing Director	Kawoko Agencies
762	Okello Oketcho	Representative	Youth Organization
763	Muwanga John	Member	Mwebeza Fishing Society
764	Rose Namuddu	Member	Mwebeza Fishing Society
765	Nakidde Margaret	Member	Mwebeza Fishing Society
766	Mrs. Grace Kiwanuka	Member	Mwebeza Fishing Society
767	Victor P. Kobel	Managing Director	Nangongera Millers Ltd
768	David Musoke	Journalist	The New Vision
769	George Kawule	Journalist	The New Vision/Bukedde
770	Olivia Kaggwa	Journalist	Sanyu Television
771	Okech A. Ajari	Cameraman	Sanyu T.V.
772	Joweriya Ssekyelabirwa	Women's Council	Mbuya II
773	Fatuma Nanduwula	Women's Council	Mbuya II
774	George Lukwiya	Journalist	Oyeng Yeng
775	Otanga Rusoke	Consultant	Human - Animal
776	Mukooza Paul	Director	Nvubu Agencies
777	Augustine Aisu Olupot	Sales Rep.	MEDVET Labs Ltd
778	Karen Eberhardt Henihesen	Dev't Worker	MS - Uganda
779	Doris Grace Akello	Program Officer	MS - Uganda
780	Zalwango Alice	Member	Agric. & Env't
781	Patrick B. Tushabe	Counsellor	K.C.C.
782	Falida Namujju	Women Council I	Mbuya/Nakawa Division
783	Henry Kanyike		Wakibule Estates LTd
784	Yasini Kauta Kirunda	Executive Secretary	Multi-purpose Training
785	Dr. Gumisiriza Gadi	Wheat Dev. Project	UGMC
786	Prof. Geoffrey C. Mrema	Executive Secretary	ASARECA
787	David Betega	Socio/Researcher	Ug.Scouts Headquarters
788	Namakula Najuma	Women Council	Mbuya II
789	Nalongo Nava	Women Council	Mbuya II
790	Kalanzi Ramadhan	Chairman	Uganda Fish Dev.
791	Josephine Nalukwago	Women Concil	Mbuya II
792	Zaliya Nakazibwe	Women Council	Mbuya II
793	Jeoffrey Mwesigwa	Journalist	The New Vision
794	Maryamu Nanfuka	Womens' Council	Mbuya II
795	J.S. Okello-Olobo	Finance Director	Lagoro Holdings Ltd
796	Joyce Mugerwa	Member	Mwebaza Fishing Society
797	Eriyasafu Musanje	Member	Mwebaza Fishing Society
798	John Fred Katende	Youth	Ddembe Fishing Society

799	Kalungi Paul	Member	Mwebaze Fishing Society
800	S.L. Kawesi	Managing Director	Kawesi Agro Project Ltd
801	Mrs Onen Slyvia	Member	NSARWU
802	P.N. Karuhanga	Agric. Economist	Agricultural Secretariat
803	Joan Musoke	Member	Busega, Natete
804	Joshua Sserwanga	Export Officer	MACO, International Ltd
805	Mrs. Florence S. Kasule	Leaf Technician	Mastermind Tobacco (U)
806	Bosco Okumu	Sales Marketing	Pager Industrial Co.(U)
807	John S. Cousens	Managing Director	Jonco Ent. Ltd.
808	S. Magambo	Senior Manager	Spear Group
809	Evelyn Nakayongo	Reporter	Ngabo Newspaper
810	Tumwesigye Kashub Steven	Food Technologist	Kampala
811	Igambiire	Chairman	Igambiire & Sons
812	Prof. J.R. Bibagambah	Director	EC Silk Projector
813	Khokas Okiror	Managing Director	G/nuts Distributor
814	Edward Nsubuga Senvewo	Estate Administrator	Senvewo Estate
815	Dr. James Ssemwanga	Doctor	Independent Consultant
816	Twijuka Sandra	Administrator	Ug. Oil Seed Processors
817	Namubiru Aisha	Admin. Officer	FOWEDI
818	Mrs Gymila Mbuga	Executive Director	Bukoggolwa Widows
819	Miiro M. Mivule	Project Officer	VEDCO
820	Kalema Sam	Photographer	Market Place Newspaper
821	Mr. Gumila Mbuga	Executive Director	Bukoggolwa Widows
822	Okello Festos	Research Officer	Vimto Associates
823	L.K. Seguya	Member	Mpererwe Nammere
824	Fred S. Senkatuuka	Central R/Economic	Economic Dev't
825	Prince Tebandeke Frederick	Member	Mwebaze Fishing Society
826	Samuel Kafuuma Muwanga	Secretary	Mwebaze Fishing Society
827	John Kajoba	Project Manager	World Learning Inc.
828	Alex Lucas	Manager/Sector	Crane Bank
829	Asipa John Charles	Journalist	International Photo
830	J.F. Kyagulanyi-Kaggwa	Director	SGA Food & Oils
831	Edward Serunjogi	Member	Marcluev
832	Okello James	D.H.T.	UGWEP
833	Frederick S.M. Kawuma	Executive Director	Ug. Coffee Trade Fed.
834	Patrick Sanya	Consultant	Technconsult
835	Oumo Richard	Civil Servant	Water & Sanitation
836	Mukundane B. Albert	Trade Dev't Officer	Makindye Division

NGOS and International Organizations

837	Mr. Jack Keulmans	Reg. Procurement	WFP
838	Mr. Kibira	Program Officer	WFP
839	Margaret Balaba	Agriculturalist	W/Vision
840	Dr. Bruno Bouchet	Health Advisor	French Embassy
841	Douglas S. Lubowa	Prog. Officer	UNICEF

842	Miiro M. Mivule	Project Officer	VEDCO
843	Kharono Elizabeth	Coordinator	RFFI-EA/SNV
844	Bernie Runnebaum	Program Manager	USAID-PL480
845	Lemmy Solomon	Food Aid manager	Int. Care & Relief
846	Mr. Ronald Kato	Project Coordinator	Kyakulumbye
847	Merelita Lilly	Asst. Project Officer	CPAR
848	Robert Coberly	Logistics Officer	UNHCR
849	Dr. Paul B. Kabwa	Health coordinator	Save the Child
850	Mr. Syambi A.N	Programme Officer	FAO
851	Laetitia Diaz	Deputy director	USAID
852	Mujumbura Joshua	Project assistant	UNDP-Africa 2000
853	Douglas S. Lubowa	Programme Officer	UNICEF
854	Mukiise Ben	Physical Planning	GTZ
855	R. Awino Kaduru	Dep. Representative	OXFAM
856	Judy Adoko	Programme Officer	OXFAM
857	Mr. Wilson Kwanya		UNDP
858	Prof. Opio-Odong	Advisor	UNDP
859	Rwampororo Rosern	Agric Economist	USAID
860	Bruno Komakech	Advisor(Pte sector)	USAID
861	Zie Gariyo	Coordinator	DENIVA
862	Kevin T. Makhoka	Programme officer	COOPIBO
863	G. Kisembo-Rutwaara	Agric. Officer	ACTIONAID
864	John F. Olweny	Programme officer	Royal Danish Embassy
865	Israel Wamala	Policy R/Manager	ACTIONAID
866	Rev. Dr. Tom Tuma	Coordinator PDR	COU
867	David S. Nsubuga	Economic Specialist	USAID
868	Owino Mark Owoko	Executive Director	AFCF
869	Moses Dombo	Policy Associate	W/Vision
870	Tumusiime M. Goresh	Food Coordinator	CR Uganda
871	Mayanja Abdu	Secretary General	FFTN
872	Kabanda Edward	Project Manager	YOUTH
873	Ruth Okwele	Desk Officer/FAO	FAO/MAAIF
	District Representatives		
874	Ali Kalungi Salongo	Gen. secretary	Mukono
875	Milton Ayen	DFO (Lira)	MPED
876	Gaham Peter	CAO	Kiboga District
877	Elem John H.	DAO (Lira)	MAAIF
878	Otim-Omech J.	CAO	Kitgum
879	Elias Byamungu	D/CAO Kabarole	Kabarole Dist. Admin.
880	Dr. H. Ssekiwunga	DVO Mpigi	Mpigi District Council
881	Munyazikwiye	DAO Kasese	Agric. Dept. Kasese
882	Dr. J.K. Tumushabe	DVO Kasese	Veterinary Dept. Kasese
883	Namanya Naboth	D/Planner	Ntungamo
884	Kamya Matovu	Asst. CAO	Luwero
885	Dr. James M. Tumwine	DVO Masindi	Masindi Local Gov't
886	Matte Rogers	Dist. Economist	Kasese Dist.Local Gov't

886	Kyagaba Christopher	Agric. Officer	Masaka-Agric. Dept.
887	Mrs. Mutumba P.K.N	DAO Masaka	MAAIF
888	Abbas Bwogi Kasozi	District Planner	Masaka District Admin.
889	Dr. Berinda E.R.	Prodn. Coordinator	Mbarara Dist. Admin.
890	Opwonya E.R.	DFO	Masindi
891	Kayuza J.	Planning Officer	Iganga
892	Joseph Okello	DCCU	Apac
893	Dr. Ongu Elim	Ag. DVO	Apac
894	Achia Terence Sodium	LC V Moroto Dist.	Local Council V
895	Dr. Mayega Lawrence	DVO Masaka	Masaka Dist. Admin.
896	Opio John Patrick	DFO Apac	Fisheries Dept. Apac
897	Bob Lumu	Finance Sec. RCV	Youth Council Kampala
898	Asiimwe B. Sam	Commercial Officer	MTI Ntungamo
899	Justin M. Sabiti	Chairman RCV	Mbarara District
900	Lajul J.C.	Ag. DAO Gulu	MAAIF-Gulu
901	David Mugabi	DVO	Mukono District. Admin.
902	Mr. Muguwa Joseph	Dist. Entomologist	MAAIF, Jinja
903	Suleiman Bagalana	DAO Jinja	GOU-Jinja
904	F.R. Atukunda	Commercial Officer	Mbarara District
905	Dr. Batke D.A	D/DVO Arua	Arua Dist. Admin.
906	Isaac Modoi	CAO Mubende	Mubende Local Gov't
907	Nyende Juma	A/CAO Iganga	Iganga Dist. Admin.
908	Joel Odongo Amen	Marketing Officer	Marketing Dept. Lira
909	George W. Odwong	RDC Kitgum	President's Office
910	Bukenya Moses	Secretary	Kawempe
911	Lubandi Herman J.R.	LC/Sec. Nakawa	Luzira Branch
912	David Musiige	Trade Dev't Officer	MTI Luwero
913	Ssenyonga Wilson	DAO	Luwero
914	Mutabwire K. Patrick	Deputy CAO	Ntungamo
915	Dr. Kyambadde Christopher	DVO Mukono	MAAIF
916	Dr. Persis Nakate	Veterinarian	DWSA Mpigi
917	John Stephen Kakaire	DTO Iganga	Min. of Trade & Industry
918	Olowo Raymond Reyis	Agriculturalist	Dept. of Agric. Mbale
919	Ngorok Pasquale	Programme Officer	Karamoja Task force
920	Dunstan Balaba	CAO Jinja	Jinja Dist. Admin.
921	Nahabwe Paddy	Trade & Industry	Mukono Dist. Admin.
922	Silverno Ssentonga	LC I Mbuya II	Nakawa Division
923	Terresa Muyanja	LC I Mbuya II	Mbuya, Nakawa
924	Nathan Ahimbisibwe	CAO Nebbi	Nebbi Local Gov't
925	Kizito Robert	Environmet Officer	Agric. & Environment
926	Bagorogoza Benson	Dist. Economist	Rukungiri
927	Muhumuza Claver	DAO	Kabarole district
928	Dr. Chris Kairumba	DVO Kabarole	Kabarole
929	Dr. Bernard Nuwagaba	DVO Ntungamo	Ntungamo
930	Monica Kalemba	D/CAO Mpigi	Mpigi
931	Sonko Solomon	Dist. Economist	Mukono
932	M.W. Gimogoi	CAO Masindi	Masindi Administration
933	Mwesigwa Agabus	D/Extension	Rakai Dist. Admin

934	Bbaale J.C	CAO Masaka	Masaka Dist. Admin
935	Kanoonya Paul	D/Extension	Masaka Dist. Admin
936	Dr. stephen Okullo	Ag. DVO	Kapchorwa
937	Ssekandi David	Commercial Officer	Rakai Dsit. Admin.
938	Mubiru Stephen	DAO Kiboga	Dept. of Agric.
939	Dr. J.F. Okalany	D/Extension	MAAIF Gulu
940	R. M. Beyanga	Commercial Officer	Mpigi Local Council
941	Stanley Sempa	Treasurer UNFA	Nakifuma/Mukono
942	G.S. Mayanja		Mpigi
943	Ritta Lubega	D/Youth Sec/Agric.	Kampala
944	Omoding Robert	D/DAO - Iganga	MAAIF
945	Musenero Wandera Eva	CAO - Tororo	Local Gov't
946	Semanda Moses	LC I Chairman	Kampala-Lusaka
947	Dr. Magirigi F. X	DVO - Iganga	MAAIF
948	Dr. John Atikoro	DVO/DEC - Kiboga	MAAIF
949	Haruna Ssesera	RC II Information	Mbuya-Nakawa
950	Bwabye Hanifer	Member LC II	Kawempe - Kampala
951	Kasiribati Livingstone	Member LC II	Kawempe - Kampala
952	Zabeti Nabalera	LC II Sec/Women	Mbuya - Nakawa
953	Akwero-Odwong Jane	Civil leasder	D/Local Council Kitgum
954	Okello John Peter	Water Officer Gulu	Water Dev't Directoate
955	Byamukama Martin	Commercial Officer	MTI - Kasese
956	Dr. Kiiza-Waako	DVO Kamuli	MAAIF
957	Okoropot Aporu Raphael	D/CAO Soroti	Soroti Local Council
958	Agea Collins	D/Representative	Karamoja Development
959	Silas Ejiku	D/Representative	CAO, Soroti
960	David Okwi	D/Representative	MPs, Kumi
961	Edodit Alfred	D/Representative	MP, Kumi
962	Ojilong Patrick	D/Representative	Entebbe
963	Simon Peter Loyomo	D/Representative	Res. Commissioner
964	Dr. Moses Sekandi	Deputy DVO	Luwero Dist. Admin.
965	Masiga Edward	Ag. RDC Jinja	Jinja Dist Admin.
966	Nahamya Naboth	D/Economist/planner	Ntungamo
967	Ocen Livingstone	Commercial Officer	Lira, MTI
968	Otika Lovis	RDC Gulu	Gulu
969	Lyagoba Jimmy S.	DAO Kapchorwa	MAAIF
970	Dr. Engu Elim	Acting DVO	MAAIF, Apac
971	Watanga Peter	DAO Masindi	Masindi Local Gov't
972	S.H. Muhumuza	A/CAO	Masindi Local Gov't
973	Ogunu Solomatata S.	Comm'y Dev't off.	Comm'y Dev't, Moyo
974	Dr. H.B. David Otto	D/Extension	MAAIF, Apac
975	A. Ocen Lalur	CAO Lira	Lira Dist. Admin.
976	Patrick Isingoma	CAO Hoima	Hoima Dist. Admin.
977	Rebecca Batwala	Population Officer	Kamuli Dist. Admin
978	Fred F.K. Kisige	Deputy DAO	Agric. Dept., Jinja
979	David B. Kalibbala	DAO Mpigi	MAAIF
980	Dr. Barigye J.L	DVO Mbarara	MAAIF
981	Deo Oitamong	CAO Nebbi	Nebbi Local Gov't

982	Boonah Chris Smart	D/Planner/Economist	Mbarara
983	Mumaye Milton	CAO	Bundibugyo Dist. Admin
984	Mugume B. Amos	Production Officer	Bundibugyo Dist. Admin
985	Besiga Stephen	Industrial Economist	Mbarara Dist. Admin
986	Bahizi Zachary	D/Extension	Kisoro
987	P.L. Opige	Comm. Officer	Jinja, Trade & Ind'y
988	Opwonya E.R.	D/Fisheries Officer	Masindi Dist. Admin
989	Matthew Okello	Council Member	Gulu
990	Kyaligonza Araali	Dist. Rep.	Hoima
991	Andrew Mujumba	Trader	Iganga
992	Stella Damba N	Sales Rep.	Butabika
993	Sam Semulyona	Trader	Nansana
994	Samuel Bayo	Comm. Trader	Arua
995	Bob Walusimbi	Civil Servant	Kateera
996	Violet Bemba	Education Officer	Lubowa
997	Anne Ochwo	Womens Sec.	Kumi
998	Roger Wamara	Comm. Trader	Bushenyi
999	William Mukasa	C/specialist	Katikamu
1000	Noeline Kitonsa	Womens' group	Namataba
1001	Lydia Kawanguzi	Women Group	Makindye
1002	Jecisa Achen	Bukasa Women G.	Makindye

The above-mentioned list shows participants who completed the registration forms. If accounting for those who attended but not returned their forms, the overall total number would be much higher than 1,000 participants.

THE REPUBLIC OF UGANDA

NATIONAL FOOD STRATEGY

A RESPONSE TO OVERCOME THE CHALLENGE OF POVERTY AND GROWTH

MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT

July 1996

124

NATIONAL FOOD STRATEGY

A RESPONSE TO OVERCOME THE CHALLENGE OF POVERTY AND GROWTH

TABLE OF CONTENTS

126

INTRODUCTION

Setting the Stage

Development is a vital issue - one of the most vital issues of our time. Development, however, is not a simple process for the variables are many and the causal factors are broad. Confronted with the enormous challenge of poverty and growth, Uganda is looking for answers to questions about development issues for policy formulation and implementation based on solid evidence for objective reforms. The task confronting Uganda is staggering but the challenge to its understanding is even more dramatic. Of course, the challenge must be faced creatively; and the greater the challenge, the more creative must be its response. But it is also true that a great challenge can stimulate creative action to successfully promote stabilization, growth and development which are widely desired both at governmental and popular levels.

1. Strengths and Weaknesses

In Uganda, if structural adjustment programs have been considered as essential to move the country from rehabilitation to development, assessments about their performance often are mixed. In fact, there are two different and contrasting Ugandas. The Government, therefore, has to face a real dilemma.

A Significant Milestone

There is a Uganda, with high prospects for the future, which despite a difficult starting point has staged a remarkable economic recovery and is moving toward self-sustainable development. According to the IMF the process has been characterized by renewed economic growth and major progress in structural adjustment, setting an example for many countries to follow. Uganda's turn around since 1987 has been impressive by any standard. Economic growth has averaged almost 6 percent per annum in the years through 1994. With inflation falling sharply, the economy has been stabilized. Fiscal discipline has played a key role in the Government's strategy. The external current account deficit (excluding grants) has declined markedly. More over, substantial structural reforms have taken place in the economy in the areas of price liberalization, public enterprise reform, financial sector structural adjustment, civil service reform and army demobilization, etc...[1]

---

[1] *Based on the "IMF Uganda: Adjustment with Growth 1987-1994" by Robert L. Sharer, Hema R. Dezoysa and Calvin A. McDonald, IMF, March 1995. P.2*

A Challenge to Overcome

There is another Uganda which is still one of the poorest countries in the world. The present is uncertain but the future is even less reassuring. Economic growth has been substantial, but it was basically due to support from foreign aid, and anyway has not significantly reached the majority of people living in the rural areas or depending on agriculture. Unemployment rate, and not inflation indicator, which can be considered as a proxy for real economic activity is invariant, and has even deteriorated with monetary stabilization policy. The budget could only be balanced with the support of foreign aid, and budget deficit will increase from US $ 80 million in 1990 to US $ 768 million in 2003 based on projections prepared by the World Bank. From a deficit of US $ 430 million in 1990, the gap in the resource balance continues to widen to US $ 1,086.8 million in 2003. The foreign debt which was US $ 2,097 in 1990 increased to US $ 2,560.7 million in 1994, and is projected to reach the ceiling of US $ 4,886.0 in the year 2003. A reduction or an end of external assistance will put the country in jeopardy.[1]

2. The Imperative of an Integrated National Food Strategy

A central aspect of the daily struggle of poor people to survive is their insecurity of access to sufficient quantities of nutritious food. In Uganda, food security is even a vital issue for the majority of the population. The fundamental issue in food security however, is not lack of resources but rather absence of an integrated national food strategy.

The Vital Issue of Food Insecurity

In Uganda, results of studies undertaken and recent occurrences show that despite its potential and vast resources, the country is not safe from food insecurity. As a matter of fact, food insecurity which affected most countries in the Eastern and Central Africa regions in the early 1990's, was also felt in Uganda. In particular, the latest famine of 1992/93 which affected 16 districts mainly in the Northern and North Eastern parts of the country is believed to have caused starvation to a number of people and left many children malnourished. This state of affairs has been attributed to a number of factors including heavy dependency on rain-fed agriculture, inadequate agricultural technologies, poor extension services and under-developed post-harvest systems, insufficient agricultural production credit, poor infrastructure and distribution network as well as ineffective markets; thus resulting in low productivity, low farm incomes, and general poverty, particularly in the rural areas. Yet, unlike a greater number of countries in Sub-Saharan Africa which have experienced chronic and severe food shortages, Uganda has always been considered to be self-sufficient in food. Uganda, indeed, is blessed with fertile soils and good climate. Prospects for increased food production are real, and studies have shown that Uganda has a comparative advantage in food exports.

---

[1] *Projections extracted from the World Bank "Uganda: The Challenge of Growth and Poverty Reduction" June 1995, Annex II: Macro-economic Projections.*

The Three-dimensional Concept of Food Security

In reality, reform measures, programs, as well as policies designed to promote a national food strategy should distinguish three different but complementary and integrated dimensions of food insecurity alleviation, food insecurity reduction and food insecurity eradication. *Food insecurity alleviation* denotes a range of short term palliative measures to "ease" the emergency hardships of the poor population as in the cases of natural and man-made disasters. It can be done through relief for drought-affected famine, humanitarian assistance to refugees, or for victims of wars and other conflicts. *Food insecurity reduction,* while involving palliative measures, is intended to raise the quality of life beyond the necessity for mere survival and livelihood of the "absolute poor", not only through the provision of emergency food, but also wider interventions in food development and distribution to ensure not only food security but also promote minimum income security for the poor. *Food insecurity eradication,* though embracing programs and policies to alleviate and reduce food insecurity, is to attack and root-out the cause of food and nutrition insecurity by creating an enabling environment whereby a more satisfactory and higher standard of living can be ensured, and the realization of food security can be fully achieved for the population by the Government.

The Integrated Approach to A National Food Strategy

The challenge of promoting a national food strategy lies at the heart of the wider complexities of articulating the broader process of not just food relief and emergency food aid to alleviate food insecurity. Such a process should also focus on production development, distribution and accessibility of food to the poor to reduce food insecurity. And finally, it should furthermore aim at promoting higher income generation in order to eradicate food insecurity through, economic development, agriculture-led growth, and more specifically food production development and distribution, and food exports. Far from being promoted at the expense of food security, food exports have the huge potential to enhance food security. In fact, food exports should even be considered as an essential component of an integrated food strategy. Lack of demand and markets can become major disincentives to food production. Yet, domestic consumption level for the main food crops already falls below production capacity. In the long-term, food exports, in an expanding economy with trade liberalization and increased purchasing power in neighboring countries, can be expected to absorb an increasing amount of food crops surplus; and therefore, provide more incentive to increasing food production, raising income of the farmer and contributing most effectively to achieve food and nutrition security in Uganda.

In the final analysis, with an integrated national food strategy Uganda not only can develop food production and eradicate food insecurity at home but also expand its exports of food and enhance food security in the region. It is imperative for Uganda to formulate an integrated national food strategy which should be translated into an effective implementation of a comprehensive action plan to promote food security in order to meet the challenge of poverty and growth.

PART I

FORMULATION OF AN INTEGRATED FOOD STRATEGY

130

I. AN INTEGRATED STRATEGIC MODEL FOR POLICY DECISION MAKING

The Government of Uganda has adopted an outward-looking growth strategy through investment promotion and export development and diversification. Within this framework, it was clearly stated in Government's development policy that:

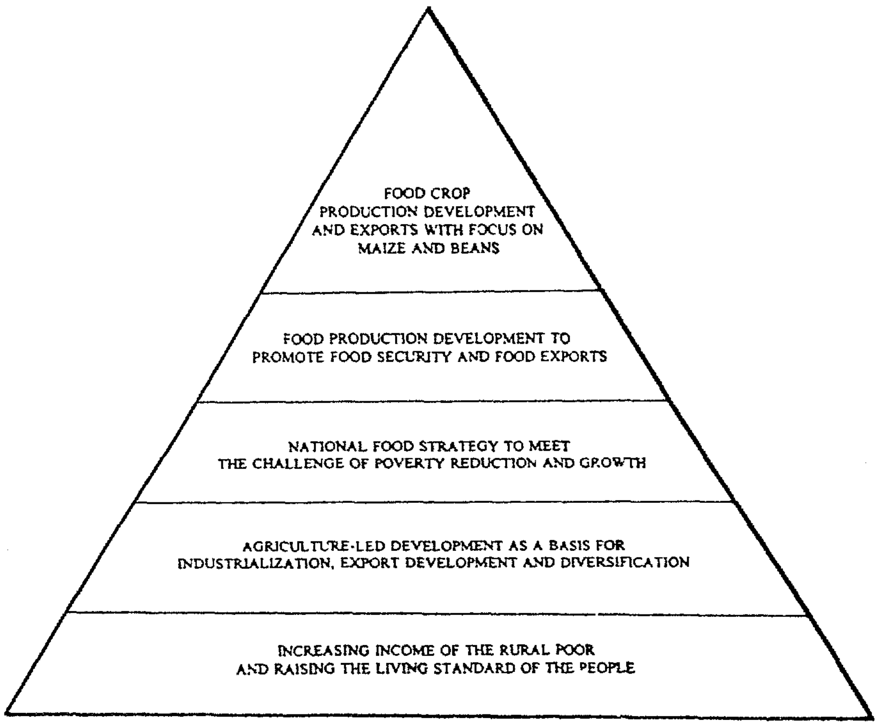
> *"Uganda's economy is dominated by agriculture and remains dependent on growth in the agriculture sector. Such growth has to meet the rising food requirements of a growing population. Through exports, it also has to generate foreign exchange earnings to enable the country to import agricultural inputs which are not available, modernize the economy and improve the living standard of the people."*
> *UGANDA: Adjustment with Growth 1987 - 1994*

In reality, there seems to be three major impediments at policy formulation, implementation and motivation levels, which undermine Government's efforts to achieving better performance. An integrated strategic approach for policy decision making would be required to maximize impact of Government development strategy.

I.1 Policy Formulation under Overwhelming Challenge-and-Response

Uganda has to carry out its national development in an extremely difficult situation and under limited resources. Development strategy of poor countries with scarce resources could not be conducted the same way as in affluent societies, at least at the beginning of the process of development. Policy formulation, choice of system goals, as well as allocation of resource to appropriate priority areas should, therefore, aim at maximizing impact of Government development strategy. As a result, in order to achieve the ultimate objective of increasing income and raising the living standard of the people, allocation of resource should be directed in priority to support agriculture-led growth, food production development, and food exports.

Formulation of Priority Areas under a Development Strategy with Limited Resources

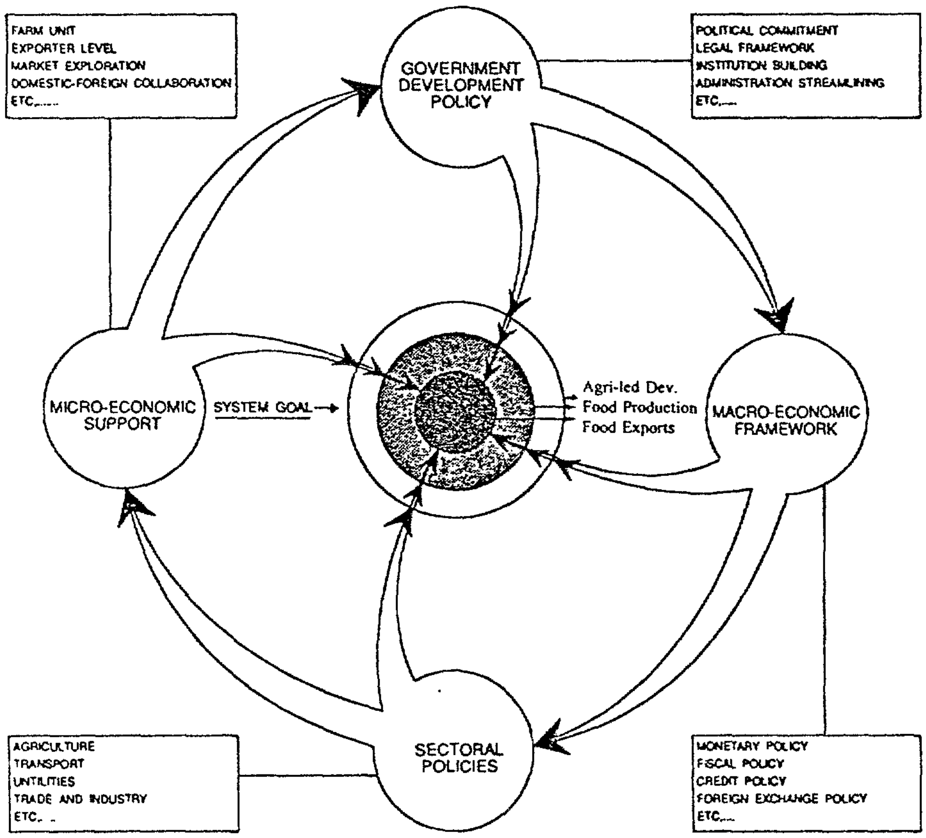


131

I.2 Integrated Strategic Management for Policy Implementation

Structural Adjustment places the macro-economic policy framework at the center of economic activities. Macro-economic policy framework, however, is just a means to achieve an end which is the nationally-set development strategy. Development implies the achievement of a system goal conceived as a whole, not a single policy isolated from the very general context as such. Strategy implies coherent policies to achieve it. Macro-economic policy is just one of them. Though important, if applied to the extreme, it can become very detrimental because of its isolated, and short-sighted character whereas a development strategy always calls for a well conceived and coordinated action plan.

Integrated Strategic Management for Policy Implementation

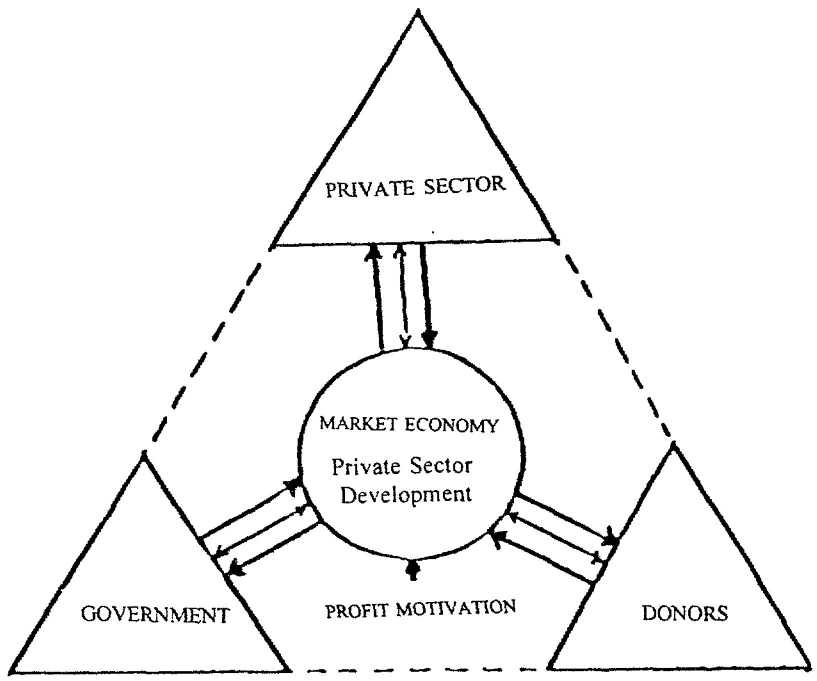


132

I.3 Private Sector Cumulative Built-in Profit Motivation

In the formulation and implementation of structural adjustment policy both the IMF and the World Bank promote liberalization of the economy where market mechanism is considered the rule for government action and the private sector has to be the preferred engine of growth. Uganda's pattern of development has already been to promote a market economy and turn over to the private sector as large a share of responsibility as possible. For the private sector to develop, the most important motivation is the prospects for profit. Only with a good understanding of the cumulative built-in profit motivation concept applied to the private sector, can Government policy guidance be successful. Policy reforms under structural adjustment programs need to promote an economic environment where private sector can be motivated to expand. This is a prerequisite for private sector development in a market economy.

Cumulative Built-in Profit Motivation



In the final analysis, the development of Uganda is conditioned by its own configuration. More specifically, its severe conditions will bear a heavy influence on the choice of its development goals and the timing to carry out its objectives. Therefore, in accordance with its own historical heritage, political situation, geographical position, economic endowment, and social standard, it must follow its own course of development. Development technique, orientation, and model may be alike, but efforts, goals and strategy cannot be the same for a country in all stages of its development, or for all countries without due regard to their peculiar features. It is not just a formal implementation of structural adjustment but also a goal-oriented action system. Policy decision making must be "transcended" and truly "adjusted" to Uganda's ultimate national interest.

II. AGRICULTURE-LED DEVELOPMENT AS A BASIS FOR INDUSTRIALIZATION, EXPORT DEVELOPMENT AND POVERTY REDUCTION

Development theories may be classified into two general types in accordance with their major, though not necessary exclusive, emphasis. In the first category are quantitative economic theories, most of which stress the importance of capital formation, the rate of investment and the productivity of capital investment. The second type may be called qualitative because they emphasize the generative role of leading sector growth, the importance of specific economic activities and the function of "intangible" investment. To maximize growth of the economy, the Government of Uganda should adopt an integrated strategic management approach, which would take into consideration both quantitative and qualitative aspects, i.e. to maximize the use of its scarce investment in capital as well as its abundant natural resources.

II.1 The Dynamics of Agriculture-led Development

It is generally believed that within the group of developing economies, it is those with a rather well developed agriculture that have best succeeded. The record of economic growth and development in Asia over the past three decades convincingly demonstrated that countries which neglected agriculture grew much more slowly than those pursuing agricultural development early on. All of them have engaged in land reform, invested in rural infrastructure and the institutional and organizational aspects of rural development, etc...

Maximizing Output of Capital Investment

The comparative advantage in investing in agriculture in Uganda seems to be self evident. For Uganda, based on key selected economic and financial indicators, it seems reasonable to estimate an incremental capital-output ratio (ICOR) between 3 and 3.5 percent for the last three years 1991/92-1993/94 and for the projected next three years 1994/95-1995/97.

Most important, however, is the fact that the ICOR is less in agriculture and more in industry and other fields such as services, utilities and public works. In the absence of any objective study on the incremental capital-output ratio in Uganda, the ICOR of some Asian countries with economic structures more or less similar to Uganda, might be used as follows:

Agriculture and other primary products	2.5
Industry	4.0
Commerce, services, housing	5.0
Utilities Public work	5.0
Overall Average	3.5

The same amount of investment in agriculture would generate in general more increase in output than in industry, commerce, etc... Given the lower capital-output ratio for agricultural development, it is clear that, all things equal elsewhere, the more Uganda invests in agriculture instead of other sectors, the higher the resulting increase in total output.

134

Expansion of Cropping Areas

Besides, the prospect for increased agricultural production through expansion of cropping areas is real. Uganda's agriculture is predominantly subsistence in nature with an average farm size of 2.5 ha. In Uganda, cultivable land is close to 167,600 sq-km and amounts to 85 percent of the land area. Only between 30 and 40 percent of cultivable land has been used. Even though access to land is not a major problem for most families, land tenure systems have been and are still hindering the improvement of agricultural production.

Improving Productivity

Furthermore, production in agriculture can be significantly improved. In recent years, the increasing food crops production has come almost entirely from area expansion. However, yields have remained very low since 1970s. According to studies carried out by AGSEC/ BOU between 1985 and 1994, family labor is predominant with women contributing about three quarters of the labor force. The hand hoe technology is common practice. Improved seeds, chemicals, fertilizers and other recommended farm inputs are rarely used as farmers are either not aware of such inputs or the inputs are generally not readily available and in most cases beyond the reach of the farmer. As a result of these factors, and together with poor crop husbandry, productivity is low. It can be observed that based on Kawanda Research Station (NARO) and MAAIF farmers achieve between 17 and 50 percent of the yields attainable at Research Stations, it is nonetheless worth noting that with appropriate technology, crop husbandry and extension services, etc... farmers can significantly increase crop productivity and raise the share of agriculture in the GDP.

Empowering Women in Development

Finally, an effective promotion of women in development, will decisively increase Uganda's capacity to promote food production, agricultural development, and more generally economic growth. An understanding of the contribution of women is essential to the formulation of poverty reduction and economic growth strategy. In fact, one untapped source of agricultural growth to help meet the challenge of food insecurity and abject poverty could lie in reducing the bias in treatment against women in agriculture. In a predominantly agricultural country such as Uganda the economic contribution of women is most decisive. Women provide about 70 percent of total agricultural labor force and are responsible for 70-80 percent of food crops and 50 percent of cash crops production and virtually for all food processing. Notwithstanding their large contribution, women face a number of gender specific constraints that limit their access to productive assets, employment and services, and hinder their ability to gain control and use of crucial resources, material as well as non-material.

In sum, an effective development strategy giving priority to agriculture and food production in a liberalized economy and an enlarged market, (local as well as regional) for food exports would at least double the average growth rate of about 4 percent of agricultural production for the last five years, if Uganda can design and implement with its own merit an effective development strategy based on its comparative advantage and maximize the effective use of its available resources.

35

II.2 A Basis for Industrialization

In Uganda, agriculture accounted for more than 50 percent of GDP, provided about 90 percent of export earnings and more than 80 percent of employment in 1993/94. Industry contributed roughly 12 percent of GDP of which manufacturing shared 6 percent. The contribution of manufactures was less than 1 percent of total export earnings. Commerce, service and transport shared more than 30 percent of GDP. For Uganda, because of the dominant role of agriculture, accelerated economic growth has to derive its momentum from the agricultural sector.

Agriculture-led Development to Start Industrialization

Since the quasi majority of the population live in rural areas, any economic recovery and growth has to be based on achieving the full potential of the agricultural areas. The prevalence of low incomes in the rural areas and low demand for the products and services of industry and the services sector will in turn reduce incomes in urban areas.

While agricultural growth is essential to improve living standards and provide higher incomes to the majority of the population who depend on agriculture, it can promote savings and investment to promote industrialization and exports. As the agricultural sector grows, the non-agriculture sectors will also be strengthened. The overall effect not only helps reduce rural poverty but also has a desirable impact on poverty alleviation in the non-agricultural sector as well. Neglect of agriculture, therefore, contributes to reduce savings as a source of investment for the development of other sectors.

Besides, investment strategy based on agricultural development as the leading sector in accelerating economic growth is built on the high potential of consumption and production linkages. With added rural purchasing power, the increased demand is likely to be oriented toward goods and services that are labor-intensive in production. Findings from research on consumption linkage associated with higher income generation in the rural areas in several African and Asian countries indicated that for each additional dollar of income in the agricultural sector, the non-agricultural sector income increased by US $ .50 to US $1.00. The added demand for non-agricultural goods and services could be met by small-scale producers and suppliers thus further increased demand for agricultural products. As a result, the size of the domestic market would be increased. A larger domestic market would make possible the realization of economies of scale and provide a cushion to absorb shock from fluctuations in demand in the export market.

Furthermore, another significant effect of agricultural development in support of industrialization is its contribution to lowering cost of inputs in the production of manufactures. While producing increasing amount of food at lower price, agriculture can increase the purchasing power of the population in general, and the worker more particularly. As in most developing countries, in Uganda about two-thirds of per capita expenditures are spent on food. The favorable effect of lower food prices will spare wage adjustment or increase, and improve the cost structure of Ugandan production. In a similar way, and more directly, another beneficial effect of a fully developed agriculture is to make available raw materials in good quality and at lower price for processing industries which produce not only for the domestic market but also for export. As the

-136-

inputs of labor and raw materials are important elements of production cost, any improvement will help increase competitiveness of Ugandan products both at home and abroad.

Industrial Development to Increase the Momentum of Agricultural Growth

All countries now regarded as developed either started their industrialization with a highly productive agricultural base or developed a highly productive agriculture during their industrialization process. In fact, for Uganda an agriculture-led development should create a sound basis to start industrialization but in the process of development, industrialization in return would promote increase in productivity of agriculture.

Based on a commonly shared belief, a good investment would be the one which uses relatively cheap locally available materials, labor and basic inputs, has a significant portion of value-added which earns or saves more foreign exchange and has comparative advantage rather than simply duplicating investment which may already be successfully established in other countries. In reality, the industrial structure of Uganda will be likely characterized by two main activities: (a) the production of handicrafts and the processing of domestically available or imported raw materials requiring little elaborated capital equipments and (b) the more heavy or advanced industry producing durable consumer or producer goods which in fact is still negligible.

The policy-set priorities for the development of various branches of industry could be: of highest priority are agricultural supporting industries, those using domestic raw materials and have high export potential, or import-substitution industries using domestic materials, and making intensive use of labor. Potential investment opportunities could be directed toward priority areas of agricultural production development for food security and for export such as food crops, cash crops, horticulture, fisheries and livestock development; and agro-processing and processing of animal resources including fish processing, dairy products and meat, leather, coffee, fruits, spices, etc...

In the process of development, industrialization will improve the industrial infrastructure so that it can better use domestic raw materials and labor, raise industrial value-added, and promote key industries which would provide a sound growth of the overall industrial sector. More specifically, investment can be directed in areas such as agricultural inputs, including building materials, tools and implements, processing equipment and packaging, fertilizer, pesticides or even capital-intensive manufacturing launched with foreign investment.

II.3 **An Effective Expansion of Exports**

In 1993/94, agriculture accounted for more than 90 percent of exports. Policies biased against agriculture also result in deficient production of agricultural products for exports, reduced foreign exchange earnings, as well as in negative multiplier effects throughout the Ugandan economy whose main macro-economic constraint is the capacity to export, in the absence of foreign aid. It should be noted that the growth of the agricultural sector greatly determines the performance of the Ugandan economy.

Primary Structure of Agricultural Exports

In Uganda, the composition of exports shows a predominance of coffee exports since the 70's when other non-coffee traditional exports like tea, cotton, tobacco started to decline. The fluctuation of international coffee prices has brought rather forcefully the danger of over-dependence on a single export commodity with far reaching impact on personal income, government revenue and the balance of payments. Export diversification, therefore, must be aggressively promoted.

In spite of the fluctuating trend in international prices of coffee and primary products, Uganda's comparative advantage, in the international markets still relies on agricultural exports. Uganda should therefore; exploit its highly productive agricultural resources aiming at increasing agriculture production and ensuring that cost advantage would be assured in traditional exports and focus on NTAEs, among those food exports.

Potential of NTAEs, Particularly Food Crops Exports

In the last five years, the foreign exchange earnings of the non-traditional agricultural exports have increased significantly as much as 285 percent. Food crops exports were among the leading NTAEs.

More particularly, maize and beans have good prospects for excess demand in the neighboring countries remains high, and if yield potential and acreage expansion are effectively exploited by the farmers with appropriate policy support from the Government. The prospect of narrowing the balance of trade should, therefore, be achieved through NTAEs, and more particularly food exports. Food exports were, indeed, among the leading non-traditional exports over the past five years, and also have the huge potential to even more successful in the future.

Table 12: Uganda - Exports, 1990 - 1995

(In US$)

Commodity	1990	1991	1992	1993	1994	1995
Coffee	140,384,000	117,641,000	95,372,000	106,775,000	292,849,000	383,200,000
Other traditional exports	12,184,000	23,051,000	20,268,000	23,676,000	20,994,822	22,782,275
Non-traditional exports	23,682,231	42,641,133	30,775,177	64,792,724	87,835,344	90,545,154
Food crops exports	13,430,842	19,982,642	15,290,469	26,232,607	42,042,010	49,360,991

Source: Compiled by EPAU from Uganda Revenue Authority and Ministry of Finance and Economic Planning data.

II.2 Contribution to Poverty Reduction

Agriculture represents a potential force for poverty reduction in Uganda where more than 80 percent of the population is engaged wholly or predominantly in agriculture and live in the rural areas. Smallholders also account for almost the total agricultural output with an estimate of 2.5 million farm households of which 80 percent cultivate less than 2.5 hectares of land each.

Broad-Based Participation by the Poor

The conceptual development paradigm emphasizes the potential contribution of agricultural transformation to broad-based poverty reduction. The fundamental development concept is that agriculture can be managed not only to increase agricultural growth but also contribute to poverty reduction. In fact there is a positive relationship between growth of the agricultural sector, particularly food production and poverty alleviation. Pinstrup-Andersen and Pandya-Lorch believe that:

> *"Agricultural intensification addresses the root causes of poverty in many low-income developing countries: agriculture is the most viable lead sector for generating incomes and employment in both farm and non-farm economies in most developing countries. Agricultural intensification holds great promise as an instrument to simultaneously meet food needs and alleviate poverty."*

Growth in agriculture can effectively contribute directly to raise the living standards of the rural and non-rural poor. Faster agricultural growth should be translated into higher reduction in poverty while promoting better economic growth. Countries whose economies are predominantly rural, an agriculture-based growth strategy provides the only possibility of broad-based participation by the poor.

Maximizing Impact of Agriculture-led Growth on Poverty Reduction

The implications of a maximizing development strategy based on Uganda's comparative advantage is that an agriculture-led growth should be oriented to promote food production and rural development. The principle of comparative advantage has to be kept in mind. Moreover, comparative advantage is not a static but a dynamic process. An agriculture-led development besides contributing to strengthen food security, also increases income of the rural poor which in turn provides a natural and enlarged market for consumer goods, agro-based industries and opportunities for agricultural and manufactural exports. The creation of new jobs, as a consequence, will raise income of the non-rural poor. A "virtuous circle" therefore, could be created with rural and urban growth being complementary and mutually reinforced.

Agriculture-led development, indeed, contributes to strengthen the food system: to help people feed themselves, to stimulate non-agriculture growth and to develop new products and services. People are better able to feed themselves if they are able to produce more for their own consumption, or if they are able to generate additional income to have more flexibility in purchasing food. The role of agricultural transformation, by helping people to produce more food to feed themselves, is inextricably linked to improvements in food security while also improving income of the rural and non-rural poor.

Increasing food production, and as a result lower food prices also directly increases the real wages of poor people. It is widely acknowledged that the real wages of non-agricultural laborers rise as food prices decline. What is less widely known is that a significant proportion of African small-holders are purchasers of staple foods at one moment or other so that the decline in price of these staples also increases the real incomes of these small-holder farmers. It is true that small farmers due to lack of proper storage or other post-harvest facilities usually sell their crops soon after the harvesting, and purchase foods when it comes to satisfying their need for food consumption. In a situation of food surplus, the spread in selling and repurchasing price would be reduced so that even the rural poor farmers can still benefit from lower food prices. Thus changes in relative food prices which is in the short-run one of the most important determinants of change in the relative and absolute real income of low income people, in many cases applies to the rural poor as well as the urban poor.

In sum, an agriculture-led development can serve as a catalyst not only to generate broad-based income to promote savings and investment, but also to widen the domestic market for manufactured goods both consumer and intermediate consumption. Expanded agricultural income will create domestic demand for industrial output and increase competitiveness of Ugandan exports to successfully compete in the international economy. With a strategy of agriculture-led development both agriculture and industry growth will become complementary and reinforcing expansion of promoting exports. Neglect of, and policies biased against agriculture will also result in deficient production or marketing of agricultural products for export, leading to reduced foreign exchange receipts and negative multiplier effects throughout the economy whose main macro-economic constraint is the capacity to import. In Uganda, finally an agriculture-led development will be the best strategy to respond to the challenge of growth and poverty reduction.

III. PARTICIPATORY STRATEGY TO POVERTY ERADICATION

For the Government of Uganda, stabilization, growth and development were equally stressed in the Economic Recovery Program of 1987 which aimed at three major objectives:

- *Restoring internal and external financial stability by reducing inflation through fiscal management and monetary performance.*
- *Accelerating growth in production, particularly production for export, through liberalized pricing and deregulation of economic activity, and encouraging saving and investment.*
- *Alleviating poverty and improving standards of living of the population through expanding social and economic infrastructure to increase productivity.*

III.1 Striving for a Balanced Policy Approach

Since the implementation of the Economic Recovery Program in 1987, the Government of Uganda has achieved unequal results. Significant progress has been achieved in restoring internal and external stability by way of improved fiscal and monetary performance. In the context of macro-economic framework, stabilization reforms have been successful in slowing down inflation from triple digited in 1987 to about 30 percent in 1992 and single digit thereafter. The Government's objective of achieving a year-on-year growth in GDP of at least 5 percent has also been attained. However, the distribution of the benefit of growth has not yet significantly contributed to eradicate poverty and increase the standard of living of the people as expected. Notwithstanding their performance on economic stabilization and growth, structural adjustment programs may be biased against the poor, if they are not well-conceived and implemented.

The Prerequisite for a Well-Balanced Policy

The key strategic issue for the Government is how to achieve balance between monetary stability, economic growth and human development. In reality, there may be some conflicting resource mobilization conditions for achieving objectives of structural adjustment. Stabilization programs usually include Government reducing the budget deficit through increasing tax revenues and cutting public spending, limiting credit expansion and controlling money supply. Growth policy focuses on economic liberalization, budget restructuring, privatization and development of the private sector. In fact, budget deficit and external debt have forced many developing countries to curtail social programs, which has a serious impact on the people already living under very critical conditions. Growth through development of the private sector has not always set high priority for the agricultural sector which employs more than 80 percent of Ugandans and provides direct or indirect source of income to about 90 percent of the population.

Since the standard of living of the people is so low in Uganda, poverty alleviation has become a major target of Government policy. In the long-term, building the capacity of human beings is the best way to ensure that policy is implemented efficiently.

Improvement in people's capabilities has to be viewed as a pre-requisite of economic growth which can not be explained by the input of capital and labor alone. People's health, education, training and management should be considered as means of fostering sustainable economic growth. Improving human capacities has the potential to yield as good a return as physical capital formation. And there is need for the Government to pursue distributive equity policies and increase the productivity of the poor beyond the primary objective of achieving high economic growth. The consequence, is that human development in turn will contribute to accelerate economic growth which will help increase government revenues and reduce budget deficit, thus contributing to consolidate monetary stability. Through a "reverse vicious circle" the economy will achieve a much better performance.

In reality, the government has the difficult responsibility of achieving sometimes conflicting objectives. In more concrete terms, in a poor and resource constrained country such as Uganda, where socio-economic indicators reveal extremely low levels of welfare, improvement in the standard of living of the people requires substantial investment in human capital. Consequently, public expenditures, especially in social sectors, do have an essential role to play in tackling poverty and reinforcing a growth-oriented poverty alleviation strategy. The most important criteria is that the Government should seek to "maximize" the impact of its limited resources by allocating them to those activities which provide highest social and economic rates of return.

A Creative Functional Budget Management

It is essential that the Government stays on the course of stabilization and maintains the need to keep inflation under control. It is also important that within a relatively stable economic framework, the economy can grow as much as possible, for a significant rate of growth is a pre-requisite for jobs creation and income opportunities. However, the distribution of the benefits of growth should contribute effectively to eradicate poverty and increase the standard of living of the people.

- As a means of doing so, the Government has to sharply reduce the overall budget deficit which is the major source of inflation pressure. The financial resources for social services should first be obtained through changing the pattern of budget expenditures and thereafter increasing social spending.

- In parallel, the Government may allow for an expansion of credit to the private sector, basically investing in the agriculture sector which is the main source of productive jobs. Once budgetary discipline is restored, it will lead to growth of the economy and reduce competition for bank borrowings, since the single most important asset owned by the poor is their labor.

- It is to be stressed that unemployment and inflation should receive as high priority and equal concern of the Government. Employment creation provides an increase in revenue of the poor as well as non-poor. Greater focus of the Government on investment in human capital through expanding high priority programs and key services to the poor will contribute to promote poverty reduction.

It is important to mention that the Government should continue to promote human resource development recognizing that the public sector has a crucial role to play. In order to improve the economic well-being in Uganda by reversing the decline of the past 10 years, the Government could also ensure increased budgetary allocations for basic social services such as primary education, basic health care, water and sanitation supply, etc... It is expected that the situation will be improved further with an expansion in the revenue base and better use of external assistance.

III.2 Public Spending Priorities on Poverty Reduction

Investing in human capital should be considered as an effective way to reduce poverty, for human resource development is both a means and an end of economic growth. The Government of Uganda therefore, has strongly recognized the challenge of poverty reduction and focussed on four critical reform areas:[2]

Identification of Priority Program Areas (or PPAS)

It was recognized that public funding was not enough or "social-cost effective". Starting from 1991/92, the Government has specified program areas (or PPAS) which will be given priority in the budget such as primary education, basic health care, rural water supplies, feeder road rehabilitation, trunk road maintenance, agricultural research and extension, etc... These programs are given priority in funding to ensure a full release of funds during the financial year. Particularly, in the fight against poverty the Government recognizes the importance of health care and education. Surveys indicate that the poor also include those with poor education and poor health status: "Poor health and lack of basic education are not only indication of low income but forms of poverty themselves". It is widely recognized that education and health are the best income generators and human capacity builders.

In order to achieve maximum effectiveness and to meet the requirements of providing greater access to the poor, the Government policies are articulated in the Rehabilitation Plan for 1993/94 - 1995/96, as well as in sectoral documents, e.g., The Education White Paper and the Three Year Health Plan 1993. Scarce resources which should be concentrated on the most cost effective and broader access to reach the maximum of people since poverty in Uganda is widely dispersed and predominantly in the rural areas. Top priority has been given to primary education, within the education sector, emphasis is placed on universal, compulsory and free primary education which should provide equitable access to educational facilities especially for females and the provision of basic skills including technical education. Within the health sector, the consolidation of existing health services will focus on primary and preventive health care dealing with health education, maternal child health, immunization, improving nutrition, safe water, sanitation, prevention, treatment and control of malaria, AIDS and other common diseases.

---

[2] *Refer to a Paper on Policy Reforms and Public Spending Priorities presented at GOU/World Bank on "The Challenge of Growth and Poverty Reduction in Uganda" by Mary Muduuli, Commissioner for Planning, MFEP.*

Establishment of Medium-Term Expenditure Framework

In 1994, the Ministry of Finance and Economic Planning established an annual Budget Framework Paper involving all sectors in the preparation of the Budget. The paper, is based on the macro-economic background, identifies key policy issues to be addressed and makes recommendations on resource allocation to priority areas. A three year macro-economic framework for the budget enables the integration of sector strategies such as education and health and ensures continuity in programs implementation over a three year period.

As a result, the Budget Framework paper approved by the Cabinet in June 1995 allows for an increase in the share of the education sector from 17.9 percent of the non-wage recurrent budget in 1995/96 to 22.6 percent by 1997/98 while the health sector increases from 12.1 percent to 15.4 percent over the same period. While the Governments efforts are quite significant there is still a huge gap between limited funding and the resources required to promote social welfare and eradicate poverty.

The establishment of a medium-term expenditure framework not only facilitates the planning process and secures programs implementation but also ensures that continued donor funding can be obtained and effectively used to complement government resources.

Decentralization Program

The decentralization program was launched in October 1992. The main objective is to proceed with the transfer of functions, powers and responsibilities from the Central Government to the Local Governments. The Government began implementing the decentralization program in the fiscal year 1993/94 with a first phase in 13 districts. The framework which is contained in the 1993 Decentralization Act, focussed primarily on activities financed by the recurrent budget but undertaken at the district level. Districts will be able to prioritize objectives and define core functions based on effective requirements and conditions at district and local levels. While the districts are able to determine priorities for decentralized services which include basic social services, government's public sector performance will be improved by eliminating expenses caused by excessive centralization of decision-making in Kampala and in turn local authorities (both leaders and employees) will be more responsible and accountable for expenditure of public resources.

Presently the Government of Uganda lacks the capacity to fully deliver key social services to the poor, thereby adversely affecting their capacity to participate in the economic growth process. The decentralization program adopted by the Government, together with the interest it has shown in supporting community initiative, should also offer an institutional framework for community based organizations and NGO's to get effectively involved in delivering the most needed social services to the poor. However, unless this new policy approach is widely understood or shared within the administration at all levels, the poor would not be able to take maximum advantage of this opportunity.

Promotion of Alternative Providers of Services

The level of public expenditure if compared to the requirements for basic social services remains seriously inadequate even with increased resources allocations. In reality, the level of Government funding is not going to fill this gap overnight. While the Government has an important role as a provider of social services, a wide range of other potential agents could be involved in the formulation, implementation and financing of social sector policies. Therefore, it has to play an important role as facilitator and coordinator for provision of services through community based groups, private sector, NGO's and donors to ensure maximum coverage of the population, which can even reach remote and poor rural areas while avoiding waste and duplication of available resources.

It is important to note that due to limited resources, a much more concerted effort and better implementation of Government policies is needed to maximize impact of the existing government facilities. It will also be necessary to supplement them with new facilities provided through the private sector or assistance programs from donors. Creative ways need to be found to involve all those with skills and experience to meet the human development challenge. It is an open question of how a regime of good governance should be. In respect of the role of the Government in the development process, the extremist view of laissez-faire and no Government involvement, is far from being true. What distinguishes a desirable from a failed government intervention is that it is substantially "cost-effective", "private sector-friendly" and "aid impact-maximizing" if performance is to be successfully achieved as expected.

III.3 Participatory Approach to Poverty Reduction

The participatory approach provides a more accurate poverty profile through better local understandings of poverty and vulnerability; improved impact assessment of public expenditure and the perceptions of the poor on accessibility and relevance of social services and infrastructure.

Participatory Poverty Assessments

The importance of including a consultative process to ensure that beneficiaries are integrally involved in policy formulation and project planning has been increasingly recognized. This participatory methodology has been successfully applied to poverty assessments. In Uganda, the reasons for involving and consulting with a range of stakeholders, including the poor are: to understand better the social, economic and political dynamics which perpetuate poverty in a given country; to ensure that strategies identified for poverty reduction reflect the real concerns voiced by the poor; to promote ownership of the proposed solutions by a variety of stakeholders; and to build in-country institutional capacity for on-going analysis of poverty and formulation of policies to reduce it.

145

Priorities for Rural Communities

A community survey in Uganda conducted at the same time as the Integrated Household Survey in 1992 revealed interesting facts and findings about development issues:-

First, while there are important differences between districts, the results show that, although about 20 percent of rural Communities did not need new roads or better transport facilities, the remainder did consider there was a need and almost 50 percent expressed a strong need.

Second, the concern over better maintenance is much stronger than the need for more roads. The main message in this survey is that maintenance of the road network is at least as important as new roads. This concern is significant and should be taken into account when planning the public budgets for the road program. As the government is exploring the possibility of labor based techniques in the road sector, this should be suited to maintenance activities and provide an important additional source of income for the poorest groups.

Finally, the survey shows that the Communities are prepared to contribute to the improvement of infrastructure and are even prepared to pay for part of the expenses for development activities. This is important not only for labor based techniques but also for maintenance of facilities such as water supplies. The results of a review of 121 completed water supply projects in Africa, Asia and Latin America, financed by various agencies, shows that projects with high participation in project selection and design were much more likely to have water supply maintained in good condition than would the case with more centralized decision-making.

Vital Issues for the Poor

One of the key areas where the participatory approach has contributed to poverty assessments, and especially the formulation of action plans, has been outlining what the poor see as priorities in relation to provision of public services for poverty reduction. Typically these have included elements which are specific to particular environmental and social localities and certain priorities which have wider implications. Where consistent messages have emerged these have proved extremely valuable to task managers seeking to develop practical programs of action which reflect the priorities expressed in poor communities.

- Effective functioning of, and access to curative health care is the most consistent priority from rural and urban areas. Of particular concern to the poor are the issues of drug supply, cost of treatment and the level of courtesy and openness of health facility staff.

- In urban areas access to employment, opportunities to learn marketable skills and small-enterprise credit, emerge as the consistent themes. There is also generally a higher emphasis on education as a priority need among poor urban communities although those in rural areas also cited the quality and cost of education as a major concern.

146

- In arid and semi-arid rural areas water supply for both domestic and productive use tends to be the most pressing priority. Characteristically, the perception of water as a priority need occurs more widely in focus group exercises carried out only with women than for men - reflecting the tendency for women and children to bear the brunt of the labor and time demands involved in fetching domestic water.

- A sense of isolation characterizes rural poverty - isolation from services, markets, local governmental institutions and information. In a practical sense this leads to a strong emphasis on provision of rural roads and bridges, especially in areas where a heavy and prolonged rainy season leads to effective loss of contact with both markets and even the most basic services for large parts of the year, etc...

However, the central aspect of the daily struggle of poor people to survive is without any doubt their insecurity of access to sufficient quantity of nutritious food. Malnutrition and hunger not only increase vulnerability to disease and affect learning ability of children but also sap people's productivity and negatively affect the already low income of the poor. Food security which can be defined as secure access at the household level to adequate food at all times of the year, is certainly the most vital issue in the challenge for poverty reduction.

IV. AN OVERALL ASSESSMENT OF FOOD SECURITY STATUS

Food security can be basically defined as the access by all the people in a given location to adequate food both in quantity and quality at all times. Food security can be defined both at the household and national levels. Thus a household is food secure when it has access to enough food (both quantitatively and qualitatively) to ensure adequate dietary intake for all its members. Whereas, a country and its population are food secure when food production, accessibility and distribution are such that the food consumption needs of the population, taking into consideration cultural practices, are always met. Food Security is, therefore, either achieved through households' ability to produce, the ability to purchase or through food aid and distribution.***

Food insecurity on the other hand, portrays the lack of access to adequate food. This can be transitory, resulting from a temporary instability in either production, household incomes, food prices or distribution. etc... It can also be chronic due to a permanent presence of inadequate food either through the inability of the population to purchase enough food or produce its own. Food insecurity concept thus assesses the risk of the population of not having access to adequate food required for their daily activity and a healthy living. These risks can be in the form of income, food production, distribution, lack of knowledge, etc...

IV.1 The Measure of Poverty

If considering the measure of welfare which is the ratio of total household expenditure per adult to the poverty line, 61 percent of Ugandans are classified as poor. In fact poverty is unequally distributed in Uganda.

The Food Poverty line: Uganda is one of the most promising countries in Sub-Saharan Africa to be considered as self-sufficient in food. One of the dominant features of the agricultural sector in Uganda is the large share of food crops to agricultural output. During the 1987-91 period, food crops accounted for between two thirds and three quarters of agricultural output. The food poverty line is based on the cost of 2,200 calories as a standard requirement established by World Health Organization (WHO)**** Despite the apparent food abundance, based on the 1994 Food Balance Sheet about 52 percent of the population in Uganda are living in districts with an average per capita food consumption less than the national daily energy requirements.

***The main concepts related to food security are:
Food self-sufficiency is the ability of a district to produce enough food to meet its requirements for human consumption and seeds.
Food availability is the ability of the district to produce and procure food from elsewhere facilitated by supportive infrastructure such as storage, road network, marketing and distribution system.
Food accessibility refers to the ability of the households in a district to obtain food through self provision or have enough purchasing power to procure food.

****Based on WHO, even for light physical activity, the "critical" minimum calorie intake should not be less than 2,200 calories per person per day.

Poverty Line: In order to have an approximate idea about the measure of poverty the following approach has been taken. First, the total expenditure is estimated for each household. The poverty line is based on the cost of 2,200 calories from a given food basket (food poverty line) plus essential non-food expenditures (based on the consumption of non-food items of the households whose total expenditures are equal to the food poverty line). The cut-off point separating poor and non-poor is one.

Rural-Urban Poverty Gap: On average, rural households are poorer than urban households on average. The urban-rural gap is pronounced in Uganda. 27 percent of the rural and only 11 percent of the urban population fall in the lowest quartile, while 22 percent of the rural against 49 percent of the urban population are in the top quartile. The share of food consumption in total expenditure based on the Uganda National Household Survey 1993/94 shows that about 89 percent of the population living in the rural area, the average share of spending on food drink and tobacco is 68 percent and spending on food is 63.4 percent of total expenditure. For the remaining 11 percent of urban population the average share of spending of food drink and tobacco is 54.7 percent, and spending on food accounts for 43 percent. The weighted rural-urban average share of spending on food, drink and tobacco is 63.6 percent, and spending on food alone is 56.8 percent.

Unequal Poverty Distribution by Regions: Furthermore, the distribution of poverty accentuates the difference between regions. Average share of household spending on food, drink and tobacco, and of household spending on food alone compared to total expenditures are respectively: 58 percent and 49.8 percent for Central Region, 69.9 percent and 64.2 percent for Eastern Region, 68.8 percent and 62.9 percent for Western Region, 68.6 percent and 63.7 percent for Northern Region. It is to be noted that the average share of household spending on food, drink and tobacco, or spending on food alone compared to total expenditure is much higher for rural expenditure than urban expenditure in all of the four regions without any exception while, average income is lower for the rural than the urban population, consistent with the fact that poor people consume proportionally more in percentage share in food of their household budget. In general, the Central and the Western regions are relatively better off than the North and the East. Another clear pattern also emerges in the distribution of poverty across districts. Kampala is relatively affluent with 83 percent of the population in the two upper quartiles, if compared to the poverty of Karamoja, Moroto and Kotido with 86 percent and 70 percent in the two bottom quartiles respectively.

IV.2 Magnitude of Food Insecurity

In Uganda, based on the 1991 census about 89 percent of the population live in the rural areas where they are engaged predominantly, if not wholly, in agriculture. The sector employs more than 80 percent of the labor force. Small-holders account for practically the entire agricultural output. It is estimated that about 2.5 million farm households, of which 80 percent cultivate less than 2.5 hectares of land each, basically produce food crops which account for about 70 percent of the agricultural production based on official figures from the Statistics Department, MFEP.

Percentage of Nutritional Requirements Consumed at District level

District	Calories	Proteins	Fats
Jinja	107	104	82
Iganga	114	99	85
Kamuli	105	86	68
Tororo	110	104	56
Mbale	112	116	72
Kapchorwa	114	91	55
Kumi	96	48	85
Soroti	88	65	77
Moroto	85	57	68
Kotido	82	62	70
Apac	110	84	85
Lira	106	82	88
Kitgum	113	85	89
Gulu	111	83	88
Moyo	76	66	72
Arua	110	90	84
Nebbi	106	83	82
Masindi	101	92	96
Hoima	91	86	89
Kabarole	96	85	109
Bundibugyo	78	84	94
Kasese	104	93	106
Kabale	98	84	110
Rukungiri	64	82	101
Bushenyi	83	102	110
Mbarara	85	103	116
Rakai	92	97	96
Masaka	94	100	109
Mpigi	102	96	101
Mukono	99	89	116
Luwero	88	82	99
Mubende	99	68	97
Kampala	104	68	107

Source: EPAU Food Security Framework 1995 (District Food Requirements).

150

The nutritional calorie intake requirement for Uganda used in this analysis is based on the Sub-Saharan African standard contained in the UNDP Human Development Reports of 1993 and 1995. According to these reports, the minimum per capita daily calorie intake requirements are: 2327 calories for all developing countries, 2367 calories for least developed countries, and 2419 calories for Sub-Saharan Africa. Based on WHO, even for only light physical activity, the "critical" minimum calorie intake should not be less than 2,200 calories per person per day. As for the composition of proteins and fats, the FAO recommend minimum intake levels of 57.6 g and 20.3 g respectively.

Nutritional Intake at National Level: Based on the present consumption pattern, the daily average nutrient intake for calories are about 2,400 calories, and for proteins and fats 50 g and 19 g respectively. As a result, the national calorie intake is 99 percent of the Sub-Saharan African minimum requirements. If compared to the WHO "critical" level, the national average calorie intake per person per day is about 109 percent. In the case of proteins and fats, the national average intake levels are 87 and 94 percent of the FAO minimum intake levels. This clearly shows that the national average calorie intake is about equal to the Sub-Saharan level and higher than WHO "critical" minimum level. As for proteins and fats, national intake levels are below the minimum recommended levels of FAO.

Nutritional Intake at Regional Level: Eastern Region consumes on average 108 percent of calorie intake requirements, 89 percent of protein intake requirements and 79 percent of fats requirements. Northern Region consumes 103, 79 and 82 percent of calorie, protein and fat intake requirements respectively. Western Region has the consumption levels of 90, 92 and 105 percent of requirements respectively. Central Region's consumption levels of calories, protein, and fats, average 97, 87 and 111 percent of requirements respectively.

Ratio of Human Food Consumption to Requirement

The percentage of total food requirement consumed is based on the real consumption levels as a percentage of what is required for optimal dietary intake. The percentage consumption levels for each food group is obtained by summing up the quantitative food items within that group (e.g. pulses such as beans, field peas, pigeon peas, cow peas) for both human demand and requirement. The total quantitative value of the food consumed is then divided by the theoretical food required for optimal dietary intake. It can be observed that the total food consumed is between 50 to 90 percent of the total food required for optimal intake based on the nature of human activities and consumption patterns in the various regions. It is also clear from the above analysis that in general cereals and root crops are consumed to a greater extent in relation to oil seeds, pulses and livestock products.

IV.3 Review of Food Balance Status

The overall Food Balance is total food supply minus total food demand. The Food Balance at national, regional and district levels shows that Uganda has a fairly positive balance.

Food Balance Status at National Level: Analysis of overall food supply and demand shows that on average, Uganda has an overall positive food balance in most commodities (peas, maize, finger millet, sorghum, cassava, potatoes, bananas, fish, goat meat and mutton). The commodities in deficit are beans, milk, beef and poultry products. In terms of productivity, yields attained at farm level vary between 17 and 50 percent of what is achievable at research stations. The low levels of productivity is mainly due to lack of improved seeds and associated crop husbandry practices. Furthermore, crop losses are high, ranging from about 6 percent (in the case of finger millet) to about 30 percent (in the case of beans, maize and cassava). On balance, Uganda presently has a fairly sufficient level of food supply.

Food Balance Status at Regional Level: Eastern region has a clearly positive overall food balance. Most of the districts have surplus except for the districts of Soroti, Kumi, Pallisa and Tororo which have some deficits due to cattle rustling, low income and poor transportation and distribution network. Northern region has a positive overall food balance. However, the districts of Moroto, Kotido and Moyo have chronic deficits and Nebbi with less pronounced deficit due to, among others, poor soils and climatic conditions, low income as well as the influx of refugees. Western region shows an overall food surplus except Kibaale, Bundibugyo, Kabarole, and to a lesser extent Kasese and Bushenyi districts which experience difficulty in food accessibility primarily due to poor road network and distribution problems. Central region has overall negative food balance in terms of food self-sufficiency. However, because of better infrastructure, higher levels of urbanization and higher per capita household incomes compared to other regions, Central region is able to access food from other sources, including food importation from other regions as well as from outside the country.

Food Balance Status at District Level: Chronic Food Deficit Districts: Nearly half a dozen districts are faced with what can be termed as chronic food deficits in most food items which are also regarded as food security commodities by the local population. Food balance between 1981 and 1994 shows that Moroto, Kotido, Moyo, Bundibugyo and Luwero have had continuous deficits in at least 20 out of the 24 commodities studied. These districts are thus faced with severe food shortages and can be said to be suffering from chronic food insecurity.

Transitory Food Deficit Districts: The districts of Soroti, Kumi, Tororo (Eastern region), Nebbi (Northern region), Kabarole, Kasese, Bushenyi (Western region), Masaka, Mpigi and Mubende (Central region) have had deficits in about half of the commodities studied. In a number of cases these deficits have either been small or not continuous. These districts are said to be suffering from transitory food insecurity.

Food Surplus Districts: The food surplus districts include Kapchorwa, Mbale, Iganga, Kamuli (Eastern region), Kitgum, Arua, Lira, Gulu, Apac (Northern region), Masindi, Hoima, Mbarara, Rukungiri, Ntungamo, Kabale (Western region), and Kiboga (Central Region). In food surplus districts, food accessibility for the poor is basically an income problem. Whereas at the district level surplus of food should be channelled through appropriate distribution networks.

National, Regional and District Summary of Food Status and Related Issues

Level	Particular	Food Status	Main Issues/Causes
National	Uganda	Surplus in all food commodities except beans and livestock products.	- Distribution - Storage - Productivity
Regional	Eastern	Surplus in all food commodities except livestock products	- crop losses - storage - income - means of cultivation - economic and social infrastructure
	Northern	Surplus in all food commodities except livestock products	- income - crop losses - insecurity - storage - economic and social infrastructure
	Western	Surplus in maize, finger millet, cassava, potato, g.nuts, banana, livestock products, Deficits in beans, cassava, sorghum, other oil crops	- land pressure - social exhaustion - heavy reliance on banana - too much focus on cash crop with high returns - crop losses - storage - nutrition
	Central	Deficits in all food commodities except banana and livestock products	- soil exhaustion - labor - concentration on cash crops - reliance on banana - nutrition - storage
District	**Chronic cases** [Moroto, Kotido, Moyo, Bundibugyo, Luwero]	Deficits in all staple foods as well as major food stuffs e.g. beans, maize, finger millet, cassava, potatoes, groundnuts, soyabeans etc.	- incomes - soils - distribution - poor marketing - economic and social infrastructure
	Transitory cases [Soroti, Kumi, Tororo]	Deficits in basic food stuffs, - maize, beans, g.nuts, cassava	- incomes - means of production - crop losses - cattle rustling - storage - economic and social infrastructure
	[Nebbi]	Deficits in one or four staples, particularly during bad years- e.g. beans, sorghum, groundnuts, livestock products	- incomes - distribution - storage - economic and social infrastructure - crop losses
	[Kabarole, Kasese, Bushenyi]	Deficits in four or ten food items- e.g. beans, maize, finger millet, cassava, potatoes, groundnuts, simsim, soyabeans.	- storage - land pressure - crop losses - dependence on banana - transport
	[Masaka, Mpigi, Mubende]	Deficits in four or ten major food-stuffs - e.g. beans, maize, finger millet, cassava, potatoes, groundnuts, simsim, soyabeans.	- reliance on banana, livestock - nutrition - land problem - labour shortage - soil exhaustion
	Surplus cases [Iganga, Kamuli, Mbale, Kapchorwa, Lira, Apac, Kitgum, Gulu, Arua, Masindi, Hoima, Kabale, Rukungiri, Mbarara, Kiboga]	Surplus in all food items except in two to three food items, particularly during bad years - e.g. beans, cassava, livestock products.	- income

Source: EPAU Food Security Framework 1995 and EPAU Food Security Survey 1995.

IV.4 **Overall Food Balance Situation**

Uganda has surpluses in almost all crops (except for beans and livestock products). Even then, the severity of the shortage is generally low (under 25,000 mt) and is transitional in nature. Besides, surpluses in other food substitutes can supplement the related food shortage. In general, it can be observed that:

- Uganda has large surpluses for cereals (maize, finger millet, sorghum) and root crops (cassava and sweet potatoes). In the case of these food items the surpluses are in the range of 100,000 to about 1,00,000 mt per annum.

- Uganda is reasonably secure in oil crops (groundnuts, simsim, soyabean), with a surplus in the range of about 10,000 mt to 50,000 mt per annum.

- There are large deficits for livestock products, most notably milk, beef, poultry and eggs. The deficits are in the range of 10,000 to 180,000 mt. In the case of milk the deficit level is between 100 and 200 million litres per annum.

- There is a general deficit in beans (of about 5,000 to 20,000 per annum) but surpluses in other pulses, including field peas, pigeon peas and cow peas. Overall, there is a surplus in pulses of about 20,000 to 35,000 mt per annum.

In sum, it can be concluded that Uganda is generally a food surplus country with high export potential. Under normal circumstances, Uganda has a fairly sufficient level of food availability. In the case of bad years, unlike in some chronic food deficit countries in Sub-Saharan Africa, the degree of severity is still low, as the deficit in some major staple foods can be supplemented by substitutes in large surplus. If there is any problem of accessibility to sufficient nutritious food for the population, it should not be due to export of food but rather to under-utilization and mismanagement of resources. With an effective implementation of the integrated national food strategy, not only can Uganda eradicate food insecurity at home but also enhance food security in the region.

PART II

ACTION PLAN TO PROMOTE A NATIONAL FOOD STRATEGY

155

V. KEY POLICY REFORMS IN SUPPORT OF THE NATIONAL FOOD STRATEGY

Based on the principle of comparative advantage and the pattern resource endowment, Uganda's agriculture through food production development, should be easily able to feed the population. With the food surplus, the country would even be strategically well-placed to alleviate the food shortage in the food deficit countries in the region. However, in order to achieve these strategic objectives, key policy reforms in support of the National Food Strategy aiming at ensuring food security, developing food production and promoting food exports, are urgently needed.

V.1 Government Responsibility in Development

In order to successfully achieve a national food strategy, Government strong political commitment at the highest level to enhance food security, develop food production and promote food exports should be considered as a prerequisite condition in determining Uganda's response to overcome the challenge of poverty and growth. More importantly, Government commitment should be consistently translated into its determination to fulfill its responsibility in development through the building of institutional capacity, the setting of an effective legal framework, and an appropriate macro-economic policy framework to achieve the objectives of the national food strategy.

i) <u>Strong Government Commitment</u>

First, a strong commitment of the Government is required at the highest political level to show its determination to promote economic development and exports in general, particularly food security and food exports as a highest national priority objective, and to take any appropriate macro-economic reforms, sectoral policy and micro-economic support required to achieve this goal. A national food strategy to promote food security, food production and food exports will also help generate confidence in the private sector to undertake long-term investment to expand their activities and send such a message to Government agencies to cooperate with existing and potential food producers and exporters. Finally, an integrated national food strategy with a focus on food security and food exports, should be proclaimed by the highest political level of the Government as an objective to guide Government decision-making in other related fields, especially agricultural and agro-based industrial development, productive and social infrastructure improvement, financial and monetary policy, foreign exchange and international trade, etc...

ii) <u>Institution Building Capacity for Policy Formulation and Implementation</u>

The complexity of the strategic approach covering various aspects of food security, food production and food exports, is such that several ministries are involved, with their own planning and research units. Most food and nutrition activities of the various related ministries are carried out without effective coordination e.g., Prime Minister's Office, MAAIF (Early Warning Unit, NARO), MFEP, Agricultural Secretariat, Ministry of Local

156

Government (Refugee Section), MOLSA (Department of Disaster Management), Ministry of Trade and Industry (Uganda Export Promotion Board), etc... All of these institutions need to be restructured and strengthened.

Lack of Effective Coordination

Early in 1983 the National Food and Nutrition Council was established to integrate and coordinate activities in the field of food and nutrition. The Secretariat was located in the Ministry of Agriculture and Forestry. The impact of the Council, however, lagged behind expectation. It appears that a coordinated multi-sectoral approach to the formulation and implementation of a food strategy covering not only food security, food production but also food exports, is required at the highest policy level. Only a strong policy coordinating body can enforce policy and implement program decisions as they relate to agriculture in general, and food security, food production and food exports in particular.

It appears that a coordinated multi-sectoral approach to the formulation and implementation of a food security strategy will be needed. A simple but effective organizational structure could be set under the form of a Task Force, or Ad-hoc Committee or a National Food Security Council under the high authority of the President or the Prime Minister. It will have the authority to coordinate all food security activities, and be supported by a limited but highly qualified technical secretariat, and rely on existing specialized related implementing units at different Ministries which should be strengthened to become more effective.

Under-Level of Funding

Due to limited budget funding, the need to maximize the impact of Government's national food strategy is more than ever necessary, and requires an effective institutional capacity building of related ministries and various organizations.

In this context, it is recommended that the Government approve appropriate level of funding, and donor agencies provide effective assistance in strengthening project formulation and implementation capacities of the policy and planning units of key Ministries. The National Food Strategy Council will coordinate the preparation of project proposals and supervise program implementation by related technical Ministries, National Research Institutes, etc...

V.2 Legal Framework to Promote the National Food Strategy

Any food security strategy would not be fully carried out if it could not ensure a strong commitment of the Government to set an appropriate legal framework and to ensure the enactment of enabling legislation to alleviate poverty through food security and stimulate production by increasing food exports.

157

i) Empowering Women in Development to Strengthen Food and Nutrition Security

One untapped source of agricultural growth to meet Uganda's food security needs and food exports development could lie in reducing the bias against women in the economic sphere in general, and particularly in agriculture. Women in Uganda play a vital role in promoting food production, economic access to available food and nutrition security. Women provide about 70 percent of the agricultural labor force in a predominantly agricultural country, are responsible for 70-80 percent of food crops and more than 50 percent of cash crop production, and for virtually all of food processing. Despite their large contribution, women have been playing these roles in the face of enormous social, cultural and economic strains.

To enable women to fulfill their potential, the government must take legislative reforms and policy steps to increase women's physical and human capital. First, women's ability to produce food can be enhanced by improving their access to resources, (mostly ownership of land), credit, technology, and information. Second, literacy training for women and education for girls will increase productivity both today and in the future. Third, women's health and nutritional status should be protected to allow women to fulfill their productive roles. Development or safety net programs for women should increase women's income-earning potential while reducing the energy or time intensity of their activities to take care of those who depend on them for food and nutrition security, and at the same time take care of themselves. Finally, policy makers must increase women's ability to generate income in order to maximize the benefits of women's incomes for household food security and nutrition. Economic empowerment of women in development will decisively ensure access of women to their legitimate legal status and equal rights provided under the Constitution.

It is fully acknowledged that while the Constitution accords women rights equal or comparable to men, customary or religious laws and traditional practices may generally continue to put women into a subordinate and vulnerable position in society. It is, therefore, the responsibility of the Government to enforce the Constitution which is the supreme law of the country, and remove discriminations against women, particularly in marriage, separation, divorce, inheritance and rights to property (particularly land) for the purpose of giving full respect to the rights of women guaranteed by the Constitution. Most importantly, the Government should give highest priority to the enactment of legislation establishing measures that protect and enhance the rights of women to equal opportunities in development.

ii) Promoting a Progressive Land Reform Program

Increasing agricultural output and food production development is central to the process of economic growth in Uganda. It is widely recognized that a land tenure system can promote or constrain agricultural development. It can also facilitate or hinder the process of development in the non-agricultural sector of the economy as well. To support and promote agricultural development in general, and food production particularly, a modern land tenure system must ensure the full rights in land of the major stake holders, i.e, women-food producers, rural farmers, landowners and foreign investors, within the framework of a modern agriculture and a market-economy. Full rights of land must include access, security, ownership and transferability of land.

While recognizing how traditional land tenure has evolved overtime, a successful land tenure reform should propose policy alternatives for constructive change based on a legitimate set of goals. In order to stimulate agricultural production, it is essential that the land tenure system: (a) Be uniform throughout the country and protected under a Government by law and guaranteed by the Constitution. (b) Support agricultural development through the optimum use of land in terms of productivity and cultivable areas. (c) Ensure the rights in land for those who are cultivating the land as well as those who own the land.

In a country like Uganda where the majority of the people are poor rural farmers who have no other alternatives than tilling the land, a "The Land to the Tiller" program will effectively contribute to promoting food crop production, raising people's income and meeting the challenge of poverty reduction. It would have far-reaching political, economic and social impacts as well.

iii) An Export-Oriented Investment Code to Promote Food Exports

The main purpose of incentives is to promote investment and export development and diversification, when the policy context is not favorable enough for the private sector to operate business in a neutral economic environment. Since most countries offer various incentive packages to promote investment and attract foreign investors, it becomes evident that a necessary condition for an investment incentive system to be attractive is to be more competitive. In reality, a comparative study may show the comparative disadvantage of the Ugandan incentive package as compared to Kenya, mostly related to export-oriented activities.

In 1995, in a Proposal for Amendments to the Investment Code 1991, EPAU attempted to recommend the most conducive investment package in the region as a basis for competitive advantage in investment promotion. More specifically, it strived to achieve the following objectives: (a) To create a most credible investment incentive system through the legal protection to help generate confidence in the private sector if it is to be the engine of growth of the economy; (b) To confer a comparative competitiveness of local production against imports from neighboring countries while striking an appropriate balance between administrative simplicity, investment promotion and revenue mobilization; (c) To effectively support Government's outward-looking growth strategy through investment promotion, export development of non-traditional agricultural exports with focus on food exports to penetrate foreign markets.

Ultimately, it is the determination of the Government of Uganda to provide the most competitive Investment Code that will generate confidence in the private sector to undertake long-term investments and export-oriented activities, and successfully achieve an accelerated and sustained economic growth for the country.

159

Table 48: Summary of EPAU Proposed Investment Incentive System

	INVESTMENT	I General Regime	II Export-Oriented	III NTAEs
I	INVESTMENT PROTECTION			
	- Investment Code Legal Protection	Yes	Yes	Yes
	- Equal Treatment for Foreign as well as National Investors, big cooperations as well as Small and Medium Business (SMB)	Yes	Yes	Yes
	- World Bank Multilateral Investment Guarantee Agency (MIGA)	Yes	Yes	Yes
	- Bilateral Investment Protection Treaties			
II	ELIGIBILITY			
	Investment Certification instead of License	Yes	Yes	Yes
	Capital Threshold (in US$)			
	- Foreigner	300,000	200,000	100,000
	- Ugandan	50,000	30,000	20,000
III	TAX INCENTIVES			
	Subsidy to Start up Costs			
	- Exemption from import duties and sales tax on imported plant, machinery or construction material	Yes	Yes	Yes
	Subsidy to Alleviate Production Costs			
	- Drawback of duties and sales tax on imported inputs used in production for export	Yes	Yes	Yes
	- Accelerated depreciation allowances	No	Yes	Yes
	Tax Allowances on Profit			
	Tax deduction on approved costs incurred in training Ugandans, and in installing non-existent infrastructure (roads, water sewerage, electricity, telecommunications).	Yes	Yes	Yes
	- Loss carried forward for the purpose of Tax allowances.	No	No	Yes
	- Corporate tax credit based on performance	Yes	Yes	Yes
	- Exemptions from corporate tax, withholding tax and tax dividends.	5 Years	5 years	10 Years
	- Corporate tax after tax holidays.	30%	15%	15%
	Note: In addition to other incentive benefits, investment projects outside Kampala and Jinja may be granted a 50% corporate tax credit due to their contribution to balanced regional development.			
IV	OTHER INCENTIVE BENEFITS			
	Financial Incentives			
	- Externalization of funds	Yes	Yes	Yes
	- Repatriation of royalties, fees related to transfer of technologies and expertise	Yes	Yes	Yes
	- Credit facilities from domestic institutions and financing from abroad.	Yes	Yes	Yes
	- Export Finance Scheme	No	No	Yes
	Institution Building Capacities			
	- Re-focusing UIA's activities on Investment Promotion			
	- Restructuring UIA as a Business-Oriented Organization			
	- Strengthening UIA as a "One Stop Shop" Investment Promotion Center.			

160

V.3 Macro-economic Policy in Support of Government Development Strategy

If Uganda is to meet the challenge of growth and poverty reduction, modernization of agriculture in general and particularly development of food production to promote food security and food exports have to be at the core of its development strategy. Achievement of such a strategy depends basically on the support of macro-economic policies and reforms. These policy reform programs have to be consistently designed and implemented in order to achieve significant progress as expected.

i) A Reassessment of Monetary Policy

A common temptation of monetarist economists is to overstate the role of monetary aggregate in stabilization and growth policies. There have been, on the other hand, reactions among development economists that monetary aggregates alone provide little insight into policy action for policy makers. It is, therefore, essential to reassess the real impact of monetary policy in the case of Uganda, a country largely relying on subsistence and informal economic activity.

Asymetric Approach to Inflation and Unemployment

In developing countries in general, and particularly in Uganda, two key issues for economic policy makers are not just inflation but also unemployment. A successful anti-inflationary policy will contribute to economic stabilization whereas an effective job creation policy will help promote growth of the economy, and there is a trade off between inflation and unemployment.* A balanced approach in policy formulation and implementation, therefore, should be preferred. Though legitimate, the overarching concern for inflation has led to the neglect of the design and implementation of an effective labor policy which should better support the workers, the majority of them living in rural areas or depending on agricultural development.

Strategic Choice of Monetary Policy

The choices of monetary policy are often divided between quantity rule and price rule. In the *quantity rule* the monetary authority aims at "a target path" of monetary aggregate, such as the monetary base M1, or a still broader concept of money. Friedman's proposal for a constant-growth rate rule for M2 falls into this category. Under a *price rule* the monetary authority uses its direct instruments, which might be open market operations, the discount rate, a pegged exchange rate to achieve a desired path for some target price. The target could be a general index of prices, prices of specific commodities, interest rate, or exchange rate itself.

In reality, policy makers are more concerned about a variety of current and future prices rather than about the quantity of monetary aggregates per se. Therefore, the case for a quantity rule must rely on ease of implementation and adjustment after verification. By

---

**The Phillips Curve provides an insight in applied economics. There appear to be a trade-off between inflation and unemployment: The more Government has of the one, the less it has of the other.*

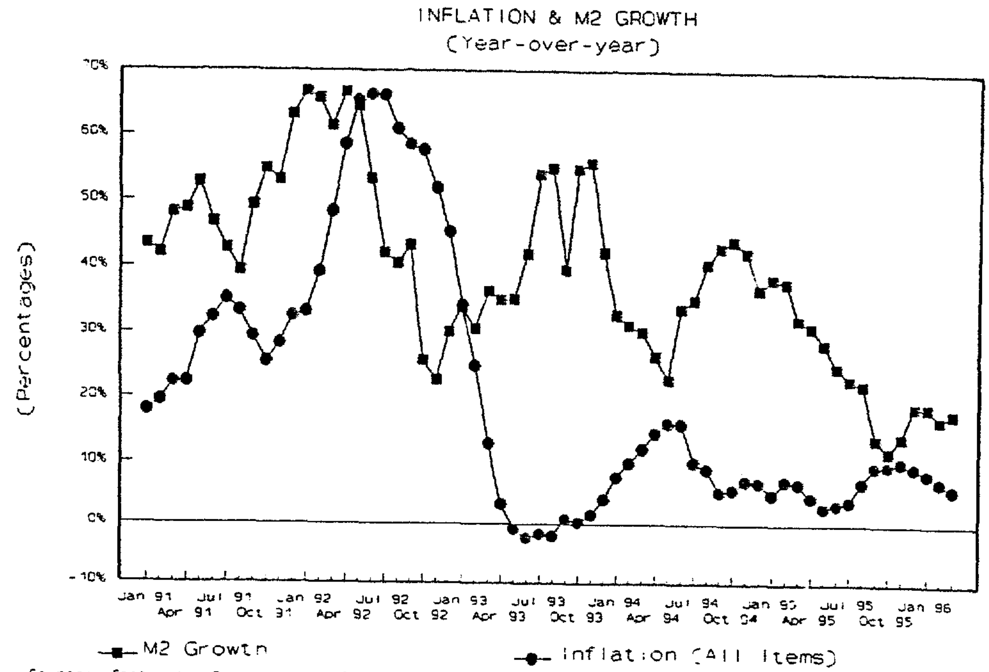
161

relying too much on the quantity rule based on monetary aggregates without consistently double checking with appropriate target prices, the monetary authority in Uganda has been "unintentionally" conducting a monetary policy counter to Government development strategy. Investment should be promoted but the real interest rate is still negative contributing to discourage savings. Agriculture-led development should be at the core of development strategy but the distribution of credit to the agricultural sector, particularly to food crops production is the lowest, if not insignificant. Exports promotion with focus on NTAEs is stated-government policy but the unrealistic exchange rate does not help much Ugandan exports to be competitive. These are some of the perverted impacts of a monetary policy which have undermined Government development strategy.

Impact Assessment of Key Parameters

Uganda has a dual economic structure dominated by a large non-monetary sector (about 30 percent of GDP) with an information system and statistics accuracy much to be desired. Casual observation suggests that money supply manipulation alone could not contribute to price stability. At least, other key parameters such as foreign aid, commercial import programs (or as a proxy international prices), as well as food production (more specifically food prices) do also have distributional implications on stabilization policies.

The over-emphasis on quantitative monetary aggregates in the policy formulation of structural adjustment programs has contributed to overshadow the distributional effects of such key issues as foreign aid, import/exports policies as well as food production and food prices. More particularly, while the impact of money supply on the life of about 90 percent of the population living in the rural areas or depending on agriculture is relatively weak, but largely publicized, the implications of food production, marketing and exports which are far-reaching to meet the challenge of food security and poverty reduction, have received a much lower attention.



Source: Statistics Department, MFEP and Research Department, Bank of Uganda

ii) Maximizing Impact of Fiscal Policy

In Uganda, while monetary policy has not been very effective, the performance of fiscal policy has been remarkable considering its contribution to economic stabilization through restoration of fiscal discipline. In term of development, however, due to tight budget resources, its impact has not yet fully achieved the results as the Government would have expected.

Balanced Budget Management Approach

Persistent budget deficits have increased economists' interest in theory and evidence about fiscal policy. In recent years there has been much discussion about budget deficits. Many economists and other observers have viewed these deficits as harmful to the economy. A common fallacy, however, would be to reduce Government finance policy to the strict management of budget deficit.

Economic wisdom dictates that a well-balanced budget management should look at the effects of government expenditures themselves, and consistently think about how government spending should be appropriately financed. More explicitly stated, government budget has two equally important functions: a development function which should be used to promote growth of the economy in support of government development strategy, and a stabilization function which should ensure that mobilization of resource to finance government spending does not undermine government stabilization efforts. The performance of budget management should be focused on how to maximize impact of government expenditure as well as revenue mobilization.

Recurrent Expenditure by Ministry 1993/94-1995/96
(Million shillings)

	1993/94	1994/95	1995/96*
Agriculture, Animal Industry and Fisheries	5,064	7,582	4,936
Trade and Industry	1,706	2,344	2,125
Labor and Social Welfare	3,885	2,918	1,857
Women in Development, Youth and Culture	673	582	1,098
Education	47,205	54,505	46,775
Health	19,910	21,316	19,274

Source: Background to the Budget 1995/96, June 1995
* Estimates of reccurent expenditures is lower due to decentralization based on draft Estimates of Revenue and Expenditure (Recurrent and Development) 1995/96, MFEP.

163

Functional Budget Assessment

In view of maximizing budget expenditure, the Government has been striving to protect social services and even to increase funding of high priority areas which include agriculture, primary education, health care, etc... From a functional budget assessment, nonetheless, the funding of recurrent expenditures of key ministries as well as departments and units related to food security is disproportionally under-funded comparatively to their economic importance. Recurrent expenditures in 1995/96 for key ministries related to food security, food production and food exports are still below the level of funding required. Besides, the under-funding of key ministries related to food security and exports is even more serious when considering the recurrent expenditure by percentage of the total budget. Finally, not only all of the above-mentioned Ministries have an insignificant percentage of the budget, but their share in the total budget has been rather reduced.

Recurrent Expenditures by Ministry 1993/94 - 1994/95
(by percentage of total)

	1993/94	1994/95	1995/96*
Agriculture, Animal Industry and Fisheries	1.5	1.5	1.0
Trade and Industry	0.5	0.4	0.4
Labor and Social Welfare	1.2	0.6	0.4
Women in Development Youth and Culture	0.2	0.5	0.2

Source: Background to the Budget 1995/96, June 1995.

* Draft Estimates of Revenue and Expenditure (Recurrent and Development) 1995/96, MFEP.

As for the mobilization of budget resources, increase in Government revenue has been quite significant in the short run through improved tax administration, removal of tax exemptions, fiscal decentralization, etc... In the long run, however, unless the Government can successfully achieve modernization of agriculture (and only after this had been done), so that the agricultural sector, which at present share about half of GDP, can decisively contribute to widening the tax base, fiscal policy performance to mobilize resources to finance priority areas will still be limited and lag behind requirements. In the meantime, a reassessment of development projects, mostly financed through loans from structural adjustment programs and the elimination of non priority and non cost-effective projects should save significant additional funds to finance priority areas. More generally, maximizing impact of external assistance through effective use and better coordination of foreign aid should enable the Government to successfully promote an agriculture-led growth in general, and achieve the national food strategy more particularly.

iii) Credit Policy in Support of Agriculture

In the area of credit, the monetary authority has not been successful enough to formulate and implement an appropriate credit policy to support Government development strategy. Responsibility for monetary policy formulation and implementation had been completely transferred from Ministry of Finance and Economic Planning to Bank of Uganda. With

104

the liberalization of interest rates in 1992, most interest rates are now market determined and the authority to determine other rates is wholly with Bank of Uganda.

Impact of Interest Rate Policy on Investment and Savings

Since 1992, Bank of Uganda has been managing credit policy through indirect monetary instruments with the treasury bill as "key" interest. The erratic fluctuation of real interest rate on savings in general, and more particularly negative real interest rate on savings, has not helped much in promoting savings and investment. In fact, the key factor contributing to discourage savings, is the adverse impact of credit policy on interest rate. Real interest rate on savings was negative in 1991 and 1992, and has been negative again since January 1993. Excluding grants, gross national savings was 3.6 percent of GDP in 1991/92, 5.9 percent in 1992/93, and 7.8 percent in 1993/94.* In most developing countries, however, gross domestic savings as a proportion of GDP varies between 10 and 20 percent. Given the low level of savings, the rate of investment in Uganda is one of the lowest even in the developing world.

Liberalization of Credit

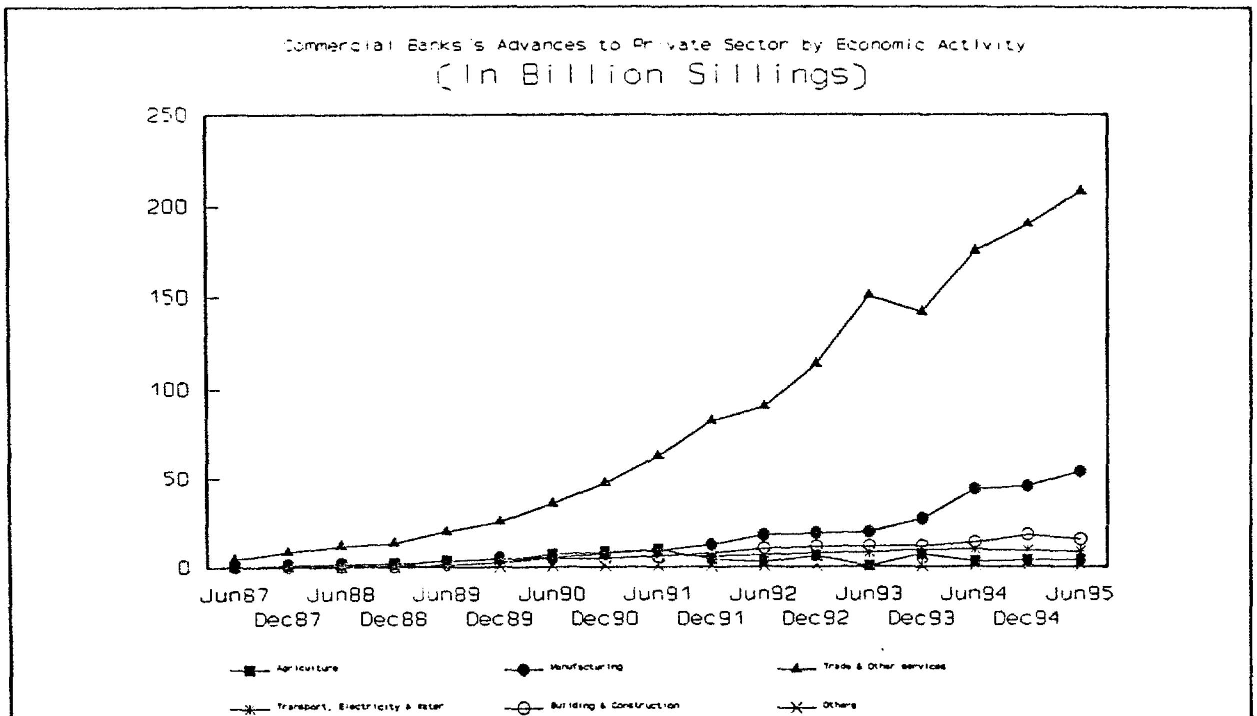
The liberalization of credit has made it possible for the banks to compete. However, such a policy does have serious side-effects for it has discriminated lending to the real sector and more particularly to agriculture, but not to commerce, policy constraints to rural credit more specifically are serious, not only in terms of availability of credit but also access to credit and cost of credit, although there is a proliferation of financial institutions. It should be noted that no country has ever experienced the green revolution without an effective rural credit system in support of modernization of agriculture.

Distribution of Credit to Agriculture and Food Crop Production

The neglect of the agricultural sector is obvious in the distribution of credit to private sector by economic activities. Commercial banks advances to private sector show a continued declining trend in percent of total share since 1988. In the last three years the percentage share of loans to the agriculture sector for production purposes was about 4.5 percent. On average, manufacturing shared 15 percent whereas trade and services average shared more than 65 percent. Not only was the share of agricultural sector of 4.5 percent very low, but the share of non-productive sector of trade and services which received more than 65 percent largely outweighed the share of productive sectors of agriculture and manufacturing altogether with less than 25 percent.

More specifically, the gap between demand and supply of credit for agriculture production is huge. The major productive sector of the Ugandan economy is agriculture which hardly receives 5 percent of total bank loans, while it accounts for about 50 percent of GDP, employs approximately 80 percent of the population, and contributes 90 percent of total foreign exchange earnings. Small farmers who form the backbone of the agricultural sector virtually have no access to rural credit.

**Source: PFP 1994/95 - 1996/97, August 10, 1994. P.30*



Source of Data: Research Dept, Bank of Uganda

iv) <u>Exchange Rate Policy Constraint to Exports with Focus on NTAEs, Particularly Food Exports</u>

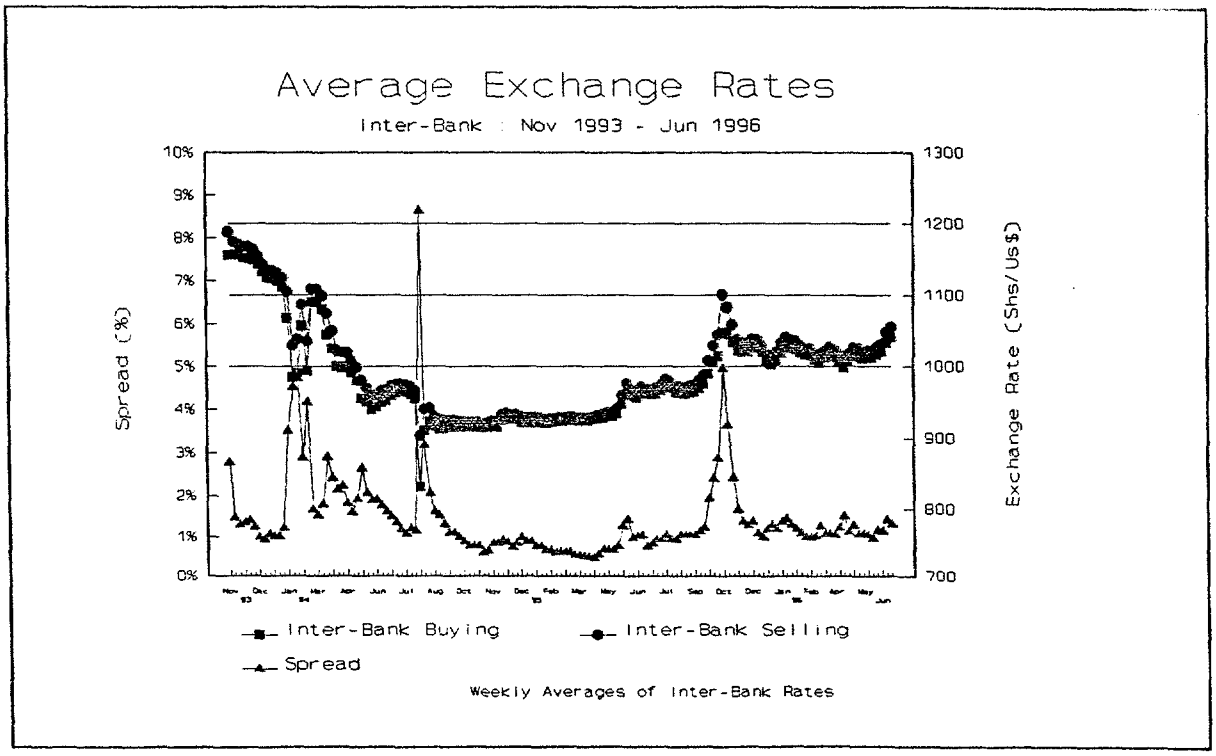
The economic policy of the Government of Uganda has unequivocally been aimed at promoting investment and developing exports. Within this economic policy context, an effective foreign exchange rate policy is crucial to the success of Government's export-oriented growth strategy.

Impact of Unrealistic Exchange Rate on Uganda Exports Competitiveness: The exchange rate fluctuated erratically from Shs 1,170 per US dollar in November 1993 to the lowest level of about Shs 850 per US dollar in August 1994. The Ugandan shilling had been stabilized at the level of Shs 920 per US dollar. It should be noted that at the stabilized exchange rate of Shs 920 per US dollar, most Ugandan manufacturers were operating at a loss and unable to compete with cheap imported goods. Except for coffee in 1994 where international prices were rather high, prospects for non-coffee traditional exports such as tobacco, tea and cotton were dim. And more than 50 percent of non-traditional agricultural exports (NTAEs) were loosing their comparative advantage.

166

An unrealistic foreign exchange rate policy has been undermining Government investment promotion and export development strategy. An overvalued and appreciated shilling would discourage foreign investment, and weaken the competitiveness of Ugandan producers facing cheap imported products. Furthermore, exports would be penalized to the benefit of imports. In the last five years, the gap in the balance of trade kept widening from US$ 301.1 million in 1991 to US$ 674.3 million in 1995. While exports just totailed US$ 497.7 million, imports reached the record level of US$ 1,172.0 million in 1995 based on official statistics from MFEP and BOU. More than ever, a consistent foreign exchange rate policy in support of Government investment promotion and export development strategy is required.

Toward a Realistic and Stable Foreign Exchange Rate: It should be recognized that the exchange rate policy is not an end by itself but a means to an end which is to promote export trade. Within a consistent macro economic policy framework, while allowing the exchange rate to respond to market conditions, the Bank of Uganda should monitor and respond appropriately in light of fluctuations of exchange rate to ensure competitiveness of Ugandan exports. The exchange rate, therefore, need to be stabilized at an appropriate level within an exchange rate band where the exchange rate would be allowed to fluctuate. Findings on appropriate level of exchange rate from an EPAU Study in 1995 based on quantitative analysis of the impact of foreign exchange rate on Ugandan exports with focus on NTAEs, and confirmed by the Exporters' Survey 1995 conducted by EPAU, the central exchange rate around which the exchange rate should be stabilized would be Shs 1,100 per US Dollar. At a lower level than Shs 1,000 per US Dollar most of Ugandan exports would be discouraged, while at the upper level of Shs 1,200 per US Dollar almost all Ugandan exports will be profitable.



167

VI. CREATIVE APPROACH TO EMERGECY FOOD AID AND FOOD RELIEF

Unlike a great number of countries in Sub-Saharan Africa which have experienced chronic and severe food shortages, Uganda has always been considered to be self sufficient in food shortages. In most cases, it is not lack of resources but rather absence of disaster management strategy as well as lack of coordination between government relief agencies and international aid organizations.

VI.1 Strengthening Institutions

The National Early Warning and Food Information Unit (MAAIF): The National Early Warning and Food Information Unit is charged with the responsibility of collecting agro-meteorological, nutritional, socio-economic and remotely sensed data which are used to assess the food situation in the country. Despite the efforts of the National Early Warning Unit, results lag far behind expectation due to a number of reasons: under-funding, lack of effectively integrated system involving village, sub-counties and districts, inappropriate coordination with various projects and NGO's to monitor food and nutrition insecurity. Among these reasons, the most serious one is still the under-funding of the Unit which might explain why performance lags far behind expectation.

The Department of Disaster Management (MOLSA): The Department of Disaster Management is charged with assisting Ugandans who have been struck by a disaster or calamity. In case of disaster, the department is expected to provide relief and rehabilitation assistance to bring the affected population back to their normal productive status. The department also resettles internally displaced communities of Ugandan origin or those returning from exile. Lastly, the department gives assistance to ex-rebels surrendering under the Amnesty Statute of 1987. This assistance mainly involves rehabilitation and resettlement. According to MOLSA, each year on average 400,000 people need relief assistance of one kind or the other, and about 50,000 families would need resettlement. They normally require resettlement kits which include food and non-food items. The source of funding comes from monthly releases and supplementary releases from the Ministry of Finance and Economic Planning. The Government on most occasions depends on foreign assistance to deal with disasters. This had made it very difficult for the department to answer to disaster promptly as expected or to be well prepared in time. The recurrent budgetary allocation of Shs 421 million in 1995/96, is considered inadequate to meet the operations of the Department.

Assistance to Refugees at the Ministry of Local Government: The Ministry of Local Government is responsible for the provision of land needed to resettle the refugees and provision of security in the Resettlement Camps. The maintenance of the refugees such as provision of food and logistics, however, is catered for by the UNHCR.

168

The refugee population increased from 297,829 in 1993 to 308,548 in 1994 (an increase of about 4 percent). In 1995, the number of refugees fell to about 265,094. With the continuing civil war in Southern Sudan, there has been a steady flow of refugees into Northern Uganda, with between 3,000 and 10,000 at the end of 1994. Though the Ministry of Local Government has an increasing responsibility with the influx of refugees, the Department of Refugees budget allocation has remained small and inadequate. The 1995/96 budget allocation of Shs 63 million for recurrent expenditures is still considered too low. Based on the Department needs, financial support should be increased to meet the recurrent budget of U Shs 212.4 million requested by the refugee section.

VI.2 Coordination of Government and Donors Relief and Emergency Aid Efforts

Given the constraint in which the Government is operating under Structural Adjustment and following tight budget funding, the Government would be unable to meet the burden of emergency relief and assistance to refugees without support from International Aid Organizations. Consequently, innovative ways of conducting food aid and food relief are required, given that the issue of emergency food aid is a major concern for the Government.

Government Aid Coordination: Government's efforts to increase expenditure needs to be encouraged, there is, however, a need for better coordination. Achieving emergency food assistance through food relief or food aid to refugees requires an integrative approach involving many agencies of Government, the donor community and the NGOs. Coping with food insecurity is not entirely the responsibility of MAAIF or any one Ministry. It requires collaboration and financing from the donor community and can be greatly assisted by active involvement of the NGOs.

Presently, there is no organized effort in Government to identify and monitor household food insecurity. There is also inadequate tracking of food insecurity in Uganda. Until now, emphasis has been placed on crop monitoring, and no full food security assessment has been undertaken to identify the location and magnitude of food insecurity and the grouping in the population most subject to it. More particularly, concerning emergency food aid, there is a need to put in place a national framework for monitoring food security at national and community levels particularly in case of emergency food aid. This would include market information system, viable disaster preparedness, mitigation and prevention system.

Contribution of Donors and International Aid Agencies: In coordination with the United Nations High Commission for Refugees (UNHCR), the World Food Program (WFP) has been providing food assistance for the Sudanese as well as Rwandese, Zairean and Somalian refugees in Uganda since the first influx of 1988. WFP food assistance will continue during a nineteen months period for approximately 150,000 Sudanese refugees located in Moyo, 117,000 in Arua, 9,000 in Masindi and 16,200 in Kitgum districts. Distribution is handled by Non-government Organizations (NGOs) such as Uganda Red

Cross, Interaid, Oxford Famine Relief (OXFAM), Italian Cooperation for Development (AVSI), International Commission of the Red Cross (ICRC) and UNHCR. Due to unavailability of land in the area only 17 percent of the refugees are in settlement camps. Some 14,856 refugees are now self-sufficient and no longer require WFP food aid. In addition to food, WFP has obtained through a number of donors, non-food assistance commitment which includes mobile warehouse, trucks and trailers, grinding mills and weighing scales. Basic health care, sanitation and nutrition services are being provided by several NGOs, including MSF Switzerland, Interaid, AVSI, Jesuit Relief Services, Agency for Cooperation in Research and Development (ACORD) and Medecin sans Frontiere (MSF) Netherlands. OXFAM with Water Development Department has helped in providing water.

An effective interministerial food emergency and relief committee using existing resources and facilities of government and international food aid organizations should be established to coordinate and supervise food relief and emergency food aid programs.

VI.3 A Strategic Approach to Food Aid

With the exception of Karamoja, which is particularly susceptible to periodic drought, Uganda is not normally prone to severe climatic disorder. Localized food crises have arisen in relation to insecurity, locust and pest infestations, plant and animal diseases, which have resulted during 1979-1992 in many food aid interventions in Northern and North East of Uganda. The issue of refugees in Northern Uganda may necessitate special attention and require food security aid to the refugee population. Such outbreaks need to be monitored. In any case, an innovative approach to the problem of food security in food insecure areas has to be adopted.

a) Regions or areas such as Karamoja which should be particularly targeted as chronically food insecure areas could establish food reserves for quick movement of food distribution and relief. While direct provision of food is recommended for the vulnerable groups which include children, the elderly and lactating mothers, food for work schemes on public works should be applied to the able. Provision of food and productive inputs such as seeds, cassava stems, potato vines, hoes and ox-ploughs, as well as improvement of the infrastructure, should receive high priorities. Food insecurity alleviation in the long-term lies largely in enhancing the identified target groups productive capacity. In fact, once farmer's productivity has picked up it would be easier to reduce food distribution. Furthermore, efforts to address the problem of food insecurity in Karamoja while taking care of the longer-term issues of development basically need a better coordination among Government Agencies, and between Government Agencies and Donors Aid Organizations and NGOs. The Karamoja Development Agency (KDA) was supposed to carry out its development activities through relevant line ministries and NGO's. Parallel to the KDA, the Ministry responsible for Karamoja development is said to have created the Karamoja Project Implementation Unit (KPIU). Considering the existence of the office of the RC5 in the district, the role of District Secretaries as well as the responsibilities of the line Ministries, there is a real need of better coordination.

(b) The Northern Uganda Food Security Project (NUFSP) is based on the concept that immediate emergency and humanitarian aid to refugees should encourage self sufficiency in a longer term. NUFSP is the result of an initiative by both USAID/W and USAID/Uganda and the Government of Uganda Government, with support from the Government Minister of State for Northern Affairs, the Ugandan Veterans Assistance Board (UVAB) and the Office of Famine Mitigation in the US Department of Agriculture. The goals of the project is to address the short and long-term development requirement to expand food security in Northern Uganda amongst both the national and refugee populations while simultaneously providing the basis for economic recovery in the area. The objective of the project aims at achieving through a strategic shift to a new paradigm which links relief and development, simultaneously addressing the needs and production possibilities of both the refugee and national population and, thus, reducing a dependence on outside sources to meet and sustain basic food needs as well as development activities in the area.

(c) In general, all districts suffer from one kind of deficit or another. The districts with transitory food deficit included, among others, Soroti, Kumi and Kabarole. Their main issues include food distribution, incomes and provision of economic and social infrastructure. The districts with chronic food deficits include Moroto, Kotido, Moyo, Bundibugyo and Luwero. In their case the key issues include food distribution, food aid and relief, income levels and provision of both social and economic infrastructure.

In sum, learning from experience, the effectiveness of relief and emergency aid depends not only on availability of resources but also effectiveness of coordination and implementation. Moreover, it should be noted that while emergency aid relief due to drought and national disaster could be dealt with in the short-term through emergency food aid, the more general problem of food insecurity due to poverty should be addressed in a more general context of social and economic development policy.

171

VII. IMPERATIVE OF FOOD PRODUCTION DEVELOPMENT

Uganda's economy is dominated by agriculture and remains highly dependent on the agricultural sector. Government agricultural development policy is pursuing three key objectives: (a) increasing agricultural productivity to ensure food security and self sufficiency in raw materials for Agro-processing industries as well as cash crops for export. (b) diversify the country's exports through the promotion of non-traditional exports (c) increasing people's income and reducing poverty at a faster pace through increased sales of their agricultural surplus.

VII.1 Restoring the Prominence of MAAIF in Food Production Development

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) has a very specific mandate. MAAIF is indeed, responsible for formulation of Government policies in the agricultural sector, development of national plans and strategies to achieve set goals within the policy guidelines, and monitoring the performance of local authorities and the private sector. Despite reasonable facilitation from the Government and support of the international donors, MAAIF only receives irregular flow of funds and inappropriate technical assistance. In general, budgetary ceiling and imposed national policies like civil service reforms has undermined the effectiveness of MAAIF.

Collaboration at Policy Level

The Ministries, Government bodies and Development prospects involved in the agricultural sector development are the Ministry of Agriculture, Animal Industries and Fisheries, Ministry of Finance and Economic Planning, Ministry of Trade and Industry, Ministry of Land and Survey for Land Policy, Ministry of Finance and Economic Planning, Local Government for administration, Gender and Community Development for integration of women in agriculture, Labor and Social Affairs for food relief, etc... There is, also an urgent need for better collaboration in terms of policy formulation and implementation with other agricultural development and export promotion project. Particularly, MAAIF could effectively benefit from the support of various USAID funded projects such as ANEPP and IDEA. The implementing units of these two projects are respectively EPAU and IDEA. EPAU can provide effective policy support at macro, sectoral and micro levels, while ADC can appropriately provide support for production development and marketing.

Inter-Department and Program Supervision: Within the MAAIF, the allocation of human resource also should be consistent with the importance of each department. The Department of Crop Production and Marketing has a total established staff of 29 as compared to the Department of Fisheries with a total established staff of 58. It is to be noted that food crops totaled 68 percent of the agricultural GDP as compared to 5 percent of fisheries sub-sector. The Department of Agricultural Planning should be strongly supported to fulfil its important functions in improving policy analysis, formulating of strategic planning and, project implementation at all levels and given the highest priority

172

from the part of the donor community, particularly the World Bank. Several projects and programs are also being implemented in or attached to the Ministry of Agriculture, Animal Industry and Fisheries which aim at improving agricultural productivity and strengthening food security both at household and national levels. These include:- Agricultural Extension Services, Uganda Seed Project, Agricultural Research and Extension and Training, etc... These projects and programs if well-implemented may provide excellent results. For the time being, their performance so far achieved lags behind expectation.

VII.2 **Policies in Support of Food Production Development**

Despite the relatively good prospects for food crop production development, Uganda has to effectively deal with various key issues in order not only to promote food security but also food production and food exports. These key constraints occur at the production level, post-harvest, marketing and distribution and income earning level.

i) Production Level

Promoting food crops development is the appropriate starting point to address the root cause of poverty. The most appropriate approach would be to act on the basic determinants of the growth rate of food crops GDP such as land used in production, agricultural inputs and labor employed in food crops, etc...

Area Cultivable: In Uganda, about 30 percent of the cultivable land* is under crop. This low rate is due to the use of hand hoe as the main means of opening land. The use of animal tractors in certain regions will certainly help open significant new areas cutlivable. Besides, in a number of cases, without adequate security, farmers ability to produce is greatly curtailed by frequent rebel activities in Kitgum and Gulu districts which similarly has affected the ability of the population to produce enough. Finally, it should be noted that one of the main constraints to land utilization is difficulties in land accessibility due to the land tenure system. This is especially critical to large scale commercial development of agriculture for exports. The implementation of an appropriate land reform would effectively contribute to increase cultivable areas for food production. Due to the low utilization of arable land nationally and in the regions, there is substantial scope in increasing food output through expansion in area for both crops and pasture/livestock development.

Farming System: Current knowledge on farming systems is quite scanty. During the course of civil strife over the years, farming systems disrupted. Policies on food production have been implemented in the past, but not enough consideration was given to the importance of farming systems. The general complaint farmers have is that there is hardly any extension service. In relation to this, most farmers are not trained and exposed to the latest techniques. An important element of the support services which is lacking is the multiplication and distribution of suitable seed varieties for planting. Experience of many countries in Asia have shown that rapid and sustained improvement in yields are possible.

---

* *Cultivable land is arable excluding forests, game reserves and permanent pasture.*

Use of Agricultural Inputs: Field Survey undertaken in 18 districts by EPAU in 1995 shows low use of improved seeds, fertilizers and pesticides and poor production techniques. In general, all these results into low production levels. The rate of application of good quality seeds, indeed, is low. The common type of improved seeds for maize planted are hybrid from Kenya and Longe I from Kawanda, NARO. Similarly, the use of pesticides and insecticides are generally quite non-existent and sorghum.

On-Farm Labor Productivity: Crops yields are low in most parts of Uganda, and yet the target of extension service is to encourage farmers to adapt research technologies and improved agricultural husbandry practices. National yields are between 17 and 50 percent of those attainable at research stations. In reality, food production has the potential to feed the country and to supply food to the regional market. However, the key to realizing this potential is increasing yields by raising the productivity of the farmer as a result of security of land tenure, extension service, use of high-yielding varieties and improved agricultural inputs as well as investment in research and development. It should be added that lack of adequate training, low level of education and mostly Aids have seriously contributed to reduce productivity of the labor force in Uganda.

ii) Post Harvest Constraints

It can be noted that, on average, crop losses in most cases are generally unacceptably high at farm level. These may be manifested in terms of drying problems, microbial growth, pest problems, and mostly poor storage. As a result of these factors, the levels of post-harvest losses remain very high, from 10 to 35 percent.

Crop Losses: Regional crop losses indicate that between 6 and 35 percent of output is lost from the time of maturity marketing.

Poor Storage: At farm level, farm storage is inadequate. In most districts in Eastern and Northern region, granaries are the main means of storing farm produce. These structures are, however, vulnerable to attacks by pests, rodents and theft. Furthermore, due to the poor technology used, rain often spoils food stored in such granaries and as a result crop losses are very high. Even in Central and Western regions where food is generally stored in the house, the extent of food losses is also high. Field findings showed that in most cases, the house where food is stored is neither cemented nor plastered. At the district level, it is mainly the cooperative societies which have stores, but these stores were meant for cotton and coffee which are normally not attacked by pests and rodents to the same extent as food crops. These storage infrastructure are, like most other facilities, run down and in poor shape. At regional level and in major towns, there exist sizeable storage capacities. These storage infrastructure mostly belong to Produce Marketing Board. Most of the stores are in poor shape and need repair. At the regional level therefore, there appears to be fairly adequate storage infrastructure. What is perhaps needed is to rehabilitate them and encourage private sector participation in food purchases, storage and distribution.

iii) Food Distribution

Food distribution is the movement of food from one surplus area to a deficit area. Put another way, food distribution is moving food from an area where it is not needed to an area where there is demand for it.

Distribution Network: Food distribution mechanism is under-developed both at the district and regional levels. In periods of plenty or fairly adequate supply, no food distribution policy is in place. Yet as it is well known, despite the sizeable national surpluses in food, some regions and districts are deficient in some food items. Even within a district, there are certain parts which normally lack food. Clearly, moving food from the surplus (or low demand) areas to deficit (or high demand) areas is essential if households are to be safe from food insecurity. One aspect which is lacking is market information flow to allow both buyers and producers to reach the most desirable deals. In addition to the lack of market information in rural areas, market infrastructure is in poor state. The issue of rural marketing appears to be centered around the low prices payable for farmers' produce and the general poor standards of rural markets and facilities.

Transportation: Transportation constitutes an essential element of Uganda's strategy to implement a national food strategy. Roads are needed to bring in agricultural inputs and implements, facilitate the work of extension staff, and provide not only access to markets for farm goods but also basic social services such as education and health. Field survey findings indicate that high cost of transport and poor road network are major hindrances to agricultural production, food security and export diversification. As a result transport costs are high, contributing to reduced returns to the farmer with negative impact on production and food security.

iv) Constraints in Food Marketing

Markets with the associated infrastructure of storage facilities and services, matter a great deal. Although, it is preferable that this could be taken care of by private investors, the Government still has the responsibility to provide appropriate support under the present condition of serious lack of marketing facilities through public promotional agencies as well as specialized development projects.

Shortage of Storage: Whereas the private sector participants control the largest share of the food market in Uganda, they have continued to experience shortage of storage facilities and space. Most of them depend on renting of idle shops and a few of them own stores. Moreover, most of these shops and stores are not suited to preserve the quality of the product. Only a few of the big traders own cleaning and grading equipment and these are mainly in the large towns like Kampala. In general, the public sector and Co-operative Enterprises seem to be a far bigger and superior player in terms of facilities than the private traders even though they handle less of the food products.

175

Market Information: The most visible channel for communication of market information among farmers and traders is through personnel contact. In remote areas, farmers are not informed about prices, quality and quantities required. It would appear that one of the reasons why there are wide differentials between one district and another is lack of information.

Marketing Margins: Finaliy, marketing margins for selected crops show that there is a high share of wholesalers and retailers. In Uganda, there is evidence of very low farm-gate prices for some crops relative to final consumer prices. This should not be an invitation for the Government to intervene in the affairs of producers, transporters and traders. It is, however, the legitimate responsibility of the Government in development to ensure that the gap between farm-gate and final prices is reflective of costs and not as a result of malfunctioning and distorted markets. In fact, there is a need to use public policy to facilitate the proper functioning of markets in agricultural products.

In sum, promoting food production is the most viable lead sector for overcoming food insecurity but also generating income and employment in the rural sector which in turn will contribute to increasing income in the non-rural sector. Promoting food crops development holds great promotion as a strategy to simultaneously meet food needs of the people, alleviate poverty and raise the standard of living of the people.

VII.3 **Support at Farm Levels**

In Uganda, while there is still potential for expanding the area cultivated, future growth of food production to ensure food security and promote food exports, is expected to depend increasingly on the ability to raise productivity of food crop production through effective agricultural policy support at micro level which includes not just technical progress at the farm level but also institutional strengthening that creates efficiency in the development and diffusion of innovations.

i) <u>Assessment of Agricultural Support Services</u>

The need for strengthening of agricultural support services was recognized early during the process of restructuring the agricultural sector. The Government of Uganda in collaboration with The World Bank (IDA) reorganized existing extension services under the Agricultural Extension Project (AEP) which became effective on 18th July, 1993. The US $ 17.75 million project (1993-1996) aims at supporting Government's strategy of agricultural development and diversification.

Suspend the Retrenchment of Extension Staff: Besides, it is essential that the current retrenchment of extension staff under the Civil Service Reform Program and decentralization of services (being implemented under the pressure of the IMF and the World Bank) be reconsidered and suspended. Massive retrenchment of extension staff, has heavily contributed to the poor state of extension service situation in the country. By December 1995, the number of extension staff had been reduced from about 4,300 in 1993

176

to only 2000, i.e, a reduction of over 50 percent. An extension of the Agricultural Extension Project under tight budgetary funding implies that better program formulation and implementation should be promoted to maximize impact of extension services to effectively assist rural farmers improve their productivity and, therefore increase their income.

Support to Chronic Food Deficit Districts: The Extension Services had covered 29 districts of Uganda by the end of 1995. Most of the districts covered are either food surplus (Iganga, Kamuli, Mbale, Apac, Gulu, Arua, Hoima, Kabale, Rukungiri, etc...) or transitory food deficit (Kabarole, Bushenyi, Masaka, Mpigi, etc...). From EPAU Survey 1995 on Food Security, five districts were identified as chronic food deficit (Moroto, Kotido, Moyo, Bundibugyo, Luwero) and these marginally serious food deficit (Soroti, Kumi, Kabarole). The Agricultural Extension Project (AEP) had neglected these five chronic food deficit districts and partially covered Kumi and Kabarole. It is, therefore, suggested that priority should be given to the eight above-mentioned districts with special focus on the five chronic food deficit districts.

Focus on Women Groups: Food crop production alone, shares about 70 percent of agricultural GDP, and women contribute to about 80 percent of food crops and almost all food processing. Agricultural extension service, therefore, should focus on the legitimate concerns of women in development such: special training programs for rural women, improving appropriateness of the technology for women, facilitating communication between Extension Agents and Female Farmers, and most importantly, promoting women in development to take care of women farmers concerns. In Uganda, although women farmers play a significant role in agricultural production, yet very few extension programs are aimed specifically at women or conducted in such a way that women would feel comfortable participating in them. It, therefore, means that the conditions required for successful agricultural development in general and particularly food production and nutrition security cannot adequately be fulfilled without meeting the needs of the women farmers.

Inter-Agency Coordination and Collaboration: Coordination with agencies involved in extension service delivery could be appropriately initiated to strengthen linkage with Makerere University, NARO and other research organizations. Collaboration should also be promoted between the Agricultural Extension Project (AEP) and other programs such as the Agricultural Non-traditional Export Promotion Project (ANEPP) and the Investment in Developing Export Agriculture (IDEA) within the framework of the USAID agricultural development strategy with focus on export, particularly NTAEs. As the implementing unit of ANEPP, The Export Policy Analysis Unit (EPAU) has the mandate to provide policy support at macro, sectoral and micro level, while The Agri-Business Development Center (ADC) is involved more with production development and marketing. Finally, as UNFA has already mentioned in its AEP performance assessment, agricultural extension should involve effective communication with farmers, appropriate coordination and collaboration with farmers associations (particularly UNFA), grain exporters' associations and related private sector groups dealing with food production and exports, which would help the Agricultural Extension Project to achieve satisfactory performance, as expected.

ii) Agricultural Input Constraints

Agricultural inputs play an important part in increasing yield of agriculture and raising income of the farmers. Import of agricultural inputs, particularly chemicals has for long been dominated by the Government. The performance of Government involvement in the marketing of agricultural inputs has not been satisfactory.

Regulation of Agricultural Inputs: The main objective of regulation and control of seeds and agro-chemicals usage in Uganda is to increase agricultural production and productivity, while achieving efficacy, safety for applicators, public health and the environmental protection. In addition, regulations are important to safeguard quality of seeds supplied to farmers, prevent spread of pests and diseases, etc... At present the control regulation of seeds in Uganda is being executed through the Agricultural Seeds and Plant Statute 1993 and the Agricultural Seeds and Plant Regulation 1994. Meanwhile, the control of agro-chemicals is under two existing statutes, namely The Pharmacy and Drugs Act, of 1970 and the Control of Agricultural Chemicals Statute of 1989, plus The Agricultural Chemicals (Registration and Control) Regulations, 1993. Really, there is a need to streamline the system. Regulation, supervision and inspection should be reduced to a minimum.

Supply of Seeds: Ugandan farmers have traditionally relied on their own local seed supply. This is normally done by selecting and saving the seed from the previous crop. At present the two major institutions active in the seed industry are: Uganda Seeds Project (USP) under MAAIF which incorporated the GTZ financed Legume Seed Project at Kasese in 1989, and the privately owned Karamoja Seed Scheme of Church of Uganda.

Since most of the agricultural inputs are imported, real opportunities exist in expanding local production to supply the domestic inputs market as well as increasing production to serve the neighboring and regional markets. In 1994, USP produced more than 1,000 mt metric tons of maize as against a total estimated seed requirement 15,440 mt which constitutes less than 10 percent of the national requirement.

Import of Agricultural Input: It should be noted that Government's direct involvement in importation and distribution of agricultural inputs is still very strong. Currently, the MAAIF is importing large quantities of agricultural inputs (pesticides, herbicides, fertilizers, etc...) using the Japanese grant. The Government involvement in direct import and distribution continues to distort the inputs market (discourages private sector participation and reduces pricing efficiency). In support of the Government liberalization of trade, and in order to strengthen private sector participation, Government should completely withdraw from direct purchase and distribution of agricultural inputs.

iii) Rural Credit Facilities for Food Crop Production and Exports

In the Integrated Household Survey 1992, more than 95 percent of the rural communities stressed the importance of credit, and at least 70 percent found that rural credit is needed very much. That rural credit situation in Uganda leaves much to be desired. Small-scale farmers generally have considerable difficulties to gain access to credit for productive purpose. The constraint to acquire rural credit is even more serious for women due to additional reasons such as lack of collateral (usually land title), need for male co-signer, low level of literacy, etc... This has important implications for the supply response in agriculture, particularly in the area of food crops.

Policy Constraints to Rural Credit

Although, the agricultural sector is the lead sector of the economy in terms of its contribution to GDP (50 percent); employment (80 percent); and foreign exchange earning (over 90 percent), it receives only about 5 percent of total bank credit while trade and marketing sector which contribute only 15 percent to GDP and receive about 64 percent of total bank credit of which 21 percent is crop finance. There are three basic issues to consider while evaluating the credit situation for a sector. These are the availability, accessibility and cost of credit to the sector.

- Availability of Credit: If only private time and savings deposits are considered, there are not enough funds for credit. Financial institutions have been able to loan over and above the time and savings deposit because of funds availed through them by donor agencies and Government for specific projects and programs. This has been to the tune of about US $ 157.2 million over the last four years or so. With donor and government credit support programs, availability of credit facilities is not a real problem in the Ugandan economy. What is more important, however, is not credit available but may be, better allocation of funds to high priority areas, and effective management of resources.

- Access to Credit: Although there is an apparent proliferation of financial institutions, access to these funds through financial institutions is denied to a large part of the population which is rural and involved mainly in agricultural activities. This is because, among others, financial institutions are overwhelmingly urban based, thus excluding from the outset the majority of the would be customers. Another problem with short-term credit in Uganda today is the excessive collateral and security requirements due to risk element. The only acceptable collateral to the commercial banks in Uganda today is land, buildings and/or other fixed assets. Given the high risk associated with agriculture investment, and the risk-aversions of Commercial banks, rural agriculture does not therefore, in most cases meet the traditional commercial banks' requirements for credit. As for export finance, there is no effective export credit finance scheme. Exporters, in fact, do not really benefit financial advantages provided by most successful export-oriented countries.

- Cost of Credit: It is believed that cost of credits are high in Uganda for agriculture and exports. This is because of the high risk associated with investment in agriculture and the fact that Ugandan exporters have to compete internationally with other exporters from countries where interest rates are about or below 10 percent. Although the liberalization of interest rate policy for deposits has made it possible for the banks to compete for deposits, the policy of liberal interest rate for lending has discriminated lending to the real sector and more so to agriculture but not to commerce. This is contrary to the long-term economic development of Uganda.

Credits for Agriculture

- Development Finance Fund (DFF): The fund was established through Statutory Instrument No.6 of 1986. The overall objective was to provide a credit system which would facilitate the flow of an institutional loanable fund to the agricultural sector for financing short to medium-term projects.

- UCB Rural Farmers Scheme (RFS):The scheme was started by UCB in 1987. Since then the scheme has received funding from African Development Bank (ADB): European Economic Community (EEC); Danish International Development Agency (DANIDA); World Food Program (WFP): and United States Agency for International Development (USAID).

- Cooperative Credit Scheme (CCS): The scheme was started in 1961, abandoned in 1973 and revived in 1988 with a USAID grant under the PL-480 program. Additional funding was received under the Swedish Cooperation Center. The Scheme now covers 26 districts with over 450 primary societies.

- Credit and Marketing Support (CMS) to UNFA: The purpose of the project is to establish effective credit support to the marketing activities of the Uganda National Farmers Association (UNFA), and while doing so, avoids the problem caused by late disbursement, poor loan recoveries and mis-application of loan funds.

Export Credit Facilities

- The Export Refinance Scheme (ERS): The Export Refinance Scheme (ERS) was instituted in September 1991 to support and facilitate the export diversification drive by providing sufficient funding to exporters of NTEs. Originally, the Government of Uganda (GOU) and the Bank of Uganda (BOU) were to contribute a total of US $ 2 million towards the fund. In fact, only BOU has contributed US $ 1 million to the fund.

- Non Capitalization of the Credit Guarantee Scheme - (CGS): The establishment of the Credit Guarantee Scheme of the Bank of Uganda has been announced in 1991, with the task of providing security backing to the commercial banking sector for facilitation of easier flow of short-term credit to exporting enterprises. No export credit guarantee fund has been set up.

- Absence of Export Credit Insurance (ECI): The Export Credit Guarantee Scheme, although not operational yet, is meant to protect commercial banks which are participating in the Export Refinance Scheme. However, in the case of exporters there is no such scheme in the form of Export Credit Insurance to protect them under similar arrangements. Ugandan exporters are therefore exposed, whether they use their own funds, to risks such as commercial exchange rates and political risks.

Important findings of the BOU Report on Rural Finance and Credit Scheme* show that all the administered credit schemes have performed poorly. "Bureaucratic culture has been pervasive at the levels of implementing agencies and intermediaries. Ultimate borrowers often considered themselves to be rightful beneficiaries of Government funds, made available for distribution as grants and not as credit. Such perception and behavior by management, staff, borrowers and politicians all contributed to damage financial discipline, low quality loan portfolio, mis-allocation of credit, diversion of loan use, high loan delinquency and defaults and weak financial institutions".

Attempts for Innovative Approach to Credit for Agriculture and Export

Under the present circumstances, no rural credit scheme seems to effectively support crop production development. Nevertheless, the organization of an effective credit supply and marketing system, is vital to the development of crop production and expansion of exports, and therefore to increase income of the farmer and raise the living standards of the people. But without the strong and direct involvement of the key economic actors led by self profit motivation, in conjunction with good policy support, at micro and sector levels, no successful credit and marketing scheme is likely to emerge.

- The World Bank Approach to Rural Credit: While various World Bank policy papers have rightly emphasized the importance of rural credit, the response to overcome the problem is still too unrealistic. On March 21, 1995 the Executive Director of the World bank approved the establishment of a Micro-Finance Program with a total commitment of US $ 200 million which includes bilateral agencies' existing support for their small-scale credit. The position of the World Bank is still to rely on the concept that without a solvent, efficient financial sector it is impossible to imagine the emergence of a system of credit which will effectively serve poor rural farmers. The approach adopted to indirectly deliver targeted credit to projects which were aimed at improving the capacity of financial institution to undertake intermediation. The reality is that even with stronger and more efficient credit institutions, the needs of the rural poor for very small-scale credit are not being met. Unless given effective incentives, commercial banking institutions are more interested with affluent borrowers. In the absence of effective incentives (which should not be confused with subsidies) neither commercial banks nor specialized development credit institutions are expected to be cost effective in delivering small size financial services to low income rural farmers.

- Bilateral Aid Mission Attempt to Help Rural Farmers: A number of bilateral aid missions have adopted a more realistic credit approach and achieved encouraging results even on a limited scale to help rural farmers to gain access to credit and technical assistance. USAID has addressed the "capital barrier" for average small-holders by establishing a line of credit through the Cooperative Bank. The

---

"A Rapid Appraisal of Rural Finance and Credit Scheme" - Agricultural Secretariat, Bank of Uganda, December 1994 - Annex B

Agricultural Non-traditional Export Promotion Program (ANEPP) has a capital-venture component through DFCU. A Credit and Marketing support to UNFA project has been designed to establish effective support to Ugandan farmers based on EU grant.

VII.4 A Proposed Credit Scheme for NTAEs Production, Development and Exports, with focus on Maize and Beans

Proposing an effective rural credit scheme after so many unsuccessful attempts is not a simple task. The challenge is staggering but it must, however, be responded to creatively. A more in-depth analysis of the credit system in Uganda reveals that among others, the most important reasons for failure come from the lack of understanding the strategic approach in policy formulation under limited resources and the non-application of the realistic concept in policy implementation based on cumulative built-in profit motivation.

i) Strategic Approach

Policy Formulation under Limited Resources

Taking into account the limited resources available, the identification of areas of priority is extremely fundamental. The areas of priority must have a maximum strategic impact in achieving development goals. The less resources available, the more selective and specific the key issues should be.

From more to less resources available, the selection would be:

- Increase income of the rural poor and raise the living standard of the people
- Agriculture-led development
- National Food Strategy
- Food Crop Production Development
- Maize and Beans Production and Exports
- Improved Seed to maximize yields.

Policy Implementation based on the concept of Cumulative Built-in Profit Motivation

In a private sector development economy, unless the key economic actors get involved based on profit motivation, no credit scheme can stand without subsidies or incentives. In terms of achieving development goals with minimum resources, the identification of improved seeds to be financed will be a most appropriate selection, from the economic (increase production) as well as financial (high rate of return) point of view to capture the interest of major key players.

ii) The Setting of the Credit Scheme

Breakdown of the Conventional Credit Scheme

In reality, it must be recognized that the three major actors are the Banking Institution, the Farmer and the Market which due to serious constraints could hardly work directly with each other.

The commercial bank is more interested with affluent borrowers. By nature, they are risk-averse, and unless given effective incentives, they will not be willing to provide loans directly to poor rural farmers. Besides, most commercial banks do not have branches in the rural areas, thus the management, monitoring and recovery of loans would be cost ineffective.

Small-scale farmers generally have considerable difficulties to gain access to credit for productive purposes. Women have even more serious problems due to additional reasons such as lack of collateral (usually land title), need for male co-signer, low level of literacy, etc... Cost of credit also is normally too high and the time taken to process a loan is usually excessive. The reality is that under the present circumstances, it would be unrealistic to expect that the needs of the rural poor farmer for very small-scale credit could be met.

The market demand (e.g. World Food Program) for maize and beans does, in fact, exist. However, food aid organizations often complain about the irregularity in supply, and poor quality of supplies which does not meet the requirement of quality standards. Besides, prices of maize and beans sold in the local market sometime exceed the world market prices, making the local procurement of food aid more difficult to satisfy.

Establishing the Inter-Linkage in the Credit Scheme

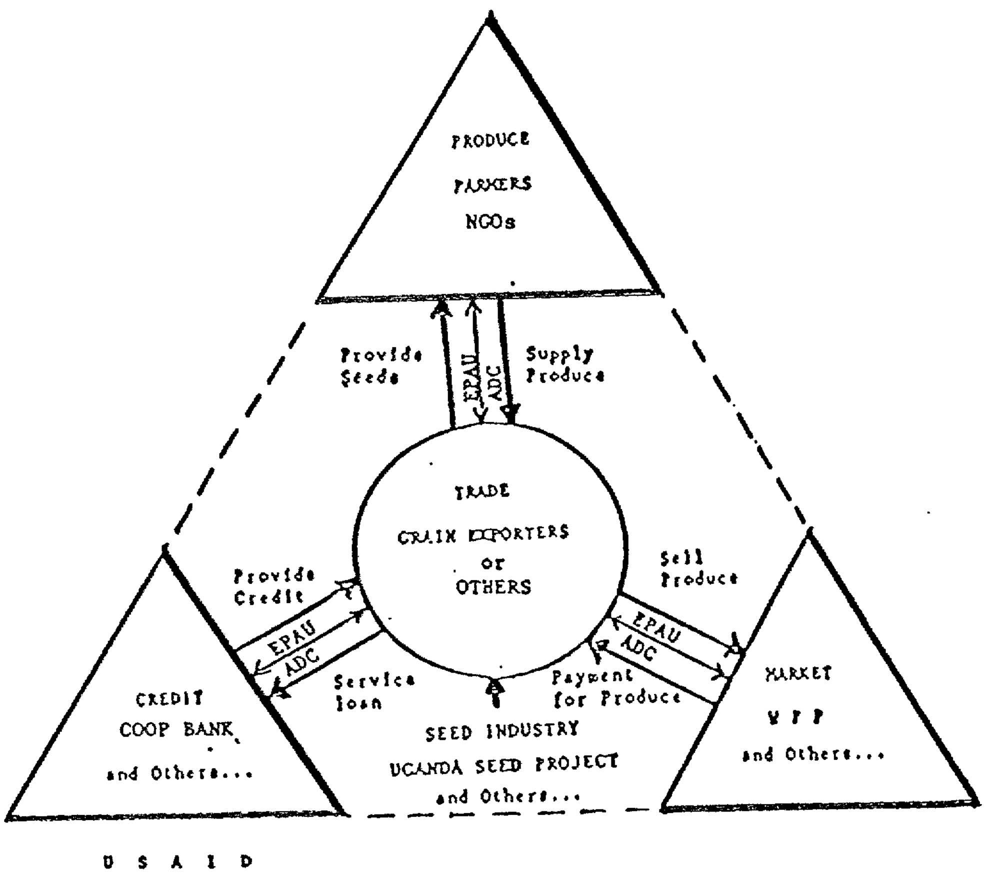
In order to make the credit scheme function, the introduction of appropriate intermediary agents or business groups could partly, or fully deal with the policy constraints encountered by the financial institution, the farmer as well as the market, while having complementary interest with each of them, is required. Payment after the delivery of produce will be used to reimburse bank loans. What is important in the scheme is that the risk of the operation is minimized and the return maximized for all the participants if compared to other credit schemes.

Traders (e.g. the Grain Exporters) who have the interest and the capacity to work with the Bank, the Farmer and the Market will be able to establish the inter-linkage to enable the system to operate. The Grains Exporters could obtain credit from the Bank, because of their ability to provide the necessary collateral. They can use the loan to buy and provide improved seeds to the farmers in return for supply of maize and beans for exports to honor their contracts with international food aid organizations (e.g. World Food Program).

Technical assistance from EPAU and ADC should help strengthen the operations of the credit scheme. EPAU can usefully assist in providing policy support at the macro, sectoral and micro-level. ADC can provide appropriate assistance at the production and marketing level. All these four above-mentioned major economic actors would benefit significantly from their contributions under various forms.

Finally, support from USAID is the key condition for the success of the proposed credit scheme. USAID through its venture capital can provide the fund to help a specialized financial institution (e.g. the Cooperative Bank) or a commercial bank effectively operate the credit scheme. Access to credit and cost of credit for purchase of seeds would be provided under more advantageous conditions for the Grain Exporters. Improved seeds provided to the farmers will significantly increase their yield and income. Supply of maize and beans could be guaranteed to the grain exporters to fulfill their contract and meet the demand of the market.

Credit Scheme for Maize and Beans Production
Development and Exports



VIII. RAISING FOOD EXPORTS TO A NATIONAL STRATEGIC OBJECTIVE

Based on the principle of comparative advantage and the pattern of resource endowment, Uganda's agriculture through food production development, should easily be able to feed the population. With the food surplus, the country would even be strategically well-placed to alleviate food shortage in the food deficit countries in the region. In order to achieve both these strategic objectives a National Food Strategy should ensure food security, develop food production and promote food exports.

VIII.1 **Responsibility of Government in Export Promotion**

It has been widely recognized that the strategic role of Government in successful export-oriented countries of East Asia is vital in actively guiding investment in the direction of exports, and gaining foreign markets for their export products. In Uganda, the potential for food exports development is real. More particularly, maize and beans do have great prospects. Besides, with a successful regional trade negotiation and an effective export market penetration strategy into the food deficit countries, the potential markets for Ugandan maize and beans exports are also huge.

i) <u>The Rationale of a Food Export Promotion Strategy</u>

An agriculture-led growth will have to be at the heart of Uganda's development strategy. Agriculture has the potential to feed the country, to supply food to the regional market, and generally to act as an engine of growth at home and a basis for cooperation in the region. The key to realizing this potential is not only to develop food crop production but also to promote export of food.

With higher productivity due to adequate reform measures the overall increasing trend in food production would be higher than in food consumption in the future. This should result in more surplus for export. In Uganda, therefore, the potential really exists for promotion of food exports. Proponents of food exports even find a rationale in the fact that prospects for food crops production development could not be exploited in the absence of exports. In fact, food exports not only provide incentives to promote food production at home to supply the domestic market, but also represent an important sizeable potential external market for Uganda in the context of food deficit in Sub-Saharan Africa, taking advantage of the regional economic integration.

With an effective food export promotion policy targeting maize and beans, Uganda should be able to widen its domestic market, increase productivity of its agricultural production and improve incomes of the rural and non-rural poor. Besides, while improving the external balance of trade to move the country toward more self-reliance, food exports will contribute to strengthen the regional participation and contribution of Uganda in the common effort to overcome the problem of famine in the Horn of Africa, and more generally enhance food security in the COMESA and Sub-Saharan Africa.

185

ii) Trade Negotiation: A Decisive Factor

An enabling economic environment conducive to an export-oriented growth is essential. Macro-economic policy in support of exports development policy is also fundamental. Most importantly a "realistic" foreign exchange rate is a most useful and effective policy tool to promote exports. An over-valued currency will discourage exports while encouraging imports. To boost exports, many countries even deliberately under-value the exchange rates of their currency.

Other instruments used to promote exports include, among others, preferential short-term and long-term financing to export-oriented enterprises with export performance as the criterion of credit worthiness, tax incentives and export promotion facilities, subsidized infrastructure and utilities, foreign investment incentives specifically targeted to production for export. Above all, however, trade negotiations to capitalize on the comparative advantage of the country for food exports should be most decisive. Ugandan food export is essential in promoting food production and food security at home. Food deficit in the EAC as well as in the IGADD and COMESA, which amounts to millions of metric tons of cereals could provide huge potential markets for Ugandan food exports, and an effective opportunity for Uganda to participate in the common effort to overcome the challenge of food shortage in the region.

If Uganda levels its imports at the reasonable level of US $ 700-750 million, and considering its exports at about US $ 540 million in 1994/95; for example with an export of 1,000,000 mt of maize which will bring about US$ 175 million, Uganda should be able to bridge the gap in its balance of trade. With an export of 2,000,000 mt of maize which would bring about US$ 350 million, Uganda can have a trade surplus and move the country toward self-reliance.

iii) Strengthening the Role of MTI in Food Export Promotion and Trade Negotiation

A common feature of the East Asia export development strategy is the priority and total commitment of these Governments, through their Ministries of Trade and Export Promotion Agencies, to the promotion and development of exports. More specifically, in Uganda it is clear that the Ministry of Trade and Industry should play an active role in guiding investment in the direction of production for exports and in negotiating with major trade partners for the penetration of Ugandan export products, particularly maize and beans to the various export markets.

In order to effectively promote the diversification and growth of exports, it is also most desirable to strengthen institutions established to promote and facilitate foreign trade. Particularly, the restructuring of the Uganda Export Promotion Council (UEPC) aimed at making it more efficient and more responsive to the needs of exporters has been initiated.

The restructuring plan for UEPC would require a recurrent budget of Shs 955,000,000 as the bare minimum for UEPB to deliver satisfactory services to exporters. UEPB would require also Shs 353,470,000 for capital expenditure. By comparison actual funding of

186

UEPC for the years 1994/95 to 1995/96 were as follows:

1992/93	U Shs 251,326,951	1994/95	U Shs 331,918,000
1993/94	U Shs 309,210,180	1995/96	U Shs 310,941,000

The World Bank which had been very supportive of the restructuring of UEPC, seems to have lost interest now and is focusing more on other competing projects. The general feeling at the Ministry of Trade and Industry is that while support was extended to private sector enterprises under the Private Competitiveness Project*, resources should have been directed to the most important but also the weakest sector, which is the export sector. The need to address the capacity building requirements of export trade promotion agencies is crucial to the success of the overall export drive.

The effectiveness of the Uganda Export Promotion Board (UEPB), which is the restructured UEPC, will depend to a great extent on the financial resources that Government will be able to provide. The Cabinet and Parliament have approved a levy of 1 percent on imports to be shared by institutions supporting the development of exports. When this decision is implemented, UEPC will be in a better position to fulfill its promotional role of exports development. In the meantime, to promote food exports, with particular emphasis on maize and beans exports which contribute for about half of NTAEs, UEPC can usefully rely on the ANEPP and IDEA programs under USAID funding. The Export Policy Analysis Unit (EPAU) can appropriately provide policy support at macro, sectoral and micro levels. The Agri-Business Development Center (ADC) can offer adequate services in production development and marketing.

VIII.2 **Government Food Export Promotion Strategy**

Government development strategy recognizes the central role of agriculture in promoting economic growth, and examines the possibility of exploiting this potential further. It targets food production development and exports, especially maize and beans. In fact, food exports not only provide incentives to promote food production at home to supply the domestic market, but also represent an important sizeable potential market abroad for Uganda in the context of food deficit in Sub-Saharan Africa, taking advantage of the regional economic integration. The essence of an export-oriented strategy should rely on realistic conditions of the country and be based on its comparative advantage. In Uganda, an export-oriented policy should not only contribute to accelerate growth in the short-term but also help the country in the long-term to move toward a self-reliant economy.

i) <u>The Short-term Impact of Agricultural Export Development</u>

It should be noted that growth of the agricultural sector greatly determines the performance of the Ugandan economy. In spite of the fluctuating trend in international prices of coffee and primary products, Uganda's comparative advantage in the international

---

**The tentative financing plan of the Private Sector Competitiveness Project amounts to US$ 20.2 million.*

87

markets still rely on agricultural exports. The strategic importance of export development is obvious. A strong linkage exists between import and export growth. It is imperative for Uganda to increase its export capacities to sustain its import needs in the long-term perspective. Export-oriented investment in agriculture as well as in manufactures, while depending on local raw materials and labor force, will also need imported inputs as well as equipment, machinery, etc... In Uganda, with agriculture accounting for 90 percent of export earnings, an increase in export revenue from agriculture can be achieved more easily than an equal increase from manufactured exports which only share less than 1 percent of total exports.

In Uganda, agricultural export earnings have been dominated by coffee exports since the 70's when other non-coffee traditional exports like tea, cotton, tobacco started to decline. The fluctuation of international coffee prices has brought rather forcefully the danger of over-dependence on a single export commodity with far reaching impact on personal income, government revenue and the balance of payments. Export diversification, particularly food crops exports, therefore, must be promoted. At present, virtually all of Uganda's exports earnings originate in the agricultural sector, and coffee exports account for a very large share. In 1994, coffee exports earnings rose to about US $ 343 million and shared 74 percent of total exports.

Government policy on export diversification is beginning to achieve significant progress. This may be testified by the increase in foreign exchange earnings from NTAEs. In 1994, non-traditional agricultural exports earnings amounted to US $ 87.6 million which represented an increase of 35 percent. Food exports are among the leading non-traditional agricultural exports. Among them maize and beans exports account for about half of NTAEs. Efforts to diversify exports within agriculture and expand non-traditional agricultural exports, therefore, should effectively be promoted.

ii) The Long-term Prospects for Food Exports Targeting Maize and Beans

The potential of food production development and exports is huge. In reality, an in-depth analysis of overall food balance situation shows that Uganda has large deficit for livestock products, mostly milk, beef, poultry and eggs. Increased livestock production is most desirable and feasible and should basically contribute to meet the requirements of domestic consumption. Fisheries may also present good prospects for export; however, the potential of fish exports is still limited and modest at present. But, it is in the areas of food crops production that Uganda has large surpluses which can reach 1,000,000 metric tons. Particularly, maize and beans have great prospects for production development not only to satisfy domestic consumption but also to supply export markets in the region.

Predominance of Food Crops in the Agriculture-led Growth

Agriculture is the mainstay of Uganda's economy, accounting for about 50 percent of Gross Domestic Output (GDP), 80 percent of employment, over 90 percent of exports. Within agriculture, food crops contribute for more than 70 percent as compared to livestock with 17 percent, fisheries with 5 percent and forestry with 4 percent. Among the different components of the agricultural sector food crops also record the highest growth rates and provide the major source of nutrition to the population.

Breakdown of Agriculture by Sub-sector

Sub-sectors	(Million shillings) 1991/92	1992/93	1993/94	1994/95	(As percentage of Total Agriculture) 1991/92	1992/93	1993/94	1994/95
Cash crops	71,049	71,267	76,684	84,949	6.7%	6.2%	6.5%	6.8%
Food crops	705,707	792,566	799,345	860,880	66.8%	68.7%	68.2%	69.3%
Livestock	186,067	192,900	199,235	193,426	17.6%	16.7%	17.0%	15.6%
Fisheries	54,923	57,078	55,080	59,967	5.2%	4.9%	4.7%	4.8%
Forestry	38,170	40,347	42,016	43,777	3.6%	3.5%	3.6%	3.5%
Total Agriculture	1,055,916	1,154,158	1,172,360	1,242,999	100.0%	100.0%	100.0%	100.0%
Total Agriculture as percentage of GDP					50.6%	51.0%	49.2%	47.2%

Source: MFEP "Background to the Budget 1995/96".

Contribution of Food Crops with Focus on Maize and Beans to Food Security

The contribution of food crops to food security is essential. Particularly, both maize and beans can be part of the national strategy for poverty reduction as they are nutritious stable foods. Maize can be grown throughout the country, and is fast becoming the staple for the country. With rapid urbanization, maize has ceased to be the food for the low income people that it used to be. Besides, persistent drought in some parts of the country and the increasing number of refugees increases the demand for food relief. Beans also are grown in all districts in the country. But prospects for increased production are more in the districts of Kapchorwa, Kotido, Kumi, Mbale, Moroto, Soroti, Bundibugyo, Kabarole, Kasese, Kibaale, Bushenyi, Kabale, Kisoro, Mbarara, Ntungamo, Rukungiri, Mpigi, Rakai, Mukono, Mubende, Kiboga, Kamuli and Iganga.

Increase in Income for Households from Maize and Beans Production

With proper guidance, access to agricultural inputs and credits and effective policy support, production development and exports of both maize and beans can become a most viable economic activity and provide substantial income earnings for the farmers. Production development in maize and beans will not only contribute to ensure food security at household and national level in general, but also generate higher income for households with the use of improved seeds if compared to other food crops production.

An Assessment of the Rate of Return of improved seeds for Maize and Beans shows the comparative advantage of these two food crops. The contribution of improved seeds on maize and beans production development reveals to be very attractive. A rough calculation on increase in yield due to the use of improved seeds shows that: One shilling invested in improved seeds of maize will give a return of about 18 shillings. One shilling invested in improved seeds of beans will give a return of about 2 shillings. More generally, improved seed utilization will provide an increase of 60 percent in income for maize and 22 percent in income for beans.

Returns to Farmer for Selected Crops Per Hectare

Crop	Cost of Seeds (Shs)	Other Costs (Shs)	Total costs (Shs)	Yield (Kg)	Price of Output (Shs/kg)	Revenue (Shs)	Revenue/Total cost	Maturity Period
High Value crops								
Asparagus*	800,000	1,017,000	1,817,000	3,000	5,430	16,290,000	9.0	1.5 - 2 yrs
Vanilla	72,000	160,000	232,000	400	3,600	1,440,000	6.2	2 - 3 yrs
Passion fruit	451,000	684,000	1,135,000	12,800	200	2,560,000	2.3	9 mth - 1 yr
Pyrethrum	5,000	237,000	242,000	500	1,000	500,000	2.1	6 - 9 mth
Silk (Cocoon)	54,000	1,031,150	1,085,150	1,875	1,000	1,875,000	1.7	4 - 6 mth
Cutlowers (roses) **	15,500,000	41,263,000	56,763,000	1,800,000	44	79,200,000	1.4	4 mth
Ginger	406,000	860,000	1,266,000	3,000	500	1,500,000	1.2	9 - 10 mth
Chillies	25,000	511,000	536,000	500	1,200	600,000	1.1	6 mth
Low Value crops								
Maize (improved seeds)***	4,375	68,000	72,375	2,500	120	300,000	4.1	3.5 mth
Maize (unimproved seeds)	1,125	68,000	69,125	1,563	120	187,560	2.7	4 mth
Beans (improved seeds)	27,000	66,800	93,800	660	400	264,000	2.8	3 mth
Beans (unimproved seeds)	15,000	66,800	81,800	540	350	189,000	2.3	3 - 4 mth
Wheat	50,625	299,500	350,125	2,000	240	480,000	1.4	3 - 4 mth
Sesame	2,500	72,400	74,900	480	400	192,000	2.6	3 - 4.5 mth
Croundnuts	35,000	108,500	143,500	800	350	280,000	2.0	3.5 - 5 mth
Soyabean	5,100	94,500	99,600	920	200	184,000	1.8	3 - 4 mth
Sunflower	1,400	69,300	70,700	1,000	100	100,000	1.4	4 mth

Source: EPADU/EPAU "Opportunities for Traditional Agricultural Exports from Uganda " Jan - July 1993, Vols. 1 - 6;
FAO "Uganda Wheat Production: Options and Prospectss for Development" May 1996.

* Prices and costs refer to export level
** Refers to number of cutflowers produced in 1 hectare and price per stem
*** Revenue/Total cost will be 6.3 with improved seeds and if using the recommended seed rate of 25 kg per hectare instead of the usuall 12.5 kg per hectare

Prospects for Maize and Beans Production Development

Production development in maize and beans can be increased not only to ensure food security at household and national level but also to promote food exports in the region. Based on recent trends in growth rates of national supply and national demand, the projected supply-demand gap for maize and beans is rather positively significant. *The Conservative projection* is based on an increase of national food supply by about 4 percent per annum during the next 6 years. In particular, food crops will increase by about 5 percent per annum, and livestock by about 2.5 percent per annum. *The Attainable projection* for surplus in maize and beans, which could be achieved with appropriate reform measures and effective policy support, is based on an increase of 4 percent in area and 6 percent in yield per annum for maize, and an increase of 1 percent in area and 6.6 percent in yield for beans. Either of these conservative projection or attainable projection would already show a high positive food balance and substantial amount of excess of food for export. Uganda should be able to have a surplus in maize between 500,000 mt and about 1,000,000 mt of maize and beans surplus for export from now to the year 2000.

Potential Markets for Ugandan Maize and Beans Exports

Prospects for export of maize and beans are also real. Both maize and beans are indeed widely consumed in the food shortage COMESA subregion, but owing to persistent droughts these countries always experience food deficits. The potentially huge markets for Ugandan maize and beans exports are to be capitalized to the benefit of Uganda.

190

Information available shows that maize is the staple in the subregion. Beans as a leguminous vegetable are also widely eaten in the sub-region, especially Rwanda. Kenya alone has a deficit in cereals of about 1,000,000 mt. According to Food Security Quarterly Bulletin 1993/94, the SADC countries of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania and Zambia had in 1993/94 a total cereal deficit of 2,544,000 tons of which the deficit for maize alone was 1,626,000 tons. It further indicated that of all the SADC countries it is only Malawi, Zambia and Zimbabwe which realized small surpluses of 185,000 tons, 25,000 tons and 44,000 tons of maize respectively during the same period.

IGADD Food Situation Report indicates that of the IGADD member states of Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan and Uganda, it is only Uganda which by January 1994 reported a surplus of 263,000 tons. In other words, the whole sub-region is a food deficit area. The IGADD deficit in food, if excluding Uganda is 3,470,000 mt by January 1994. According to Food Crops and Shortages, April 1993 within the COMESA Angola, Botswana, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Somalia, Sudan, Swaziland, Tanzania and Uganda, Zaire and Zambia had an estimated cereals deficit of about 6,300,000 tons in 1993 and of this total requirement, about 67 percent was met by food aid.

VIII.3 **Trade Penetration for Ugandan Exports with Focus on Maize and Beans**

Uganda's food exports, mainly maize and beans, can be significantly increased. More and more food exports have the potential to increase dramatically over the next decade if well supported by an appropriate national food strategy with focus on food exports. A common feature of successful export-oriented economies is not only government total commitment but also implementation of total effective export promotion policy. In fact, Government assistance in penetrating new markets is even decisive.

i) Procurement Contract with International Aid Agencies

The Government of Uganda has requested for International Aid Organizations assistance for emergency food distribution many times. Food purchase from these organizations may be substantial and represent an attractive market for maize and beans exports. More particularly, the WFP projects and operations alone, were valued at about US $ 150 million as of November 1994 of which emergency and refugees assistance account for more than 50 percent.

It is essential that an agreement and understanding be set between the Government and Aid organization to generalize the practice of locally purchasing projects and emergency operations of food commodities whenever possible. WFP has made a significant attempt to purchase from the local market food items destined for its development activities and its refugee and emergency operations within Uganda and in the neighboring countries of Zaire, Burundi, Rwanda, Sudan, Tanzania and Kenya. In 1994 alone, WFP procured locally some 91,000 mt of commodities (maize, maize meal, beans, sorghum, salt, corn-soy blend, vegetable oil and groundnuts) valued at slightly over US $ 22 million representing substantial net foreign earnings for Uganda.

In the context of an economy which has great potential in food production and suffers from financial constraints in achieving the objectives of the social sector, local purchases of food (maize and beans) by International Aid Organizations for projects in Uganda and neighboring countries should be considered a high priority for international food assistance programs not only to alleviate food insecurity but also to help generate increased income for the rural poor. It is, therefore, essential for the Government of Uganda and International Aid Organizations to spell out an effective strategy for local procurement for food aid and projects.

ii) Bilateral Trade Negotiation with Kenya

Based on its comparative advantage in agriculture, and particularly in food production, Uganda can develop a surplus in food, basically maize and beans, from 500,000 mt at present to 1,000,000 mt in the year 2000. Kenya on its part, is largely a food deficit country. In 1992, Kenya imported 669,000 mt of cereals in addition to 162,000 mt of cereal as food aid* totalling 831,000 mt. By January 1994, Kenya's cereal availability showed a deficit of about 1,300,000 mt. On average, therefore, Kenya has a need for import of cereals more or less about 1,000,000 mt. A successful trade negotiation between the two countries to absorb surplus of maize and beans in Uganda to supplement the shortage of cereals in Kenya, would be in the national interest of the two countries.

If considering, trade exchange between the two countries the complementarily is even more accentuated. Kenya, more industrialized, than Uganda has to export its manufacturers to neighboring countries. Uganda is at present a relatively huge export market for Kenyan manufactured products. Until now, trade exchange has always played to the advantage of Kenya and at the expense of Uganda. While the Ugandan market is considered as a safe haven for Kenya's exports, Ugandan exports could not benefit the same in return. Kenyan exports to Uganda kept increasing at an accelerated rate during the last five years from US $ 71.13 million in 1990 to US $ 233.80 million in 1994 (i.e., an increase of about 300 percent), as compared to Ugandan exports to Kenya of US $ 8.77 million in 1990 and US $ 13.52 million in 1994 (i.e. an increase of about 55 percent).

Uganda has not been successful to take advantage of Kenya's markets for maize and beans. Maize and beans exports to Kenya are still negligible if compared to the potential of Kenya's export market. Even very cautious projections would show that Kenya has an annual deficit in maize and beans of between 500,000 to 1,000,000 mt. Because of land pressure and the increasing population, it is expected that their deficit will even increase. Kenya has not always been favorable to Ugandan exports in general, and particularly maize and beans. A fair and effective trade agreement between Uganda and Kenya would certainly bring mutual benefit to both countries. It should be noted that there is no such thing as absolute free trade. And even under a free trade regime, there should be two-way benefits based on the principle of complementarity but also reciprocity. The example of tough and firm trade negotiations undertaken by the USA with Japan may provide good insights for future trade negotiations.

**UNDP, Human Development Report 1995*

iii) The Revival of East African Cooperation

There is now opportunity for the revival of economic co-operation within the three states. In January 1996, in tripartite talks between President Museveni of Uganda, President Benjamin Mkapa of Tanzania and President Arap Moi of Kenya, all three presidents pledged their personal commitment and that of their countries to the efforts of reviving the cooperation.

Priority areas of co-operation and co-ordination include fiscal and financial policies; immigration controls; tariffs, customs procedures and other trade barriers; transport, and post and telecommunications. A more detailed agenda, including a time frame, is yet to be established. It is suggested that the issue of food security for the three countries be examined by all parties together. Uganda, indeed, may have a comparative advantage in food surplus (particularly maize and beans) to be exchanged with Kenya and Tanzania which are heavily food deficit countries.

On average Tanzania and Kenya could provide the export markets of more than 1,000,000 mt of cereals for Ugandan surplus in maize and beans for exports which can be projected between 500,000 to 1,000,000 mt. A successful cooperation between the three countries would solve the food problem without any need to recourse to any outside source of supply or food aid. It should be stressed that regional cooperation, in the final analysis, will find more strength based on economic mutual interest rather than on political common ideology.

iv) Regional Trade Cooperation within the COMESA

The trade cooperation between Uganda, Kenya and Tanzania within the EAC will provide a comparative strength for these three countries in their cooperation with other countries in the COMESA. With the reduction and elimination of tariff and non-tariff barriers, Ugandan maize and beans exports can even be in a better position to penetrate the markets of the food deficit member states, being more competitive and protected from source of supply outside the COMESA.

Within the COMESA, Uganda should pay most attention to the food deficit members in the Inter Governmental Authority on Drought and Development (IGADD) which are, besides Kenya and Tanzania, and by degree of food shortage by January 1994, Ethiopia (-1,050,000 mt), Sudan (-700,000 mt), Somalia (-378,000 mt), Eritrea (-305,000 mt). It is to be reminded that Kenya was the biggest food deficit country (-1,300,000 mt) and Uganda was the only food surplus country (+263,000 mt) in the IGADD.

In sum, with a successful trade negotiation with Kenya, a good trade cooperation within the EAC and an effective trade penetration into the member countries of IGADD and more generally of COMESA, Uganda can be assured of more than enough export markets to export its surplus maize and beans from 500,000 mt to 1,000,000 mt as projected.

CONCLUSION

National Food Strategy:
A Response to the Challenge of Poverty and Growth

The Government of Uganda with the assistance of the USAID Mission in Uganda have promoted an agriculture-led development policy with focus on exports particularly, NTAEs. Within the context of a national food strategy, food exports with particular focus on maize and beans, will raise to the high level of a national strategic objective in order to overcome the challenge of poverty and growth. Looking toward the future, food exports will not only provide an effective response to the challenge of growth and poverty in Uganda but also enhance food security in the Greater Horn of Africa and promote cooperation and stability in the region. Based on its far-reaching impact at home and abroad, food security and exports strategy ought to be of highest priority for the Government of Uganda as the country moves from rehabilitation to development, and from economic development to self reliance.

1. Food Strategy and Poverty Eradication

There is an increasing recognition that development problems of the poor must be dealt with in a most comprehensive way. More importantly, unless the poor can fully participate in the process of growth, growth by itself will not significantly contribute to increase the living standard of the people and eradicate poverty as expected. From the proposed food security and exports strategy, with appropriate policy support at macro, sectoral and micro-levels, an increase in production and export of 1,000,000 mt of maize and beans should not be out of reach for Uganda from now to the year 2000. Such an export will increase income by about US $ 170 per household with one cultivable hectare of maize using improved seeds per year, and US $ 340 per household with two cultivated hectares of maize using improved seeds per year. As a result, each household will have at least doubled their income, considering a per capita GDP of US $ 170. A food export program of 1,000,000 mt could also contribute to raise the living standard of more than 500,000 households, i.e, about 3,000,000 people, considering an average of 6 persons per household. If accounting for the multiplication and acceleration effects of new income generation, such an increase in income would have an impact on at least an equal number of people, resulting in a potential improvement in the living standard of more than 6 million poor people. With an effective National Food Strategy, the overall impact of a food export program of 2,000,000 mt would contribute to raise the living standard of about 13 million people, i.e. 60 percent of Ugandans who are classified as poor based on the welfare assessment by the World Bank.

2. Food Strategy and Accelerating Growth

The achievement of sustainable growth and equitable development has been the greatest challenge for Uganda, for in spite of significant progress over the past ten years, the majority of the population still live in a state of poverty and suffer inadequate access to resources such as food, education, health services, land, credit, infrastructure, etc.... With the implementation of an effective national food strategy, not only equitable distribution of growth could be ensured, but also accelerated rate of growth could be promoted. An annual export earnings of 1,000,000 mt of maize exports will provide US $ 175.0 million. With cumulative multiplication and acceleration effects, total increase earnings from new income generation could be double this amount, i.e. US $ 350.0 million. In total there will be an additional increase of about 7 percent of GDP which was about US $ 4,850 million in 1994/95. A successful maize export program of 1,000,000 mt would help double the growth rate of 6 percent of GDP in 1994/95 as it is projected now under structural adjustment program. A more successful maize export program of 2,000,000 mt would help more than triple the projected 6 percent growth rate of GDP in 1994/95.

3. Food Strategy and Self-Reliance

A successful food export program of 1,000,000 mt of maize would provide about US $ 175 million in export earnings bringing food exports to the same level of the major traditional coffee exports. More importantly, it would contribute to bridge the gap in the balance of trade. An effective food export promotion strategy coupled with an appropriate import policy limiting the level of imports to the average level of the last three years of about US $ 700 to 750 million will contribute to successfully bridge the balance of trade, without having to depend on external sources for balance of payment support. Export earnings in 1994/95, which were US $ 539.8 million, if added to US $ 175 million of expected potential exports would amount to about US $ 715 million. With a food export program of 2,000,000 mt, Uganda could even achieve US$ 350 million in export earnings which should provide a comfortable surplus in the balance of trade without the need to curb even the present abundant import program in Uganda, to move the country toward a self-reliance economy.

In conclusion, in a Uganda in search for identity and development, the 1995 Constitution provides the general framework for a nationally-set development strategy. It aims at moving the country from a traditionally structured society, disrupted by the long legacy of colonial regime and extensive damage from civil war into a democratically built modern and sovereign nation. Growth of the economy will be based on agriculture-led development as the foundation for industrialization and exports with focus on NTAEs. Such economic growth has to meet the rising food requirements of a growing population and improve the living standard of the people. For Uganda, an effective national food strategy will be the first step forward to achieve Government development strategy and a decisive response to overcome the challenge of poverty and growth. The overall results of a successful integrated national food strategy would not only contribute to eradicate poverty and promote accelerated growth, but also effectively move the country toward self-reliance.

IMPACT OF NATIONAL FOOD STRATEGY TO PROMOTE FOOD SECURITY, FOOD PRODUCTION, AND FOOD EXPORTS

Increase in income and employment per household

Increase in Exports (in Metric tons)	High Income generated Employment (2 members per household)	Increase in income per household in US $ (1)	(2)
100,000	106,667	170	340
500,000	553,333	170	340
1,000,000	1,066,667	170	340
2,000,000	2,133,333	170	340

Note: (1) Each household cultivates 1 hectare per annum (two seasons) on average
(2) Each household cultivates 2 hectares per annum (two seasons) on average

Number of Farmers to get increased incomes
(Based on the current seed rate of 12.5 Kg per Hectare)

Increase Exports (in Metric tons)	Seeds Required (in Metric tons)	No. of households to benefit	Population to benefit	Overall Population to benefit*
100,000	1,333	53,333	320,000	640,000
500,000	6,667	266,667	1,600,000	3,200,000
1,000,000	13,333	533,333	3,200,000	6,400,000
2,000,000	26,667	1,066,667	6,400,000	12,800,000

1,000,000 mt Exports: * In reality, the overall population to benefit should be up to 6.4 million people or about 30 percent through income multiplication and acceleration effects, based on findings from research on consumption linkage which indicate that each additional US $ 1.00 of income in the agricultural sector would generate between US $ .50 to US $ 1.00 of increased income in the non-agricultural sector.

2,000,000 mt Exports: * The overall population to benefit should be much higher up to 12.8 million people or about 60 percent through income multiplication and acceleration effects in the agricultural sector and non-agricultural sector. If considering the measure of welfare based on the World Bank, 61 percent of Ugandans are classified as poor, almost all the poor could be better off.

Prospects for Self-Reliance

Year	Exports US $ million	Imports US $ million	Trade Balance US $ million
1992/93	169.3	530.0	-360.7
1993/94	253.9	717.7	-463.7
1994/95	539.8	981.0	-441.2
Average	321.0	742.9	-421.9

Source: Key Economic Indicators, November 1995, Quarterly Economic Report Volume 02/94, and Background to the Budget 1995/96.

1,000,000 mt Exports: US $ 540 million (exports in 1994/95) + US $ 175 million (increase in export earnings) = US $ 715 million.
Imports: Projected to be between US $ 700 million and US $ 750 million.
Balance of trade would be achieved.

2,000,000 mt Exports: US $ 540 million (exports in 1994/95 +US $ 350 (increase in export earnings) = US $ 890 million.
Imports: Projected to be between US $ 700 million and US $ 750 million.
Balance of trade would be in surplus.

Increases in Export Earnings and Accelerated Growth

Increase in Exports (in Metric tons)	Seeds Required (Metric tons)	Cost of seeds per season (US $)	Annual increase Export Earnings (US $)	Overall increase in earning (US $)
100,000	1,333	316,667	17,500,000	35,000,000
500,000	6,667	1,583,333	87,500,000	175,000,000
1,000,000	13,333	3,166,667	175,500,000	350,000,000
2,000,000	26,667	6,333,333	350,000,000	700,000,000

1,000,000 mt Exports: An increase of US $ 350.0 million would increase an additional 7 percent of growth rate of GDP which was US $ 4850 million in 1994/95.
The overall growth rate of GDP could be brought to more than 12 percent, i.e. double the present projected growth rate of 6 percent.

2,000,000 mt Exports: An increase of US $ 700.0 million would increase an additional 14 percent of growth rate of GDP and the overall growth rate of GDP

EXPORT POLICY ANALYSIS UNIT

Ministry of Finance and Economic Planning

EPAU Policy Paper No. 4

UGANDA

TOWARD A NATIONAL FOOD STRATEGY TO OVERCOME THE CHALLENGE OF POVERTY AND GROWTH

January 1996

197

UGANDA

TOWARD A NATIONAL FOOD STRATEGY TO OVERCOME THE CHALLENGE OF POVERTY AND GROWTH

By

Dr. Tuan Anh Nguyen
Senior Policy Advisor
USAID/EPAU

PREPARATION OF EPAU STUDY ON NATIONAL FOOD STRATEGY

EPAU Study on National Food Strategy was conducted in three stages:

Statistical Document

Preparation of a complete and fairly accurate set of statistical information on food security and exports was developed from official sources: MAAIF, Statistics Department, MFEP, Statistics Department; Agricultural Secretariat, etc... Gaps were filled through a survey conducted by EPAU at national, regional and district levels. Cross-checking for accuracy was carried out by a team of most qualified and competent specialists in areas related to food production and exports which, among others included: H.K. Masembe, (Deputy Head, Statistics Department, MAAIF), J.W. Mubiru, (Ag. Assistant Commissioner, Statistics Department, MFEP), D. Lubega, (Coordinator, Early Warning System, MAAIF), Mrs Nanyumba, (Nutritionist, MAAIF); J. Wamala, (Head, Foreign Trade Department, MTI), E. Wachemba, (Coordinator, Market News Service, MTI), Dr. Tizikara (Assistant Director, NARO), N. Silim, (Head, Postharvest Program, NARO), L. Eturu, (Former Director, Agricultural Secretariat, BOU), E. Mwesigwa (Private Consultant). The Statistical Document was conducted under the direction of Dr. Tuan A. Nguyen, USAID /EPAU Senior Policy Advisor. The Report entitled "In-depth Review of Food Status: A Statistical Document" has over 400 pages.

Technical Report

The purpose of the Technical Report "Assessement of Food Security: Facts and Findings" was to analyze data and information in order to have all necessary facts and findings on food security and exports. The Report clearly showed the status of food demand, food supply and food balance at national, regional and district levels. It also identified the main impediments in food and nutrition security and explored potential penetration to export market. The Technical Report was prepared by Peter Wathum, an EPAU Consultant, in association with EPAU team of Economists: Yeko Mwanga, (Economist/Statistician), Charles Owach, (Agricultural Economist), Paul Wagubi, (Trade Economist), under the direction of Dr. Tuan A. Nguyen, USAID/EPAU Senior Policy Advisor. The Technical Report has about 300 pages.

Policy Paper on National Food Strategy

EPAU Policy Paper "UGANDA: Toward a National Food Strategy to Overcome the Challenge of Poverty and Growth" was prepared by Dr. Tuan A. Nguyen, USAID/EPAU Senior Policy Advisor. This Policy Paper was a result of wide consultations with high Government officials, representatives from public investment and export promotion agencies and private sector professional organizations at national, regional and district levels, as well as NGOs and Donors. The EPAU Policy Paper has about 300 pages.

The Proposed National Food Strategy is the outcome of the 1,000 page EPAU Study on National Food Strategy.

EPAU STUDY ON NATIONAL FOOD STRATEGY

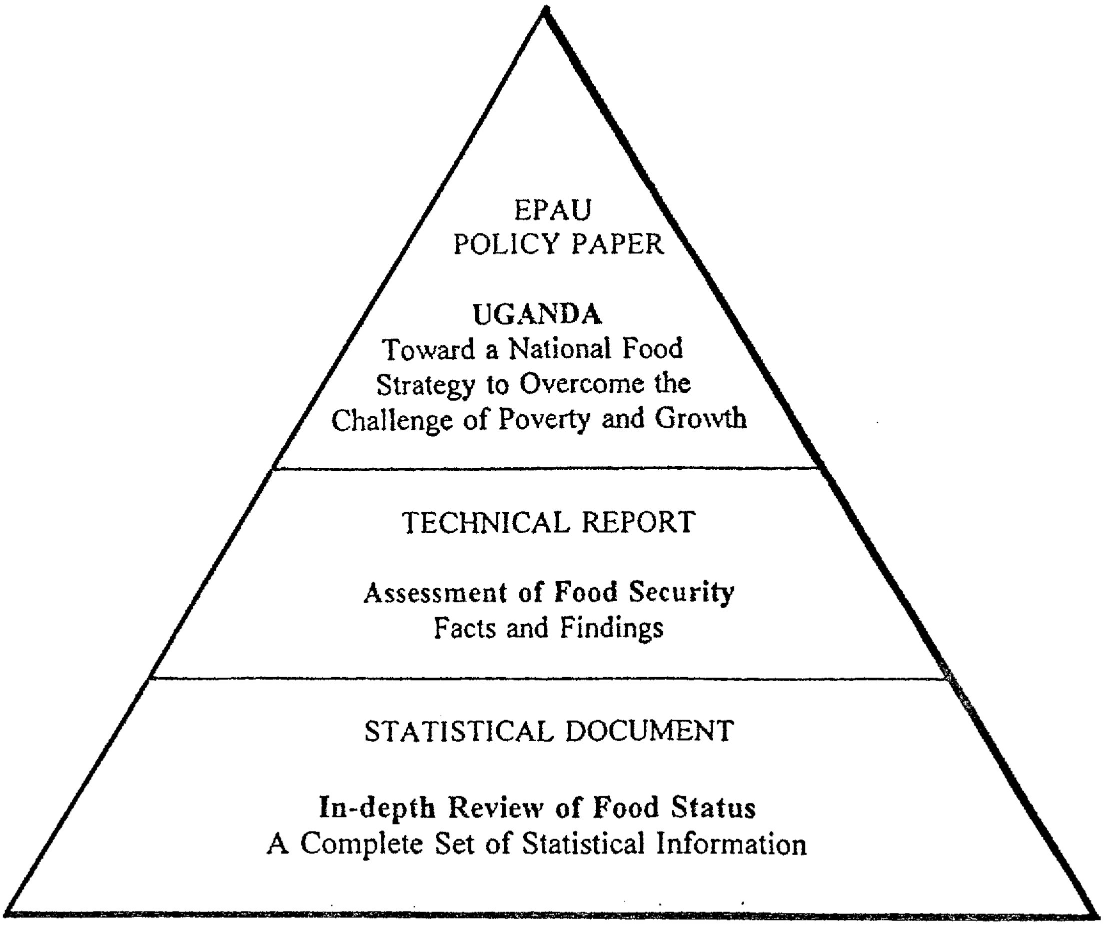


TABLE OF CONTENTS

201

202

204

205

LIST OF ACRONYMS

ACORD	Agency for Cooperation in Research and Development
ADB	African Development Bank
ADC	Agri-Business Development Center
ADF	African Development Fund
ADP	Agricultural Development Project
AEP	Agricultural Extension Project
AGSEC	Agricultural Secretariat
ANEPP	Agricultural Non-traditional Export Promotion Program
ASAC	Agricultural Sector Adjustment Credit
AVSI	Italian Cooperation for Development
BA	Business Agents
BAT	British American Tobacco (1984) Ltd
BOU	Bank of Uganda
CBOs	Community Based Organizations
CCD	Cold Cloud Duration
CCS	Cooperative Credit Scheme
CEC	County Extension Coordinator
CGS	Credit Guarantee Scheme
CIDA	Canadian International Development Agency
CMS	Credit and Marketing Scheme
COMESA	Common Market for Eastern and Southern Africa
DANIDA	Danish International Development Agency
DEC	District Extension Coordinator
DFCU	Development Finance Company of Uganda
DFF	Development Finance Fund
EAC	East African Community
EC	European Community
ECI	Export Credit Insurance
ECS	"Entandikwa" Credit Scheme
ECU	European Currency Unit
EDP	Enterprise Development Project
EEC	European Economic Community
EFCP	Export Finance Credit Scheme
EPAU	Export Policy Analysis Unit
EPZ	Export Processing Zones
ERP	Economic Recovery Program
ERS	Export Refinance Scheme
ESAF	Enhanced Structural Adjustment Fund
FAO	Food and Agriculture Organization of the United Nations
F & B	Foods and Beverages
FEW	Field Extension Worker
FEWS	Famine Early Warning System
FSAC	Financial Sector Adjustment Credit

GDP	Gross Domestic Product
GNP	Gross National Product
GTZ	German Technical Cooperation
IA	Intermediary Agency
ICA	International Coffee Agreement
ICRC	International Commission of the Red Cross
ICSID	International Center for the Settlement of Investment Disputes
IDA	International Development Agency
IDEA	Investment in Developing Export Agriculture
IFAD	International Fund for Agricultural Development
IGADD	Inter-governmental Authority on Drought and Development
IMF	International Monetary Fund
ITCRF	Investment Term Credit Refinance Fund
KDA	Karamoja Development Agency
KPIU	Karamoja Project Implementation Unit
LCUs	Local Currency Units
LDCs	Least Developed Countries
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFEP	Ministry of Finance and Economic Planning
MIGA	Multi-lateral Investment Guarantee Agency
MOLG	Ministry of Local Government
MOLSA	Ministry of Labor and Social Affairs
MRSA	Ministry of Relief and Social Affairs
MSF	Medecin Sans Frontiere
MTI	Ministry of Trade and Industry
MTR	Mid-Term Review
MUK	Makerere University, Kampala
NARO	National Agricultural Research Organization
NCAL	National Census of Agriculture and Livestock
NCPB	National Cereals and Produce Board
NDVI	Normalized Difference Vegetation Index
NICs	Newly Industrialized Countries
NGOs	Non-Governmental Organizations
NPK	Nitrogen Phosphate Potassium Fertilizer
NRM	National Resistance Movement
NSIA	National Seed Industry Authority
NSCS	National Seed Certification Service
NTAEs	Non-Traditional Agricultural Exports
NTEs	Non-traditional Exports
NUFSP	Northern Uganda Food Security Project
NURP	Northern Uganda Reconstruction Program
OXFAM	Oxford Famine Relief
PAPSCA	Project for Alleviation of Poverty and Social Cost of Adjustment
PEs	Public Enterprises
PCB	Participating Commercial Banks

PFP	Policy Framework Paper
PMB	Produce Marketing Board
PPAS	Priority Program Areas
PTA	Preferential Trade Area
RCs	Resistance Councils/Local Councils
RFS	Rural Finance Scheme
SACII	Structural Adjustment Credit II
SADC	Southern Africa Development Community
SCRAP	Small-holders Cotton Rehabilitation Project
SMEs	Small and Medium Sized Enterprises
SMSs	Subject Matter Specialists
SSP	Single Super Phosphate
SWRARP	South-Western Region Agricultural Rehabilitation Project
TB	Treasury Bills
T & V	Training and Visit
UCA	Uganda Cooperative Alliance
UCB	Uganda Commercial Bank
UEA	Unified Extension Approach
UEPC	Uganda Export Promotion Council/Board
UGMC	Uganda Grain Milling Company
UIA	Uganda Investment Authority
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program
UNFA	Uganda National Farmers Association
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations International Childrens Education Fund
URA	Uganda Revenue Authority
USAID	United States Agency for International Development
USP	Uganda Seeds Project
UTGA	Uganda Tea Growers Association
UVAB	Uganda Veterans Assistance Board
VAT	Value Added Tax
VRC	Variety Release Committee
WFP	World Food Program
WHO	World Health Organization

LIST OF TABLES

209

210

LIST OF CHARTS

LIST OF MAPS

Human beings are free to make choices within the limitations of their human capacity. Historians, economists, like all human observers, have to make reality comprehensible and this involves them in continuous judgements about what is true and what is significant. History shows us how men may learn to make choices that are not only free but effective by learning to achieve harmony....

ARNOLD TOYNBEE

INTRODUCTION

Setting the Stage

Confronted with enormous challenges, Uganda is looking for answers to questions about development issues for policy formulation and implementation based on solid evidence for objective reforms. Development, indeed, is not a simple process for the variables are many, and the causal factors are broad. The task confronting Uganda is staggering, but the challenge to its understanding is even more dramatic. Of course, the challenge must be faced creatively, and tremendous effort and dedication must be rendered. But it is also true that a great challenge can stimulate creative action to successfully promote stabilization, growth and development which are widely desired both at governmental and popular levels.

A Vital Issue

Food policy reforms have dominated the development agenda in many low-income countries in recent years. Not only governments in developing countries, but also the international development agencies as well as multilateral financial institutions are becoming increasingly concerned about the impact of policies on the living standards of people. In order to eradicate poverty, food security has become a central objective in policy formulation at both national and international levels. Despite the efforts to develop the agricultural sector, issues regarding food availability and accessibility continue to raise serious problems. Food production in many Sub-Saharan African countries has not increased in pace with population growth. Recent occurrences such as drought, political instability in a number of Sub-Saharan African countries have shown that the region is not safe from food insecurity.

In Uganda, results of studies undertaken and recent occurrences show that despite its potential and vast resources, the country is not safe from food insecurity. As a matter of fact, food insecurity which affected most countries in the Eastern and Central Africa regions in the early 1990's, was also felt in Uganda. In particular, the latest famine of 1992/93 which affected 16 districts mainly in the Northern and North Eastern parts of the country is believed to have caused starvation to a number of people and left many children malnourished. This state of affairs has been attributed to a number of factors including heavy dependency on rain-fed agriculture, inadequate agricultural technologies, poor extension services and under-developed post-harvest systems, insufficient agricultural production credit, poor infrastructure and distribution network as well as ineffective markets; thus resulting in low productivity, low farm incomes, and general poverty, particularly in the rural areas.

Yet in reality, Uganda is blessed with fertile soils and good climate. Prospects for increased food production and exports are real, and studies have shown that Uganda has a comparative advantage for most of its agricultural commodities. However, experience has shown that faced with a real or perceived food shortage, even on a temporary basis or in limited areas, the immediate reaction by policy makers is to restrict or ban exports of food commodities. In many cases, this has been done with little or certainly inadequate knowledge pertaining to the status of food production throughout the country, availability of stocks and their location and prediction of future crop harvests.

Prospects for the Future

A central aspect of the daily struggle of poor people to survive is their insecurity of access to sufficient quantities of nutritious food. Unlike a greater number of countries in Sub-Saharan Africa which have experienced chronic and severe food shortages, Uganda has always been considered to be self-sufficient in food. With an appropriate food security policy and effective disaster management strategy, Uganda should not have any problem of food insecurity per se.

The fundamental issue of food insecurity in Uganda is not due to lack of resources but rather to mismanagement and under-utilization of resources. Under normal circumstances, Uganda has a fairly sufficient level of food availability. Even in bad years the degree of severity is low and the deficit in some major commodities can be supplemented with other substitutes in large surpluses. With higher productivity due to adequate reform measures the overall increasing trend in food production would be higher than in food consumption in the future. This should result in more surplus for export. In Uganda, therefore, the potential really exists for promotion of food exports.

In reality, food exports should even be considered as an essential policy component of the Government and externally-funded initiatives to support the agricultural-led development strategy. The Government's policy and program initiatives, with support from external funding are intended to increase supply of food crops. For Government efforts to be successful, increased supply must be matched by equivalent or exceeding demand represented by cash purchases. Lack of demand and markets can become major disincentives to food production. Yet, domestic consumption levels for the main food crops already fall below production levels. In the long term, commercial exports, in an expanding economy with trade liberalization and increased purchasing power in neighboring countries, can be expected to absorb an increasing amount of food crops surplus; and therefore, provide more incentive to increasing food production, raising income of the farmer and contributing most effectively to meet the challenge of poverty reduction and growth in Uganda.

PART I

FORMULATION OF AN INTEGRATED NATIONAL FOOD STRATEGY

Development is a vital issue - one of the most vital issues of our time. For any developing country, more than just economic growth, economic development is related to such problems as poverty eradication, and raising standard of living, foreign aid and dependency, political stability and national sovereignty.

In Uganda, although economic development was widely desired at both government and popular levels, the process of development has not been easily induced or fostered, and many obstacles still frustrate attempts to achieve this objective. The Government of Uganda has been implementing structural adjustment programs supported by the IMF and the World Bank as well as the donor community. Uganda has adopted an effective model of growth based on market economy. Its development policy would rest firmly on the principle of free enterprise and private sector development. The economy would rely on competition and would be open to the international market and foreign capital. Finally, the Government has pledged all efforts for the promotion of investment and expansion of exports.

The adoption of a right economic model, of course, is important. However, development strategy must be transcended above theoretical considerations and be adjusted to Ugandan realities. It should have more focused, development-oriented, and nationally-set objectives. Without such an integrated strategy, Uganda is unlikely to be able to maximize the use of its resources to fully achieve an accelerated growth target, let alone the more ambitious aspiration to move the country toward self-reliance.

I. THE CONCEPTUAL PARADIGM OF AN INTEGRATED DEVELOPMENT STRATEGY

The disillusion with mainstream theory on the economics of poor countries in the 1960s has enlarged to a deluge of discontent in the last decade. By the early 1970s, even major contributors to development economics were complaining that the field did not add greatly to the understanding of poverty in the under-developed world. Even during the 1980s, ambitious stabilization policies and structural adjustment programs failed to reduce the dependency of poor countries on the industrial world and significantly increase the productivity and the income of the poor. Continuing in the 1990s, the trickle-down effects expected to follow increase in output, have not been up to high expectation or added significantly to alleviate widespread poverty.

Economists have traditionally emphasized stabilization as a precondition to increasing production of goods and services and its rate of growth. Increased physical output, in turn, has been assumed to give rise to greater economic welfare. In reality, although economic growth has helped to expand physical production, inequities and inequalities remain. There has been some growth, but within the Third World there was a tendency for the poorest countries to fall further behind the less poor; and in these countries, the gap between the rich and the poor was even increasing. The debate today is not whether poverty has increased, but whether increasing poverty is inevitable.

The old economic concepts that confined themselves to tangible property may now be manifestly inadequate. The main shift in the new political economy is an emphasis not on wealth itself but on the capacity to create wealth. Change in thought stresses the theory of human capital as accounting for economic growth. Among the factors that determine the growth capacity and economic development of a country, human capital is indeed a fundamental resource. The determinants of economic development can be grouped under three broad headings: human, physical, and financial. Of these key resources which determine a country's capacity for economic growth, the human one appears to be, in the final analysis, the most strategic and critical determinant. The conceptual approach of integrated development emphasizes stabilization, growth and human development.

I.1 FOREIGN AID APPROACH TO DEVELOPMENT

If development should be seen as a process of expanding the capabilities of people, the ultimate focus then is human development, and people must be the center of interest. In preparing development strategies for the 1990s, economists have to grapple with the question: Should development strategies abandon trickle-down policies for trickle-up programs or should it concentrate on the base of the pyramid, not the top. The appropriate answer seems to be for the adoption of a well-balanced policy approach.

Well-conceived and implemented structural adjustment must aim therefore, at promoting stabilization, growth and human development. Economic stabilization and growth are necessary but not sufficient conditions for promoting human development and particularly poverty reduction. Thus, if one major objective of the Government is to commit itself to poverty reduction, it will have to reassess the impact of stabilization and growth policies on the poor to ensure that they are able to participate equally in the process of development. Within this policy framework, food security remains at the heart of the challenge for poverty reduction and human development.

a) The IMF: Priority on Stabilization

The change experienced in the developing countries in the last decade, and the distress that accompanied them, have often been policy-induced. They have brought to the attention of policy makers basic weaknesses in previous development strategies. The IMF believes that the priority given to the stabilization policy reform in the 1980s was critical to promote economic growth. But it is noted that although monetary stabilization is a prerequisite to promote growth, it is not in itself sufficient to sustain economic development.

A majority of developing countries borrowed from the IMF which seeks the restoration of monetary stability and maintenance of the balance of payment viability in order to promote sustained rates of growth. IMF sponsored stabilization programs aimed at demand management which basically included, among others, public finance restructuring, balance of payment reforms, credit and foreign exchange policies, etc...

In its efforts to deal basically with budget deficits, IMF austerity often curtailed programs intended to reduce poverty and stimulate long-term development, such as education, health, labor and employment. In the last decade, decisions to cut public expenditures in many low-income countries have resulted in a fall in the share of actual government spending devoted to social services. In most cases, urban unemployment has tended to rise and real wages have often decreased sharply. The Fund's conservative policy through the setting of credit ceilings or loan restrictions often imposed a limit on growth of economic activities. Finally, the Fund also monitored the exchange rate and debt target closely for compliance.

The IMF focus on specific stabilization policy problems has achieved significant results but might also constrain the effective use of public resources. The concern is that such a policy was conducted by an international institution which was willing to play a proactive role in a field too limited and technical in nature to be sustained throughout a complex and extended development process. Stabilization policy is too narrow a concept for addressing broad issues of overall development strategy. The formal IMF model used in the analysis of stabilization policy has assumed complete knowledge of the economic relationships. In practice, it is necessary to analyze policy within a framework that must explicitly take economic uncertainties as well as human factors into account.

Many governments in developing countries felt that the IMF, by focusing basically on demand, restrained the pace of economic growth while ignoring production capacity and long-term structural change. It should be noted that the IMF was created to maintain monetary stability. The Fund perceives its role as the guardian of monetary stability. Poverty reduction is not the major concern of the IMF. Rarely did the IMF macro-economic framework or policy approach concern itself primarily with human development. In theory, as well as in practice, in terms of monetary stability and stabilization policy, the Fund deals more quantitatively than qualitatively. Though the results achieved by the IMF in stabilization policy has been significant, its performance on economic growth has been more modest, and its impact on human development often left much to be desired.

b) **The World Bank: Focus on Growth**

Structural adjustment programs were launched by the World Bank in the early 1980s in conjunction with the IMF in response to economic stagnation in the developing countries. In fact, in order to promote growth, the World Bank approach to supply management complemented the IMF demand management. Parallel to IMF adjustment measures, the World Bank proposed, among other reform measures, structural reforms dealing with economic liberalization (deregulation, price liberation, free trade...), budget restructuring, public investment, private sector development, etc...

IMF-World Bank collaboration has been close and systematic through the Policy Framework Paper (PFP) developed by LDC governments with the assistance of the staff of the IMF and the World Bank to set out medium term economic objectives and planned policy reforms. In fact, conflicting points of view between the World Bank approach focusing on growth and the IMF stabilization policy often ended up with some compromise. Stabilization policy, while loosing ground, still prevails over economic growth, and the major issue now, not only for the developing countries but also for the industrial countries, is not basically inflation but also unemployment. In the absence of a readjusted macro-economic framework to better fit the objectives of the World Bank development strategy, broadly-based economic growth to generate effective income-earning opportunities for the poor will leave only limited effects.

The strategic approach of the World Bank was based on the belief that the key to poverty alleviation lay in economic growth. Therefore, its mission has been to accelerate growth in order to reduce poverty. In the 1980s, the ambitious structural adjustment programs set by the World Bank in conjunction with the IMF focused on macro-economic and sectoral issues.

The social dimension of this policy approach drew increasing attention to the relationship between its impact on the economy at the macro and sectoral level and its repercussions for the poor at the micro level. The prevailing view originally recognizes that, initially, growth results in a lower income share for the poor and a higher share for the rich. LDC income distribution inequality follows an inverted U shape curve, first increasing and then decreasing with economic growth.

As structural adjustment might worsen the position of the poor, the World Bank has developed a poverty-reduction strategy by changing patterns of government spending with regard to domestic adjustment policy in favor of the social sector in order to improve access to education, health care and other social services. In most developing countries, budgets in education, health and social services are limited to a minimum in order to comply with criteria of balanced-budget even though it remains possible to have financial assistance from the World Bank. However, programs related to education, health and social dimensions of development financed by the World Bank depend greatly on the fulfillment of a whole package of conditions imposed not only by the World Bank but also by the IMF, and subject to the evaluation of staff review that conditions for release had been satisfactorily met. Failure to meet these requirements might put the program in jeopardy at any time.

Most governments of developing countries complained that the World Bank, in promoting structural adjustment programs, tended to remedy symptoms of the disease rather than deal with root causes of the illness. Price liberalization and private sector development are well-directed policy approaches. But they were often implemented at an accelerated pace, while setting tough requirements for disbursement but not appropriate conditions for the success. Similarly, trade liberalization has been welcomed as a key condition for structural adjustment loans from the World Bank. But unable to be equal partners in international trade and lacking equal access to the global market, developing countries could hardly find much advantage for fair play in free trading. In reality, for developing countries lack of finance has always been the most crippling constraint which requires them to fulfill the preconditions for disbursement of structural adjustment loans from the World Bank. In the search for financing, developing countries, had reached the point of saturation; a number of them now had to pay back more than they could receive. Consequently, despite the softening influence of concessional lending through the IDA, and fulfillment of preconditions for disbursement of loans by the LDCs, the World Bank is not yet closer to achieving the overarching objective of sustainable poverty reduction as expected.

c) **The UNDP: Concern for Human Development**

The economic shocks of the 1980s on the developing countries as well as on the entire world were followed by policy adjustments. Despite relative economic growth, the world remains one in which two thirds of its population are not only poor but are also confronted with deprivation that degrade human dignity. Growth in the GNP of LDCs has had only limited effect in reducing poverty. A balance has to be found between measures to promote economic growth and measures to combat poverty. The UNDP has strived to make provisions under its country programs for projects that support Poverty Alleviation and Rural Development. Due to limited funding the real impact remains limited and lags behind expectations.

Economically, growth refers to an increase in a country's production usually measured by gross domestic product (GDP), an economy's total output of goods and services. Development refers to economic growth accompanied by change in output distribution and economic structure. The change should include an improvement in the material well-being of the poorer half of the population as well as an increase in the productive capability of the poor. The shift from growth to development started near the end of the First United Nations Development Decade (1960-1970) which stressed economic growth in poor countries. The momentum was kept alive during the Second United Nations Development Decade (1970-1980). An increasing consensus emerged with the Third United Nations Development Decade, because the benefits of growth often did not spread to the poorer half of the population; and as the gap between rich and poor countries increased, disillusion was widespread. The pendulum swinging between growth and development now emphasizes development. The publication of the Human Development Report 1992 marks an important step in the approach to human development strategy.

A review of development experience by the World Bank based on the World Development Report 1990 shows that the most effective strategy to achieve rapid growth while improving the quality of life for the poor should be through a three-pronged approach: first, the pursuit of a pattern of growth to measure income earning opportunities for the poor; and second, the provision of basic social services especially basic education, primary health care and family planning; and finally, the strategy must be completed by well-targeted transfers to provide a social safety net for the poorest and most vulnerable segments of society. In 1991, a Board policy paper "Assistance Strategies to Reduce Poverty" reiterated that poverty reduction is the overarching objective of the World Bank. Lack of effective integrated strategy and ineffectiveness in the implementation have greatly reduced the impact of such programs. In a recent Report, the World Bank has already agreed that what may be the most important lesson of the Bank experience is there are important complementarities between the three elements of the framework. One without the others is unlikely to be effective in reducing poverty. Besides a second lesson of the Bank experience is that increasing emphasis needs to be placed on effective implementation.

Even though basic macro-economic factors have been relatively stable, inflation has been reduced to a single digit, and growth rate averaged to about 5 percent for the last five years, the positive impact of structural adjustment has not yet adequately reached the population, mostly the rural poor. According to UNDP's Human Development Index 1994, Uganda ranks 154 out of 173 countries with an upward 50 percent of the population living below established poverty lines. The dimension to understand the challenge of development should culminate in the achievement of stabilization and growth. But the ultimate goal of all development must be devoted first and foremost to the service of human beings.

d) **USAID: Toward a Balanced-Policy Approach**

Uganda continues to benefit from substantial inflows of external aid resources. In general terms, external assistance to Uganda has been on a downward trend, since reaching the peak of US $ 652 million in 1990. This fell to US $ 566 million in 1994. In terms of assistance, however, it should be distinguished either in the form grants or "soft" loans. Contrarily to some common belief tending to consider funds disbursed under Structural Adjustment by the IMF and the World Bank as grants. In fact, even on concessional terms they are loans. The UNDP has made grants under its country programs, but its amount is rather relatively limited. Most of the grants are provided by bilateral donors.

Table 1: Total External Assistance by Term

In Thousand US $

	Value		Percentage	
	1993	1994	1993	1994
Grants	293,512	198,714	55.3	35.1
Concessional loans	237,744	367,012	44.7	64.9
	531,254	565,726	100.0	100.0

Source: UNDP Development Cooperation Report, 1993-1994.

While through multilateral aid IMF and the World Bank generally are more concerned with macro-economic aggregates, bilateral aid from donors pay most attention to sectoral policy and micro-support and contribute to re-adjust some "unintended perverted" impacts of structural adjustment programs such as low priority to the agricultural sector, lack of incentives for export and modest impact on poverty reduction, even though these issues are often stressed as key policy objectives.

An overview of donor support clearly indicates the importance of foreign aid under the form of grants to the Government of Uganda. USAID is the most important bilateral donor with about US $ 48.0 million in 1993 and US $ 40.0 million in 1994.

Table 2: Top Ten Donors 1994

DONOR	000 USD	%
IDA	194,924	34.5
IMF	53,500	9.5
USAID	39,602	7.0
DENMARK	30,036	5.3
ADF	29,438	5.2
ADB	26,650	4.7
EEC	25,519	4.5
UNICEF	19,784	3.5
CPR-CHINA	13,750	2.4
WFP	12,451	2.2

Source: UNDP Development Cooperation Report, 1993-1994.

USAID's role has evolved into a position of pioneer through its strategic approach in various areas of economic reform policy (economic and trade liberalization, private sector development, investment and export promotion, etc...) sectoral development (growth of agriculture and exports, primary education, basic health care, and environment protection, etc...). Based on USAID Country Program Strategic Plan, the program's overall goal of the 1992-1996 period is to establish a basis for sustainable improvements in the level of living of the population. The program's sub-goal aims at promoting sustainable, equitable economic growth on a competitive, diversified basis. The program goal and sub-goal could be achieved through the support of productive elements of society and the expansion of the social sector.

More particularly, USAID support to agricultural development and exports have been significant. The Government's development policy and outward looking growth strategy is, indeed, dominated by agriculture, for Uganda remains largely dependent on growth of the agricultural sector, and basically through agricultural exports, it also has to generate foreign exchange earnings to enable the import of inputs which are not available, modernize the economy and improve the living standards of the people. It is to be noted that an appropriate use of foreign aid could help maximize impact of each dollar to the benefit of both the LDCs and the International Community.

Table 3: USAID Assistance to Uganda (Fiscal Year 1994)

	Amount
1. Policy Analysis and Capacity Building (PACB)	1,793,000
2. Agricultural Non-Traditional Export Promotion Program (ANEPP)	4,000,000
3. Investment in Developing Export Agriculture (IDEA)	4,500,000
4. International Agriculture Research Project (IARP)	1,000,000
5. Support to Uganda Primary Education Reform (SUPER)	10,300,000
6. Delivery of Improved Services for Health (DISH)	2,400,000
7. Action Program for the Environment (APE)	6,000,000
8. West Nile Community Self Reliance (CARE)	700,000
9. AIDS/Child Survival	100,000
10. Program Development and Support (PD&S)	500,000
11. African Training for Leadership and Skills (ATLAS)	200,000
12. Contraceptive Procurement	500,000
13. Demobilization and Reintegration	2,000,000
14. PL 480 Title III Food Aid - Tallow	9,350,000
15. PL 480 Title Food Aid - Vegetable Oil	4,832,816
16. Democracy and Human Rights	130,000
TOTAL	$48,305,816

Source: USAID Mission, Kampala

In sum, the process of development in developing countries tends to be dominated by the "vicious circle" which implies that poverty perpetuates itself in a circular causation on both the supply side and the demand side. On the supply side, because income is low, consumption cannot be diverted to saving. Lack of saving results in low capital formation which causes low productivity which in turn perpetuates low levels of income. On the demand side, because income is low, market size cannot be expanded. Small market size results in low investment which in turn causes low productivity. And again, low productivity means continued low levels of income.

Assistance from multilateral financial institutions, therefore, become significant financing sources. More seriously, after a period of heavy reliance on foreign borrowing, the experience of the LDCs in the 1980s shows that developing countries now cannot afford to have more loans even at concessional conditions. Net transfers to LDCs from multilateral financial institutions such as the IMF and the World Bank turned negative at a moment when they are most seriously in need of capital to exert an effective impact on poverty alleviation and human development. In Uganda, the role of donors and international organizations is an integral part of the Government's stabilization and growth policy. It should be noted that the challenge of growth and poverty reduction is not just a function of the success of the LDCs, but also a result of the performance of the International Community to assist them in their development task.

I.2 GOVERNMENT POVERTY REDUCTION POLICY

For the Government of Uganda, stabilization, growth and development were equally stressed in the Economic Recovery Program of 1987 which aimed at three major objectives:

- Restoring internal and external financial stability by reducing inflation through fiscal management and monetary performance.

- Accelerating growth in production, particularly production for export, through liberalized pricing and deregulation of economic activity, and encouraging saving and investment.

- Alleviating poverty and improving standards of living of the population through expanding social and economic infrastructure to increase productivity.

a) Striving for a Balanced Policy Approach

Since the implementation of the Economic Recovery Program in 1987, the Government of Uganda has achieved un-equal results. Significant progress has been achieved in restoring internal and external stability by way of improved fiscal and monetary performance. In the context of macro-economic framework, stabilization reforms have been successful in slowing down inflation from triple digited in 1987 to about 30 percent in 1992 and single digit thereafter. The Government's objective of achieving a year-on-year growth in GDP of at least 5 percent has also been attained. However, the distribution of the benefit of growth has not yet significantly contributed to eradicate poverty and increase the standard of living of the people as expected.

The Prerequisite for a Well-Balanced Policy

In reality, the key development issue for the Government of Uganda is how to achieved balance between monetary stability, economic growth and human development. However, there may be some conflicting resource mobilization conditions for achieving objectives of structural adjustment. Stabilization programs usually include Government reducing the budget through increasing tax revenues and cutting back spending, limiting credit expansion and controlling money supply. Growth policy focuses on economic liberalization, budget restructuring, privatization and development of the private sector. In fact, budget deficit and external debt have forced many developing countries to curtail social programs, which has a serious impact on the people already living under very critical conditions. Growth through development of the private sector has not always set high priority for the agricultural sector which employs more than 80 percent of Ugandans and provides direct or indirect source of income to about 90 percent of the population.

226

Therefore, structural adjustment programs aiming primarily at promoting monetary stabilization and economic growth may be biased against the poor, if they are not well-conceived.

Since the standard of living of the people is so low in Uganda, poverty alleviation has become a major target of Government policy. In the long-term, building the capacity of human beings is the best way to ensure that policy is implemented efficiently. Improvement in people's capabilities has to be viewed as a pre-requisite of economic growth which can not be explained by the input of capital and labor alone. People's health, education, training and management should be considered as means of fostering sustainable economic growth. Improving human capacities has the potential to yield as good a return as physical capital formation. And there is need for the Government to pursue distributive equity policies and increase the productivity of the poor beyond the primary objective of achieving high economic growth. The consequence, is that human development in turn will contribute to accelerate economic growth which will help increase government revenues and reduce budget deficit, thus contributing to consolidate monetary stability. Through a "reverse vicious circle" the economy will achieve a much better performance.

In reality, the government has the difficult responsibility of achieving sometimes conflicting objectives. In more concrete terms, in a poor and resource constrained country such as Uganda, where socio-economic indicators reveal extremely low levels of welfare, improvement in the standard of living of the people requires substantial investment in human capital. Consequently, public expenditures, especially in social sectors, do have an essential role to play in tackling poverty and reinforcing a growth-oriented poverty alleviation strategy. The most important criteria is that the Government should seek to "maximize" impact of its limited resources by allocating them to those activities which provide highest social and economic rates of return.

A Creative Functional Budget Management

It is essential that the Government stays on the course of stabilization and maintains the need to keep inflation under control. It is also important that within a relatively stable economic framework, the economy can grow as much as possible, for a significant rate of growth is a pre-requisite for jobs creation and income opportunities. However, the distribution of the benefits of growth should contribute effectively to eradicate poverty and increase the standard of living of the people.

- As a means of doing so, the Government has to sharply reduce the overall budget deficit which is the major source of inflation pressure. The financial resources for social services should first be obtained through changing the pattern of budget expenditures and thereafter increasing social spending.

- In parallel, the Government may allow for an expansion of credit to the private sector, basically investing in the agriculture sector which is the main source of productive jobs. Once budgetary discipline is restored, it will lead to growth of the economy and reduce competition for bank borrowings, since the single most important asset owned by the poor is their labor.

- It is to be stressed that unemployment and inflation should receive as high priority and equal concern of the Government. Employment creation provides an increase in revenue of the poor as well as non-poor. Greater focus of the Government on investment in human capital through expanding high priority programs and key services to the poor will contribute to promote poverty reduction.

It is important to mention that the Government should continue to promote human resource development recognizing that the public sector has a crucial role to play. In order to improve the economic well-being in Uganda by reversing the decline of the past 10 years, the Government could also ensure increased budgetary allocations for basic social services such as primary education, basic health care, water and sanitation supply, etc... It is expected that the situation will be improved further with an expansion in the revenue base and better use of external assistance.

b) **Public Spending Priorities on Poverty Reduction**

Investing in human capital should be considered as an effective way to reduce poverty, for human resource development is both a means and an end of economic growth. The Government of Uganda therefore, has strongly recognized the challenge of poverty reduction and focussed on four critical reform areas:**

Identification of Priority Program Areas (or PPAS)

It was recognized that public funding was not enough or "social-cost effective". Starting from 1991/92, the Government has specified program areas (or PPAS) which will be given priority in the budget such as primary education, basic health care, rural water supplies, feeder road rehabilitation, trunk road maintenance, agricultural research and extension, etc... These programs are given priority in funding to ensure a full release of funds during the financial year. Particularly, in the fight against poverty the Government recognizes the importance of health care and education. Surveys indicate that the poor also include those with poor education and poor health status: "Poor health and lack of basic education are not only indication of low income but forms of poverty themselves". It is widely recognized that education and health are the best income generators and human capacity builders.

In order to achieve maximum effectiveness and to meet the requirements of providing greater access to the poor, the Government policies are articulated in the Rehabilitation Plan for 1993/94 - 1995/96, as well as in sectoral documents, e.g., The Education White Paper and the Three Year Health Plan 1993. Scarce resources which should be concentrated on the most cost effective and broader access to reach the maximum of people since poverty in Uganda is widely dispersed and predominantly in the rural areas.

***Refer to a Paper on Policy Reforms and Public Spending Priorities presented at GOU/World Bank on "The Challenge of Growth and Poverty Reduction in Uganda" by Mary Muduuli, Commissioner for Planning, MFEP.*

Top priority has been given to primary education, within the education sector, emphasis is placed on universal, compulsory and free primary education which should provide equitable access to educational facilities especially for females and the provision of basic skills including technical education. Within the health sector, the consolidation of existing health services will focus on primary and preventive health care dealing with health education, maternal child health, immunization, improving nutrition, safe water, sanitation, prevention, treatment and control of malaria, AIDS and other common diseases.

Establishment of Medium-Term Expenditure Framework

In 1994, the Ministry of Finance and Economic Planning established an annual Budget Framework Paper involving all sectors in the preparation of the Budget. The paper, is based on the macro-economic background, identifies key policy issues to be addressed and makes recommendations on resource allocation to priority areas. A three year macro-economic framework for the budget enables the integration of sector strategies such as education and health and ensures continuity in programs implementation over a three year period.

As a result, the Budget Framework paper approved by the Cabinet in June 1995 allows for an increase in the share of the education sector from 17.9 percent of the non-wage recurrent budget in 1995/96 to 22.6 percent by 1997/98 while the health sector increases from 12.1 percent to 15.4 percent over the same period. While the Governments efforts are quite significant there is still a huge gap between limited funding and the resources required to promote social welfare and eradicate poverty.

The establishment of a medium-term expenditure framework not only facilitates the planning process and secures programs implementation but also ensures that continued donor funding can be obtained and effectively used to complement government resources.

Decentralization Program

The decentralization program was launched in October 1992. The main objective is to proceed with the transfer of functions, powers and responsibilities from the Central Government to the Local Governments. The Government began implementing the decentralization program in the fiscal year 1993/94 with a first phase in 13 districts. The framework which is contained in the 1993 Decentralization Act, focussed primarily on activities financed by the recurrent budget but undertaken at the district level. Districts will be able to prioritize objectives and define core functions based on effective requirements and conditions at district and local levels. While the districts are able to determine priorities for decentralized services which include basic social services, government's public sector performance will be improved by eliminating expenses caused by excessive centralization of decision-making in Kampala and in turn local authorities (both leaders and employees) will be more responsible and accountable for expenditure of public resources.

Presently the Government of Uganda lacks the capacity to fully deliver key social services to the poor, thereby adversely affecting their capacity to participate in the economic growth process. The decentralization program adopted by the Government, together with the interest it has shown in supporting community initiative, should also offer an institutional framework for community based organizations and NGO's to get effectively involved in delivering the most needed social services to the poor. However, unless this new policy approach is widely understood or shared within the administration at all levels, the poor would not be able to take maximum advantage of this opportunity.

Promotion of Alternative Providers of Services

The level of public expenditure if compared to the requirements for basic social services remains seriously inadequate even with increased resources allocations. In reality, the level of Government funding is not going to fill this gap overnight. While the Government has an important role as a provider of social services, a wide range of other potential agents could be involved in the formulation, implementation and financing of social sector policies. Therefore, it has to play an important role as facilitator and coordinator for provision of services through community based groups, private sector, NGO's and donors to ensure maximum coverage of the population, which can even reach remote and poor rural areas while avoiding waste and duplication of available resources.

It is important to note that due to limited resources, Uganda should not invest indiscriminately in education and health but that a much more concerted effort and better implementation of Government policies is needed to maximize impact of the existing government facilities. It will also be necessary to supplement them with new facilities provided through the private sector or assistance programs from donors. Creative ways need to be found to involve all those with skills and experience to meet the human development challenge. It is an open question of how a regime of good governance should be. In respect of the role of the Government in the development process, the extremist view of laissez-faire and no Government involvement, is far from being true. What distinguishes a desirable from a failed government intervention is that it is substantially "cost-effective", "private sector-friendly" and "aid impact-maximizing" if performance is to be successfully achieved as expected.

c) **Participatory Approach to Poverty Reduction**

The participatory approach provides a more accurate poverty profile through better local understandings of poverty and vulnerability; improved impact assessment of public expenditure and the perceptions of the poor on accessibility and relevance of social services and infrastructure.

230

Participatory Poverty Assessments

The importance of including a consultative process to ensure that beneficiaries are integrally involved in policy formulation and project planning has been increasingly recognized. This participatory methodology has been successfully applied to poverty assessments. In Uganda, the reasons for involving and consulting with a range of

stakeholders, including the poor are: to understand better the social, economic and political dynamics which perpetuate poverty in a given country; to ensure that strategies identified for poverty reduction reflect the real concerns voiced by the poor; to promote ownership of the proposed solutions by a variety of stakeholders; and to build in-country institutional capacity for on-going analysis of poverty and formulation of policies to reduce it.

Priorities for Rural Communities

A community survey in Uganda conducted at the same time as the Integrated Household Survey in 1992 revealed interesting facts and findings about development issues:-

First, while there are important differences between districts, the results show that, although about 20 percent of rural Communities did not need new roads or better transport facilities, the remainder did consider there was a need and almost 50 percent expressed a strong need.

Second, the concern over better maintenance is much stronger than the need for more roads. The main message in this survey is that maintenance of the road network is at least as important as new roads. This concern is significant and should be taken into account when planning the public budgets for the road program. As the government is exploring the possibility of labor based techniques in the road sector, this should be suited to maintenance activities and provide an important additional source of income for the poorest groups.

Finally, the survey shows that the Communities are prepared to contribute to the improvement of infrastructure and are even prepared to pay for part of the expenses for development activities. This is important not only for labor based techniques but also for maintenance of facilities such as water supplies. The results of a review of 121 completed water supply projects in Africa, Asia and Latin America, financed by various agencies, shows that projects with high participation in project selection and design were much more likely to have water supply maintained in good condition than would the case with more centralized decision-making.

Vital Issues for the Poor

One of the key areas where the participatory approach has contributed to poverty assessments, and especially the formulation of action plans, has been outlining what the poor see as priorities in relation to provision of public services for poverty reduction. Typically these have included elements which are specific to particular environmental and social localities and certain priorities which have wider implications. Where consistent messages have emerged these have proved extremely valuable to task managers seeking to develop practical programs of action which reflect the priorities expressed in poor communities.

- Effective functioning of, and access to curative health care is the most consistent priority from rural and urban areas. Of particular concern to the poor are the issues of drug supply, cost of treatment and the level of courtesy and openness of health facility staff.

- In urban areas access to employment, opportunities to learn marketable skills and small-enterprise credit, emerge as the consistent themes. There is also generally a higher emphasis on education as a priority need among poor urban communities although those in rural areas also cited the quality and cost of education as a major concern.

- In arid and semi-arid rural areas water supply for both domestic and productive use tends to be the most pressing priority. Characteristically, the perception of water as a priority need occurs more widely in focus group exercises carried out only with women than for men - reflecting the tendency for women and children to bear the brunt of the labor and time demands involved in fetching domestic water.

- A sense of isolation characterizes rural poverty - isolation from services, markets, local governmental institutions and information. In a practical sense this leads to a strong emphasis on provision of rural roads and bridges, especially in areas where a heavy and prolonged rainy season leads to effective loss of contact with both markets and even the most basic services for large parts of the year, etc...

However, the central aspect of the daily struggle of poor people to survive is without any doubt their insecurity of access to sufficient quantity of nutritious food. Malnutrition and hunger not only increase vulnerability to disease and affect learning ability of children but also sap people's productivity and negatively affect the already low income of the poor. Food security which can be defined as secure access at the household level to adequate food at all times of the year, is certainly the most vital issue in the challenge for poverty reduction.

I.3 A PROPOSED INTEGRATED STRATEGIC APPROACH TO POLICY DECISION MAKING

The Government of Uganda has adopted an outward-looking growth strategy through investment promotion and export development and diversification. Within this framework, it was clearly stated in Government's development policy that

> *"Uganda's economy is dominated by agriculture and remains dependent on growth in the agriculture sector. Such growth has to meet the rising food requirements of a growing population. Through exports, it also has to generate foreign exchange earnings to enable the country to import agricultural inputs which are not available, modernize the economy and improve the living standard of the people."*
>
> *UGANDA: Adjustment with Growth 1987 - 1994*

In reality, well directed and right policies, however, may result in "unintended" perverted impacts going counter to Government development strategy such as slow growth rate of agriculture, absence of priority given to food production, anti-agricultural export bias, and lack of support for non-traditional agricultural exports (NTAEs), particularly food exports. In Uganda, lack of appropriate integrated strategic approach to policy decision making process at different levels of policy formulation, implementation and motivation seems to be a major impediment undermining Government's efforts to achieve better performance as expected.

a) The Imperative of An Integrated Strategic Approach

Under the present circumstances, if Uganda wishes to consolidate its internal situation as well as strengthen its external position, an integrated strategic approach at different levels of policy formulation, implementation and motivation would be required to maximize impact of Government development strategy in general, and particularly national food strategy to meet the challenge of poverty reduction and growth, while at the same time to move the economy towards self-reliance.

i) Implications Between Different Policy Decision-Making Approaches

Government's approaches to policy decision making may take many forms. In fact, the fundamental implications between different policy decision making process are decisive:

> *The Tactical thinking* tends to introduce intervening transformation in response to current momentary events without taking global change into consideration. Though necessary, tactical mode of thinking applied to its extreme can become very dangerous because of its isolated, disparate and short-sighted character whereas national policy always calls for a well-conceived action plan both in time and in space.

The Strategic view thinks in terms of a global system conceived as a whole, not a single action, isolated from the very general context as such. Strategy implies in itself a system goal to be attained and coherent policies to achieve it.

The Integrated Strategic Management Concept believes that continuous adjustment through tactical decisions in terms of structural change and development policies should be made. But adjustment or modification must be placed through strategic perspective within the framework of a total action plan that has been consistently designed. (Chart I).

Government approach to policy implementation often uses either a tactical or a strategic approach, and not always an integrated strategic management approach placing coherent policies within the context of a system-goal to be achieved.

ii) <u>The Integrated Strategy to Policy Decision Making</u>

The integrated strategy for policy decision making is involved at different levels of policy formulation, implementation and motivation. It includes:

The Formulation of a System Goal through a well-identified and prioritized specific targets to maximize use of resources.

The Identification of a Set of Well-coordinated Fundamental Strategic Components to be selected to help overcome policy constraints, as well as *Sub-sets of Major Policy Issues at the Tactical Level* to be integrated within each related strategic component targeted at the system goal to be achieved.

A Cumulative Built-in Profit/Interest Motivation as a stimulus to achieve the system goal through fundamental strategic components and related tactical means.

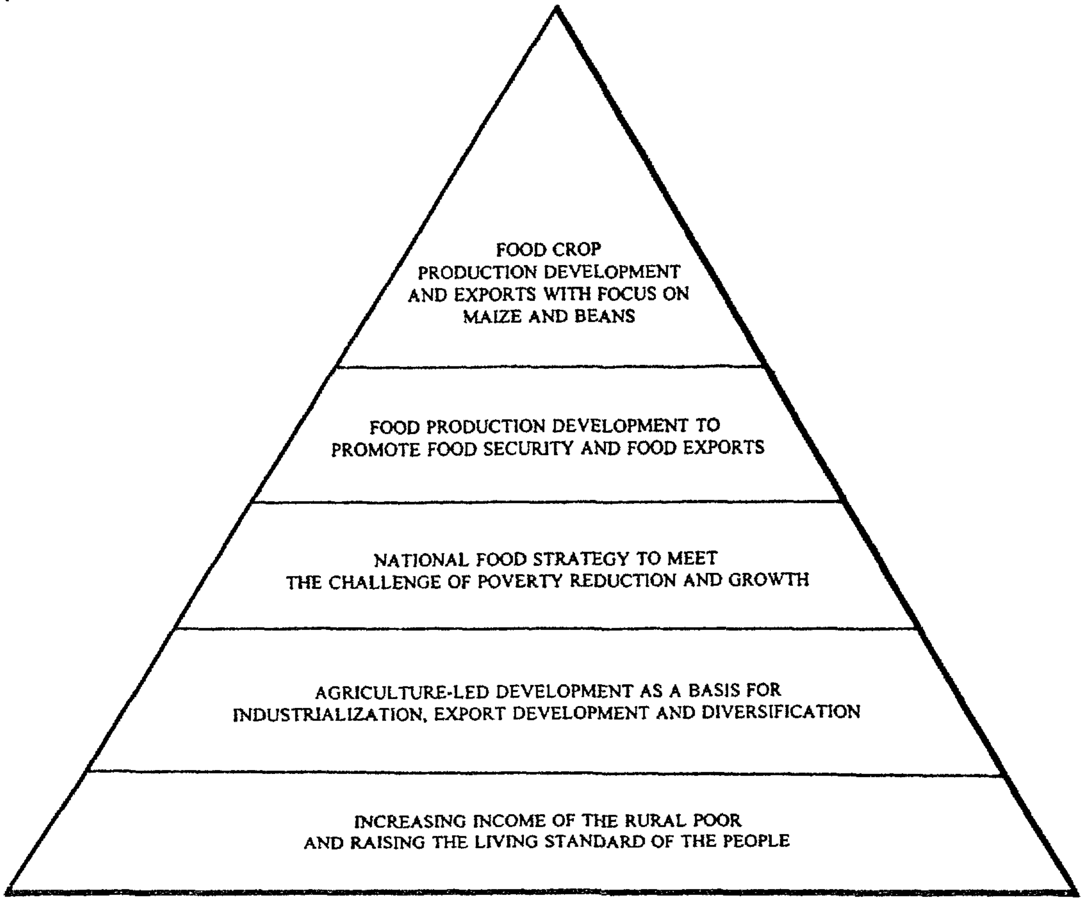
An integrated strategic policy decision making process should involve a consistent approach to policy formulation in identifying priority areas to maximize policy impact. It also requires at the level of policy implementation an effective inter-functional coordination between strategic components, and within each strategic component an effective use of tactical means. All strategic components and tactical means should not only be well-coordinated among them but also directed from the periphery to the center aiming at the system goal and built on a cumulative profit/interest motivation in order to fully achieve the expected results.

b) Policy Formulation under Overwhelming Challenge-and-Response

Uganda has to carry out its national development in an extremely difficult situation and under limited resources. Development strategy of poor countries with scarce resources could not be conducted the same way as in affluent societies at least at the beginning of the process of development. Policy formulation, choice of system goals, as well as allocation of resource to appropriate priority areas should, therefore, aim at achieving the development objectives, and maximizing the impact of policy reforms.

As a result, in order to achieve the ultimate objective of increasing income and raising the living standard of the people, allocation of resource should be directed in priority to support agricultural development, food production and food exports. Apparently, misallocation of resources consistent with stated Government development policy has greatly reduced the effectiveness of agriculture-led development and exports promotion, with focus on NTAEs.

Chart I: Identification of Priority Policy Areas under a Development Strategy with Limited Resources



235

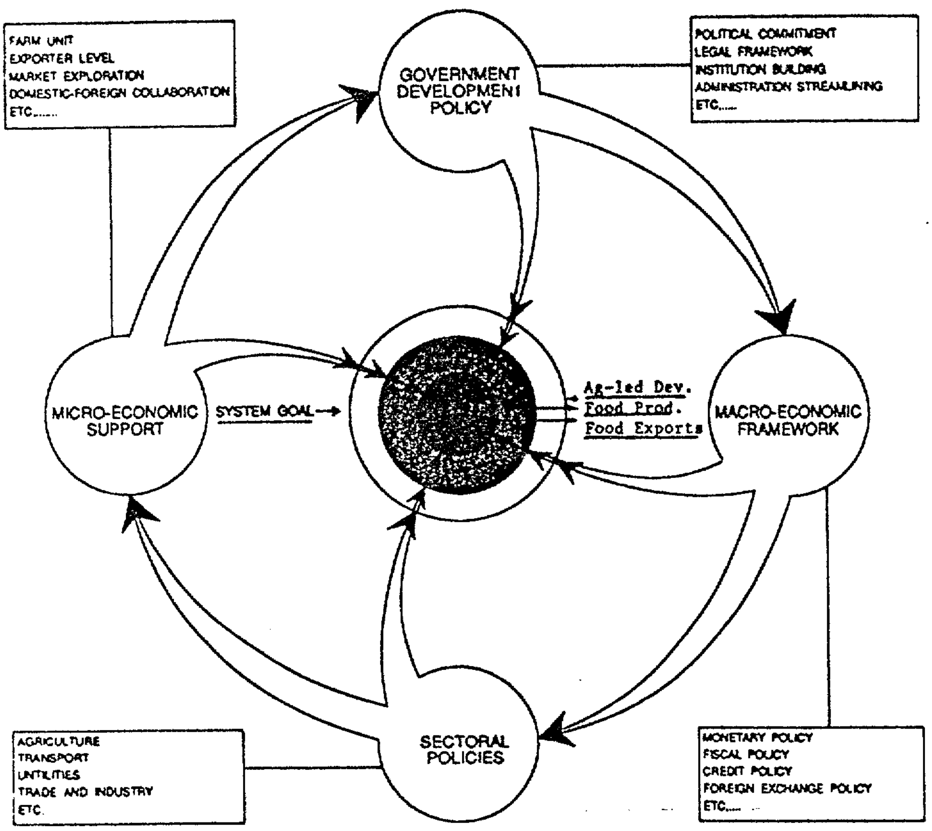
c) Integrated Strategy for Policy Implementation

Structural Adjustment places the macro-economic policy framework at the center of economic activities. Macro-economic policy framework, however, is just a means to achieve an end which is the nationally-set development strategy. Development implies the achievement of a system goal conceived as a whole, not a single policy isolated from the very general context as such. Strategy implies coherent policies to achieve it. Macro-economic policy is just one of them. Though important, if applied to the extreme, it can become very detrimental because of its isolated, and short-sighted character whereas a development strategy always calls for a well conceived and coordinated action plan.

The achievement of the system-goal can be attained through the identification and effective use of strategic components which should consistently include related tactical means operating at different levels:

- Government Development strategy requiring political commitment, legal framework, institution building, administration streamlining, etc...
- Macro-economic policy framework with consistent monetary policy, fiscal policy, credit policy, foreign exchange policy, etc...
- Micro-economic support to provide assistance at Farm unit, exporter level, market exploration, domestic - foreign collaboration, etc...

Chart II: INTEGRATED STRATEGIC MANAGEMENT FOR POLICY DECISION MAKING



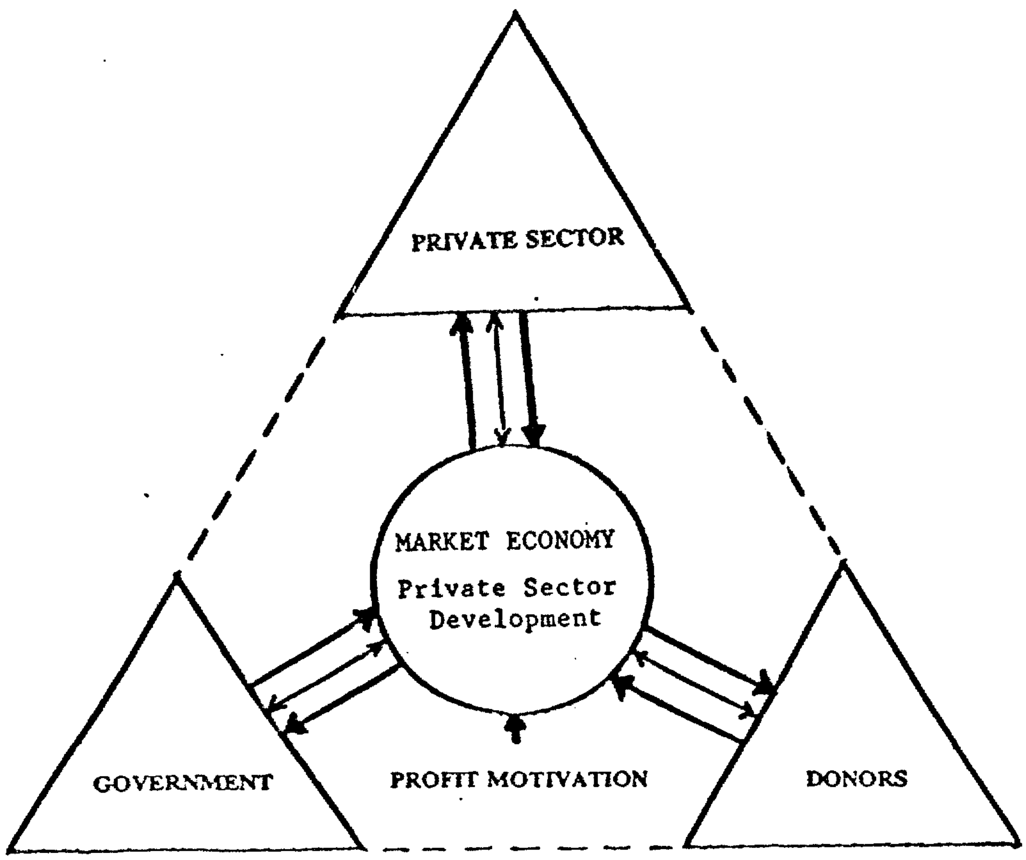
236

d) **Cumulative Built-in Profit Motivation Concept**

In the formulation and implementation of structural adjustment policy both the IMF and the World Bank promote liberalization of the economy where market mechanism is considered the rule for government action and the private sector has to be the preferred engine of growth. Uganda's pattern of development has already been to promote a market economy and turn over to the private sector as large a share of responsibility as possible. For the private sector to develop, the most important motivation is the prospects for profit. Only with a good understanding of the cumulative built-in profit motivation concept applied to the private sector, can Government policy guidance be successful. Policy reforms under structural adjustment programs need to promote an economic environment where private sector can be motivated to expand. This is a prerequisite for private sector development in a market economy.

In a market economy, Government development strategy aiming at investment promotion, export development and diversification, as well as structural adjustment policies targeting at development of the private sector considered as the engine of growth would be sterile if the profit/interest built-in motivation through an effective incentive system (which should not be condused with subsidies) is lacking in order to fully achieve the results as expected.

Chart III: **Cumulative Built-in Profit Motivation Approach**



237

II. ACCELERATING GROWTH THROUGH AGRICULTURE-LED DEVELOPMENT

Since May 1987, the Government of Uganda has been implementing an economic reform policy to enhance the prospect of long-term economic growth. The Recovery Program has achieved significant performance in accelerating growth, restoring internal equilibrium and re-establishing external equilibrium. As the country moves from rehabilitation to development, the need to achieve accelerated growth while sustaining both internal and external equilibrium will continue to be the main challenge ahead for the Government.

II.1 MAXIMIZING USE OF RESOURCES

In the literature of economic growth, particularly in that dealing with the process of economic growth in developing countries, the accumulation of capital has been given an overwhelming emphasis. The experience of the LDCs in more than four decades since the end of World War II also indicated clearly that countries which scored better economic growth were actually the ones which achieved the highest rate of investments.

a) Domestic Resources Mobilization

While the rate of growth depends on a country's capacity to save and to invest, gross savings (and investment) in Uganda is not sufficient for its own development purpose. The ratio of gross national savings (excluding grants) compared with the GDP was at best 3.6 percent in 1991/92, 5.9 percent in 1992/93, and 7.8 percent in 1993/94. For the last three years, with an average gross investment (based on gross saving used as an approximation) ratio of 6.5 percent of GDP and an average capital-output ratio of 3.5 percent Uganda could have a growth rate of about 2 percent which would be far from enough to compensate for the increase in population estimated at about 2.5 - 3 percent per year. The rate of investment in Uganda is even one of the lowest in the developing world. To increase the share of investment in GDP, the first step in this direction would be to limit consumption so that resources could be released and devoted to capital formation. In view of the excessively low income per capita, it seems undesirable if not impossible to expect much reduction in the current living standards of the population.

238

Table: 4 Uganda: Selected Economic and Financial Indicators, 1991/92-1996/97

	1991/92	1992/93 Est.	1993/94 Proj.	1994/95	Projections 1995/96	1996/97
	(Annual percent changes, unless otherwise specified)					
National income and price						
GDP at constant prices 1/	2.6	7.2	4.5	5.5	5.5	5.5
GDP deflator	46.8	32.9	12.4	9.5	5.0	5.0
Consumer prices						
Year-end basis	63.0	-0.6	16.1	7.5	5.0	5.0
Annual average	42.2	28.3	6.5	9.5	5.0	5.0
	(In percent of GDP)					
National income accounts						
Gross domestic Investment	16.5	16.3	16.4	16.7	17.4	18.1
Gross National savings (excluding grants)	3.6	5.9	7.8	10.2	11.0	11.8
Private	7.9	7.8	9.4	9.9	9.9	9.8
Public	-4.3	-1.9	-1.6	0.3	1.1	2.0

Source: Policy Framework Paper for 1994/95 - 1996/97, p. 31.

For the 1994/95-1996/97 period, the ratio of gross investment (excluding grants) was projected at 10.2 percent of GDP for 1994/95, 11 percent for 1995/96 and 11.8 percent for 1996/97. Assuming that the projected gross investment levels could be achieved, an average gross investment of 11 percent of GDP would at best provide a growth rate of about 3 percent and just balance the population growth. In reality, due to the low level of private investment in agriculture which requires a lower capital-output ratio, and the tendency that investment has gone overwhelmingly to manufacturing and services which require a higher capital-output ratio, Uganda could end up with a growth rate less than 3 percent of GDP and an overall real negative growth rate, if accounted for population growth.

b) **Dependence on External Resources**

In Uganda, increased rate of investment, however, could be attained without sacrifice of consumption. Resources could be imported, i.e. foreign investments, loans and aid, from abroad. Due to external resource support, total resources available exceeded aggregate consumption, and a higher rate of investment that would not have been possible on the basis of low domestic savings, was feasible.

Inflow of foreign investment has been encouraged by the Government which through the Investment Code 1991 offered incentives and protection to foreign investors. Foreign investment was considered a preferred form of external financing since it provided not only additional capital but also managerial skills, technological knowledge, and export market channels, etc... Thanks also to a "comfortable" amount of foreign aid, reasonable targets for capital formation and economic growth could be attained. For Uganda, the rate of economic growth is not only a function of capital formation but also a function of external resources, particularly foreign aid.

In spite of the commendable effort to increase domestic resource, and even if the Government succeeds in attracting more foreign investment, Uganda will remain heavily dependent on foreign aid at least for the next three years and probably for longer. For 1994/95 - 1996/97, projected official grants and loans are estimated at US $ 466 million under import support, and US $ 1,032 million in project support. For the three-year period total foreign aid financing is estimated at US $ 1,498 million.

President Museveni in a recent policy statement on November 8, 1995 stressed that in any case aid from donors was a temporary phenomenon which should be no more in the next 10 years for "Uganda is moving away from that dependence".

Table 5: Uganda External Financing Requirements, 1993/94 - 1996/97

	1993/94 Est.	1994/95	1995/96 Program	1996/97	1994/95 - 1996/97 Total
Total financing requirements	-618.6	-802.1	-599.3	-598 2	-1,999.7
Current account 1/	-345.0	-335.0	-360.2	-365.9	-1,061.1
Armotization (public sector)	-115.3	- 76.2	-95.0	- 83.8	- 255.0
Other capital (net)	- 21.5	-22.9	-8.1	-10.5	-41.5
Change in gross official reserves of the BOU (- increase)	-95.7	-93.8	-97.4	-82 2	-273.4
Change in arrears (- = increase)	-31.2	-248.5	--	--	-248.5
IMF repayments	- 9.8	-25.8	-38.7	-55.8	-120.3
Sources of financing	618.6	570.1	550.2	546.5	1,666.8
Official grants	258.2	218.6	222.0	205.4	646.0
Import support	83.2	50.0	50.0	30.0	130.0
Project support	175.0	168.6	172.0	175.4	516.0
Official loans	293.7	304.6	272.0	275.4	852.0
Import support	118.7	136.0	100.0	100.0	336.0
of which: IDA	42.2	90.0	66.3	66 3	222.6
Project support	175.0	168.6	172.0	175.4	516.0
of which. IDA	70.3	77.5	90.0	90 0	257.5
IMF, disbursements	27.5	46.9	56.2	65.6	168 7
Exceptional financing	39.2	--	--	--	--
Paris Club	14.6	--	--	--	--
Other	24.7	--	--	--	--
Financing gap	--	-232.0	-46.9	-51.8	-332.9

1/ Excludes official grants:

Source: PFP 1994/95 - 1996/97 P. 31.

241

c) **The Prerequisite to Move Toward Self-Reliance**

Under the present circumstances, foreign aid and international assistance have supplemented Uganda with additional resources in order to help the country achieve an average growth rate of about 5 percent per year.

The Magnitude of Foreign Debt

During the 1991/92 - 1993/94 period, Uganda achieved an average growth rate of 5 percent of GDP with 2.6 percent in 1991/92, 7.2 percent in 1992/93, and 4.5 percent in 1993/94. Foreign aid contributed to maintain the overall gross investment level at 16.5 percent of GDP in 1991/92, 16.3 percent in 1992/93 and 16.4 percent in 1993/94. For the period 1994/95 - 1996/97 the overall gross investment is projected at the level of 16.7 percent of GDP in 1994/95, 17.4 percent in 1995/96 and 18.1 percent in 1996/97 in order to achieve an average growth rate of about 5.5 percent. Continued progress in terms of gross investment (excluding grants) by Uganda will be required to bring the level up to 10.2 percent of GDP in 1994/95, 11.0 percent in 1995/96 and 11.8 percent in 1996/97.

The Government still needs large amounts of foreign aid to achieve the 5.5 percent expected annual growth rate. For the three-year period (1994/95 - 1996/97) total financing requirements are estimated at about US $ 2 billion of which about US $1,061 million for current account deficit, US $ 255 million for scheduled principal payments on external debt (and an additional US $ 120 million, if it includes fund repayments), US $ 273 million for targeted reserve increase, and US $ 249 million for total stock of arrears at end of June 1994.

Against this background, official grants and loans under import support are estimated at US $ 466 million for the same 1994/95 - 1996/97 period, in addition to US $ 1,032 million in project support and about US $ 169 million from the Fund under the enlarged ESAF arrangement. A financing gap about US $ 332 million is projected over this three-year period. It is expected that this gap will be filled by a restructuring of US $ 223 million of external arrears and by debt relief from Paris club creditors, and non-Paris club bilateral and commercial creditors. Uganda's overall debt situation is, therefore, a serious matter of concern for the Government. The stock of external debt is projected at 72.6 percent of GDP or US $ 2.9 billion in June 1994 of which 71.3 percent or US $ 2.055 billion is owed to multilateral financial institutions.

Table 6: Uganda's Stock of External Debt (End-June 1994)

	% of Total	Amount (US $ Million)
Total external debt	100.0	2,900
Multilateral Institutions	71.3	2,055
Paris Club Creditors	10.8	310
Non-Paris Club Bilateral Creditors	13.4	385
Commercial non-bank creditors	4.5	130

Source: Policy Framework Paper (PFP) 1994/95 - 1996/97, p.10.

Maximizing Use of Existing Resources

More seriously, based on the World Bank projection's for the next 10 years in "Uganda: The Challenge of Growth and Poverty Reduction", June 30. 1995 (Annex II: Macroeconomic Projections):

- The overall budget deficit will be increased from - LCUs 502 billion in 1994 to LCUs - 768 billion in 2003.

- The resource balance gap (i.e. import-exports) will be about doubled and increased from - US $ 602 million in 1994 to US $ 1,086.8 million in 2003.

- The external debt will also be about double and increased from US $ 2,560.7 million in 1994 to US $ 4,886.0 million in 2003.

Table 7: Macroeconomic Projections

	1990 (Actual)	1994 (Estimate)	2003 (Projection)
Budget Deficit (in LCUs billion)	- 80	-502	-768
Resource Balance*** (in US$ million)	-430	-602	-1,086.8
External Debt (in US$ million)	2,097.0	2,560.7	4,886.0

Source: The World Bank, Uganda: The Challenge of Growth and Poverty Reduction, June 30, 1995, Annex II: Macroeconomic Projections.

*** *Resource Balance includes merchandize and non-factor services*

The dependence of Uganda on foreign aid for import support as well as project financing has kept the economy growing at the average rate of 5 percent of GDP per year. The fundamental question is how can Uganda ever promote a satisfactory growth rate without heavily depending on foreign aid, or more seriously, should foreign aid be reduced?

Under the present circumstances, it is believed that the prospect for significant increase in development assistance to Sub-Saharan African countries is rather poor and the possibility for a reduction in foreign aid should not be discarded. Foreign aid to East Africa may be less affected unlike in other parts of Sub-Saharan Africa. key determinant of a continuing benefit of foreign aid will be likely to include not only economic performance but also conformity with certain donors' policies such as democratization of political institutions. Uganda, with its achievement in terms of economic stability and growth, as well as its progress in development of democratic institutions can continue to enjoy from the donor community a privileged favor for sometime. However, abundant foreign aid to Uganda may not last for ever.

Realistically, the Government of Uganda has to face a difficult dilemma. On the one hand, an accelerated economic growth in the next five years requires an increase in foreign aid. On the other hand, more external support would increase dependence on donors. With a low rate of investment, either living standards of the people would fall in the absence of foreign aid, or Uganda would remain heavily dependent on external resources, assuming the growing demand for funds could be met. And with an adverse change in foreign aid, the process of economic development would be severely impeded.

Until now, one way for Uganda to accelerate economic growth was to draw upon foreign aid to supplement and reinforce available domestic resources. A more challenging way would be to maximize impact of the use not only of its natural as well as human resources but also of abundant foreign aid still available through a well devised development strategy to break the "vicious circle" of poverty and turn it into a "virtuous circle" of development. Of course, the challenge for development must be faced creatively; and the greater the challenge, the more creative must be its response.

d) The Imperative of Maximizing Growth

Development theories may be classified into two general types in accordance with their major, though not necessary exclusive, emphasis. In the first category are quantitative economic theories, most of which stress the importance of capital formation, the rate of investment and the productivity of capital investment. The second type may be called qualitative because they emphasize the generative role of leading sector growth, the importance of specific economic activities and the function of "intangible" investment. To maximize growth of the economy, the Government of Uganda should adopt an integrated strategic management approach, which would take into consideration both quantitative and qualitative aspects, i.e. to maximize the use of its scarce investment in capital as well as its abundant natural resources.

It is imperative that government efforts should aim at increasing domestic savings, attracting foreign investment and phasing out external aid. Presently, however, there is an urgent need for more effective use of all existing resources (domestic capital mobilization, foreign investment as well as external aid) in terms of development objectives through increased productivity of investment. An economy's rate of growth will depend, indeed, on the rate of investment multiplied by the productivity of new investment.

The Output of Capital Investment

In the LDCs, it has become common to use the concept of capital-output ratio as a measure of the increase in total output consequent to an investment. Economists have thought that the investment of each period has the effect of increasing the gross investment of the nation, and therefore, increasing the production capacity of the economy. The central proposition is the rather obvious assumption that investment is capacity building

The incremental capital-output ratio (ICOR) i.e. the ratio of capital formation (Ig) to the change in total output (dY), may be expressed mathematically as follows:

$$Y_n = Y_{n-1} + Ig_{n-2}$$

Where n, n-1, and n-2 denote years.

The two-year lag between investment expenditures and the increase in output is an estimate of the "gestation period of investment projects".

It is customary to compute incremental capital-output ratio with net investment. Gross investment sometimes is used as a matter of expediency, and not of choice.

The capital-output ratio changes in every country, and in each country, it also changes in every field of activity and in each phase of the development process. Various estimates have been suggested by economists.

- Kutznets explained that the capital-output ratio increases in the first stage of the growth process, then remains constant and decreases when that particular level of growth is attained.
- Tinbergen thought that this ratio is 3 for rich countries and 4.7 for developing countries.
- Hans Singer maintained that this ratio is less in agriculture and more for other fields.

- Rosenstein - Rodan and Pierre Moussa, after studying the need for capital in developing countries, arrived at the ratio of 4, while Arthur Lewis estimated a rate from 3 to 4 for under-developed countries.

The comparative advantage in investing in agriculture in Uganda seems to be self evident. For Uganda, based on key selected economic and financial indicators, it seems reasonable to estimate an incremental capital-output ratio (ICOR) between 3 and 3.5 percent for the last three years 1991/92-1993/94 and for the projected next three years 1994/95-1995/97.

Most important, however, is the fact that the ICOR is less in agriculture and more in industry and other fields such as services, utilities and public works. In the absence of any objective study on the incremental capital-output ratio in Uganda, the ICOR of some Asian countries with economic structures more or less similar to Uganda, might be used as follows:

Agriculture and other primary products	2.5
Industry	4.0
Commerce, services, housing	5.0
Utilities Public work	5.0
Overall Average	3.5

The same amount of investment in agriculture would generate more increase in general output than in industry, commerce, etc... Given the lower capital-output ratio for agricultural development, it is clear that, all things equal elsewhere, the more Uganda invests in agriculture instead of other sectors, the higher the resulting increase in total output.

Expansion of Cropping Areas

Besides, the prospect for increased agricultural production through expansion of cropping areas is real. Uganda's agriculture is predominantly subsistence in nature with an average farm size of 2.5 ha. In Uganda, cultivable land is close to 167,600 sq/km and amounts for 85 percent of the land area. Only about 30 percent of cultivable land has been used. Even though access to land is not a major problem for families, land tenure systems have been and are still hindering the improvement of agricultural production.

Kutznets : Population, Revenue and Capital; Jan Tinbergen: The Design of Development; Hans Singer: The Mechanics of Economic Growth; Rosenstein-Rodan: Les Besoins de Capital dans les Pays Développés; Pierre Moussa: Les Nations Prolétaires; Arthur Lewis; The Theory of Economic Growth.

Table 8: Population and Land Availability by Region: 1991

Region	Cultivable Land Area (sq km)	Rural Population (1991)	Density	Percent of Cultivable Land Used (1991)
Eastern	26,636	3,788,000	142	48
Northern	68,241	2,958,000	43	25
Western	38,261	4,521,000	118	43
Central	34,458	3,497,000	101	36
Uganda	167,596	14,764,000	88	30

Source: National Population Census and Land Use, 1991.

Improving Productivity

Furthermore, production in agriculture can be significantly improved. In recent years, the increasing food crops production has come almost entirely from area expansion. However, yields have remained very low since 1970s. According to studies carried out by AGSEC/ BOU between 1985 and 1994, family labor is predominant with women contributing about three quarters of the labor force. The hand hoe technology is common practice. Improved seeds, chemicals, fertilizers and other recommended farm inputs are rarely used as farmers are either not aware of such inputs or the inputs are generally not readily available and in most cases beyond the reach of the farmer. As a result of these factors, and together with poor crop husbandry, productivity is low.

It can be observed that based on Kawanda Research Station (NARO) and MAAIF farmers achieve between 17 and 50 percent of the yields attainable at Research Stations, it is nonetheless worth noting that with appropriate technology, crop husbandry and extension services, etc... farmers can significantly increase crop productivity and raise the share of agriculture in the GDP.

Table 9: Yields of Selected Commodities at Farm Level and Research Stations
(Mt/Hectare)

Crop	Farmer (a)	Research Station (b)	(a) as a % of (b)
Beans	1.0	3.0	33
Maize	1.8	8.0	23
Finger millet	1.6	5.0	32
Cassava	9.0	50.0	18
S. Potato	4.0	30.0	13
I. Potato	7.0	35.0	20
Matooke	5.9	35.0	17

Source: MAAIF, 1989

Paradoxally, trends in growth rates show an inconsistent pattern. While Uganda has a comparative advantage in agriculture and government policy aims at promoting agriculture production, growth rates are the lowest in the agricultural sector in general and particularly, in food crops production.

Table 10: GDP Percentage Growth Rates

Industry Group	1986/ 87	1987/ 88	1988/ 89	1989/ 90	1990/ 91	1991/ 92	1992/ 93	1993/ 94	1994/ 95	Average
Agriculture	2.0	5.5	6.2	5.2	2.8	1.0	9.3	1.6	6.0	4.2
Food Crops	2.6	5.9	6.9	5.3	2.0	3.2	12.3	0.9	7.7	4.5
Mining & Quarrying	9.7	11.5	4.4	73.7	106.1	10.4	10.6	3.7	0.3	20.8
Electricity/Water	2.4	17.1	9.2	6.5	7.3	15.7	7.0	15.2	17.7	10.9
Construction	4.4	6.5	4.4	2.2	6.4	10.0	5.7	8.4	8.4	6.3
Wholesale/Retail	29.6	23.8	0.0	4.9	6.7	1.3	10.1	12.8	17.6	11.9
Trade	2.6	12.0	7.2	6.2	7.0	6.2	5.9	8.1	21.6	8.5
Hotels & Restaurant	10.8	12.7	9.5	12.3	14.5	14.2	15.0	21.4	21.5	14.7
Transport/Communic.	5.3	7.2	5.4	6.2	7.2	4.6	7.8	13.1	13.8	7.8
GDP	3.8	7.6	6.0	5.7	5.1	3.1	8.4	5.5	10.0	6.12

Source: Background to the Budget 1995/1996

Empowering Women in Development

An effective promotion of women in development, will decisively increase Uganda's capacity to promote food production, agricultural development, and more generally economic growth. An understanding of the contribution of women is essential to the formulation of poverty reduction and economic growth strategy. In fact, one untapped source of agricultural growth to help meet the challenge of food insecurity and abject poverty could lie in reducing the bias in treatment against women in agriculture.

In a predominantly agricultural country such as Uganda the economic contribution of women is most decisive. Women provide about 70 percent of total agricultural labor force and are responsible for 70-80 percent of food crops and 50 percent of cash crops production and virtually for all food processing. Notwithstanding their large contribution, women face a number of gender specific constraints that limit their access to productive assets, employment and services, and hinder their ability to gain control and use of crucial resources, material as well as non-material.

The Government's commitment to strengthen the role of women in development is reflected in a number of steps. The 1995 Constitution of the Republic of Uganda stipulates the rights of women to equal treatment: "Laws, cultures, customs or traditions which are against the dignity, welfare or interest of women or which undermine their status, are prohibited by the Constitution". In Government itself, there is a mandatory place for a woman on every Resistance Council (RC); there is a Directorate of Women's Affairs within the National Resistance Movement (NRM) Secretariat. There is a Ministry for Women in Development. Woman vice president, ministers, ambassadors, judges, etc..., are at all senior level government positions. It is hopeful that over time these efforts will result in important improvements in the status of Ugandan women. Although Uganda is a pace setter as far as promoting women in development in the region compared with other neighboring African countries, the rosy picture fades as such a policy still has a long way to go to effectively have a real impact on the majority of women mostly the rural poor women.

It is also recognized that the ultimate determinants of the women's role are deeply imbedded in the customs and behavior of a male-dominated society, and the traditional socio-cultural background of Uganda which needs to be addressed. Many of the reform measures require clear understanding and application in view of the largely traditional manner of articulating gender issues in the Ugandan society. To redress the situation, the Government has to reach beyond changes in statutory laws. In recognition of the efforts taken by the Government to promote women in development, donors have contributed to support gender related programs particularly assistance to umbrella projects for women in development, their sensitization on social and legal rights in society, special educational and training initiative and skill development. The success of the Government as well as the international community in implementing an effective women in development policy will not only result in important improvement in the status of Ugandan women but it is also one of the key prerequisites for the country to maximize use of its resources and accelerate growth of the economy.

In summary, an effective development strategy giving priority to agriculture and food production in a liberalized economy and an enlarged market, local as well as regional, for food exports would at least double the average growth rate of about 4 percent of agricultural production for the last five years. Uganda may not yet be able to duplicate the success of the fast growing NICs such as HongKong, Taiwan, Singapore and South Korea, as well as the performance so far achieved by Thailand, Malaysia and Indonesia, which have faced similar political instability in the past, internal resource endowments and similar reliance on primary export commodities as Uganda. Significant progress however, should not be out of reach, if like these countries, Uganda can design and implement with its own merit an effective development strategy based on its comparative advantage and maximize the effective use of its available resources.

II.2 THE DYNAMICS OF AGRICULTURE-LED DEVELOPMENT

It is generally believed that within the group of developing economies, it is those with a rather well developed agriculture that have best succeeded. The record of economic growth and development in Asia over the past three decades convincingly demonstrated that countries which neglected agriculture grew much more slowly that those pursuing agricultural development early on. All of them have engaged in land reform, invested in rural infrastructure and the institutional and organizational aspects of rural development, etc...

a) A Basis for Industrialization

In Uganda, agriculture accounted for more than 50 percent of GDP, provided about 90 percent of export earnings and more than 80 percent of employment in 1993/94. Industry contributed roughly 12 percent of GDP of which manufacturing shared 6 percent. The contribution of manufactures was less than 1 percent of total export earnings. Commerce, service and transport shared more than 30 percent of GDP. For Uganda, because of the dominant role of agriculture, accelerated economic growth has to derive its momentum from the agricultural sector.

Agriculture-led Development to Start Industrialization

Since the quasi majority of the population live in rural areas, any economic recovery and growth has to be based on achieving the full potential of the agricultural areas. The prevalence of low incomes in the rural areas and low demand for the products and service of industry and the services sector will in turn reduce incomes in urban areas.

While agricultural growth is essential to improve living standards and provide higher incomes to the majority of the population who depend on agriculture, it can promote savings and investment to promote industrialization and exports. As the agricultural sector grows, the non-agriculture sectors will also be strengthened.

The overall effect not only helps reduce rural poverty but also has a desirable impact on poverty alleviation in the non-agricultural sector as well. Neglect of agriculture, therefore, contributes to reduce savings as a source of investment for the development of other sectors.

Investment strategy is based on agricultural development as the leading sector in accelerating economic growth built on the high potential of consumption and production linkages. With added rural purchasing power, the increased demand is likely to be oriented toward goods and services that are labor-intensive in production.

Findings from research on consumption linkage associated with higher income generation in the rural areas in several African and Asian countries indicated that for each additional dollar of income in the agricultural sector, the non-agricultural sector income increased by US $ .50 dollar to US $1.00. The added demand for non-agricultural goods and services could be met by small-scale producers and suppliers thus further increased demand for agricultural products. As a result, the size of the domestic market would be increased. A larger domestic market would make possible the realization of economies of scale and provide a cushion to absorb shock from fluctuations in demand in the export market.

Another significant effect of agricultural development in support of industrialization is its contribution to lowering cost of inputs in the production of manufactures. While producing increasing amount of food at lower price, agriculture can increase the purchasing power of the population in general, and the worker more particularly. As in most developing countries, in Uganda about two-thirds of per capita expenditures are spent on food. The favorable effect of lower food prices will spare wage adjustment or increase, and improve the cost structure of Ugandan production. In a similar way, and more directly, another beneficial effect of a fully developed agriculture is to make available raw materials in good quality and at lower price for processing industries which produce not only for the domestic market but also for export. As the inputs of labor and raw materials are important elements of production cost, any improvement will help increase competitiveness of Ugandan products both at home and abroad.

Industrial Development to increase the Momentum of Agricultural Growth.

All countries now regarded as developed either started their industrialization with a highly productive agricultural base or developed a highly productive agriculture during their industrialization process. In fact, for Uganda an agriculture-led development should create a sound basis to start industrialization but in the process of development, industrialization in return would promote increase in productivity of agriculture. In reality, there is no obvious potential for purely export-oriented manufacturing at present. The industrial structure of Uganda will be likely characterized by two main activities: (a) the production of handicrafts and the processing of domestically available or imported raw materials requiring little elaborated capital equipments and (b) the more heavy or advanced industry producing durable consumer or producer goods which in fact is still negligible.

Based on a commonly shared belief, a good investment would be the one which uses relatively cheap locally available materials, labor and basic inputs, has a significant portion of value-added which earns or saves more foreign exchange and has comparative advantage rather than simply duplicating investment which may already be successfully established in other countries. The policy-set priorities for the development of various branches of industry could be: of highest priority at agricultural supporting industries, those using domestic raw materials and have high export potential, or import-substitution industries using domestic materials, and making intensive use of labor. Potential investment opportunities could be directed towards the following priority areas such as (a) agricultural production development for food security and for export: food crops, cash crops, horticulture, fisheries and livestock development, and (b) agro-processing and processing of animal resources, including fish processing, dairy products and meat, leather, textile, coffee, fruits, spices, timber and other products.

In the process of development, industrialization will improve the industrial infrastructure so that it can better use domestic raw materials and labor, raise industrial value-added, and promote key industries which would provide a sound growth of the overall industrial sector. More specifically, investment can be directed in areas such as agricultural inputs, including building materials, tools and implements, processing equipment and packaging, fertilizer, pesticides or even capital-intensive manufacturing launched with foreign investment.

In sum, to establish a satisfactory basis for industrialization, Uganda needs to adopt an appropriate strategy that could fit into the general patterns of its economic development in general, and could take advantage of the abundant natural resources and large supply of labor in particular. The key issue is to ensure that whatever opportunities arise either in domestic or international markets, energetic entrepreneurs should be able to produce and export profitably and economically with appropriate policy assistance and incentives support from the Government, for the benefit of both individual enterprises and the national interest.

b) **An Effective Expansion of Exports**

In 1993/94, agriculture accounted for more than 90 percent of exports. Policies biased against agriculture also result in deficient production of agricultural products for exports, reduced foreign exchange earnings, as well as in negative multiplier effects throughout the Ugandan economy whose main macro-economic constraint is the capacity to import, in the absence of foreign aid. It should be noted that the growth of the agricultural sector greatly determines the performance of the Ugandan economy. In spite of the fluctuating trend in international prices of coffee and primary products, Uganda's comparative advantage in the international markets still relies on agricultural exports.

Strategic Importance of Export Development.

A strong linkage exists between import and export growth. It is imperative for Uganda to increase its export capacities to sustain its import needs in the long-term perspective. Export-oriented investment in agriculture as well as in manufactures, while depending on local raw materials and labor force, will also need imported inputs as well as equipment, machinery, etc... In Uganda, with agriculture accounting for 90 percent of export earnings, an increase in export revenue from agriculture can be achieved more easily than an equal increase from manufactured exports which only share less than 1 percent of total exports.

The demand for imports escalated since 1987, when the government launched the reconstruction and development of the economy which had been shuttered by internal military strife. The rehabilitation required enormous imports of construction materials, capital etc... The imports peaked in 1989 and declined thereafter until June, 1992. The increase thereafter may be attributed to a number of factors such as availability of foreign currency due to liberalization of its market, increased export earnings and donors import support funds, liberalization of trade and increased demand due to rehabilitation needs of the divested loss making parastatals.

Export earnings declined since 1989, reflecting the drop in international coffee prices as a result of the collapse of the International Coffee Agreement (ICA) in 1989. The lowest earnings were realized in 1990 and thereafter there has been an upward trend. The increase in export earnings should be attributed to the good coffee international price which prevailed since 1993 and increased earnings from the non-traditional agricultural exports whose volumes and coverage have been increasing. The increase in NTAEs earnings may be attributed to the promotion by Government specialized export promotion agencies with assistance from donors especially USAID mission.

The trade balance improved from 1989 to June 1992 which coincides with the period when the imports were declining explaining the improvement. The situation worsened thereafter as shown by the table below, except in 1994 when the export earnings increased remarkably. In the future the prospects of narrowing up- the balance should be achieved through NTAEs since their earnings have increased tremendously over the past few years.

Table 11: Balance of Trade

(In US$ Million)

	Exports	Imports	Trade Balance
1989	277.7	740.0	-462.3
1989/90	217.5	591.2	-373.7
1990	117.0	617.6	-500.6
1990/91	175.4	545.0	-369.6
1991	173.7	474.8	-301.1
1991/92	172.1	450.0	-277.9
1992	151.2	513.3	-362.1
1992/93	169.3	530.0	-360.7
1993	196.7	597.1	-400.4
1993/94	253.9	717.7	-463.7
1994	417.9	726.6	-308.7
1994/95	539.8	981.0	-444.3

Source: Key Economic Indicators, November 1994
Quarterly Economic Report Volume 02/94, and Background to the Budget 1995/96.

253

Primary Structure of Agricultural Exports

In Uganda, the composition of exports shows a predominance of coffee exports since the 70's when other non-coffee traditional exports like tea, cotton, tobacco started to decline. The fluctuation of international coffee prices has brought rather forcefully the danger of over-dependence on a single export commodity with far reaching impact on personal income, government revenue and the balance of payments. Export diversification, therefore, must be aggressively promoted.

Traditional exports used to comprise of coffee, cotton, tea and tobacco commonly referred to as traditional exports. Coffee exports in the 1990's has continued to dominate the foreign exchange earnings although the percentage contribution has been shrinking as the contribution of the other traditional and non-traditional exports rises. Coffee exports accounts for a very large share of export earnings. Coffee export earnings raised from US$ 140 million in 1993 to US $ 343 million and share more than 70 percent of total exports. The other traditional exports viz: tea, tobacco and cotton had their share of foreign exchange earnings increase from 7 percent in 1990 to about 11 percent in 1993. In 1994, the earning share dropped to 5 percent due to the increase in coffee earnings as a result of its good international price.

The foreign exchange earnings from the non-traditional agricultural exports have increased significantly ever since 1987. It should be noted that its contribution was as much as 33 percent in 1993 yet it used to contribute to less than 10 percent in the late 1980's. These exports comprise of high value and low value crops, fish and fish products, forestry and animal products. The following are classified as high value: vanilla, apple bananas, pepper, mangoes, ginger, papain, garlic etc... and low value would include maize, beans, millet, sorghum, simsim, etc...

The high value agricultural exports increased by 283 percent over the period of 5 years from 1990 to 1994 and the low value agricultural exports increased by 230 percent over the same period. Food exports are among the leading non-traditional agricultural exports.

Maize exports have good prospects for some years to come if excess demand in the neighboring countries remains high and Uganda's yield potential and acreage expansion is exploited by the farmers. Its export earned about US $ 3.3 million in 1990 and it increased by about 20 percent in 1991 to US $ 3.9 million and remained at just about the same level in 1992. There was a dramatic increase of about 4 times in 1993 followed by another increase of 51 percent in 1994. The quantity of maize grain exports increased drastically since 1990 when it amounted to 26,000 tonnes to 109,000 tonnes in 1993 before it dropped by 20 percent in 1994. The general increase in export may be attributed partly to the wars which devastated most countries in the East and Southern African region and drought which affected some countries within the region.

Beans exports have also been on the rise, it earned about US$ 4.1 million in 1990 and it increased marginally in 1993 (an increase of 1.5 percent) to US $ 4.2 million. Although, its export earnings dropped in 1992 and 1993 it increased considerably in 1994 to US $ 9.4 million. The volume of export followed a similar pattern as the value since it was 9,278 tonnes in 1990 and it increased to 26,955 tonnes in 1994. There still exists a great potential of increasing beans exports especially since the WFP may remain in the region for some years providing food for the refugees who are within Uganda and in the neighboring countries. There also exists potential markets in the Middle East countries if the producers can increase the yield so as to reduce unit production costs and to be more competitive in the international market.

It is to be noted that policies biased against agriculture also result in deficient production of agricultural products for exports, reduced foreign exchange earnings, as well as in negative multiplier effects throughout the Ugandan economy whose main macro-economic constraint is the capacity to import, in the absence of foreign aid. It should be noted that the growth of the agricultural sector greatly determines the performance of the Ugandan economy.

In spite of the fluctuating trend in international prices of coffee and primary products, Uganda's comparative advantage, in the international markets still relies on agricultural exports. Uganda should therefore; exploit its highly productive agricultural resources aiming at increasing agriculture production and ensuring that cost advantage would be assured in traditional exports and focus on NTAEs, among those food exports.

Table 12: Uganda - Exports, 1990 - 1994
(In US$)

Commodity	1990	1991	1992	1993	1994	1995
Coffee	140,384,000	117,641,000	95,372,000	106,775,000	292,849,000	383,200,000
Other traditional exports	12,184,000	23,051,000	20,268,000	23,676,000	20,994,822	22,782,275
Non-traditional exports	23,682,231	42,641,133	30,775,177	64,792,724	87,835,344	90,545,154
Food crops exports	13,430,842	19,982,642	15,290,469	26,232,607	42,042,010	49,360,991

Source: Compiled by EPAU from Uganda Revenue Authority and Ministry of Finance and Economic Planning data.

Government policy on export diversification is beginning to achieve significant progress. This may be testified by the increase in foreign exchange earnings from the non-traditional exports which increased from US$ 23.68 million in 1990 to US $ 64.92 million in 1993, i.e. an increase of 174 percent. More particularly, non-traditional agricultural exports increased from US $ 14.69 in 1990 to US $ 38.98 million in 1993, i.e. an increase of 165 percent. In 1994, non traditional agricultural exports earnings amounted to US $ 87.6 million which represented an increase of 35 percent. Efforts to diversify exports within agriculture and expand non-agricultural exports, therefore, should be effectively promoted.

c) **A Contribution to Poverty Reduction**

Agriculture represents a potential force for poverty reduction in Uganda, more than 80 percent of the population is engaged wholly or predominantly in agriculture and live in the rural areas. Smallholders also account for almost the total agricultural output with an estimate of 2.5 million farm households of which 80 percent cultivate less than 2.5 hectares of land each. Landlessness is not a major problem in Uganda, where access to land is nearly universal. Finally, in a country where capital is scarce, investment in agriculture where Uganda has a comparative advantage due to its rich soil and favorable climate, will mostly be profitable.

Conceptual Development Paradigm

The conceptual approach emphasizes the potential contribution of agricultural transformation to broad-based poverty reduction. The fundamental development concept is that agriculture can be managed not only to increase agricultural growth but also contribute to poverty reduction. In fact there is a positive relationship between growth of the agricultural sector, particularly food production and poverty alleviation. Pinstrup-Andersen and Pandya-Lorch believe that "Agricultural intensification addresses the root causes of poverty in many low-income developing countries: agriculture is the most viable lead sector for generating incomes and employment in both farm and non-farm economies in most developing countries. Agricultural intensification holds great promise as an instrument to simultaneously meet food needs and alleviate poverty."

Agriculture-led development, indeed contributes to strengthen the food system: to help people feed themselves, to stimulate non-agriculture growth and to develop new products and services. People are better able to feed themselves if they are able to produce more for their own consumption, or if they are able to generate additional income to have more flexibility in purchasing food. The role of agricultural transformation, by helping people to produce more food to feed themselves, is inextrically linked to improvements in food security while also improving income of the rural and non-rural poor.

Table 13: Total and Agricultural GDP at Factor Cost at Constant (1991) Prices: 1990/91 - 1994/95
(Percentage of Total GDP)

Period GDP at Factor Cost at 1991 prices	1990/91	1991/92	1992/93	1993/94	1994/95	Average 1990/94
Agriculture	1,066,801	1,055,917	1,154,159	1,172,360	1,243,000	1,138,447
o/w Food Crops	729,161	705,707	792,566	799,345	860,880	777,532
Mining & Quarrying	6,145	6,782	7,504	7,782	7,757	7,194
Manufacturing	112,919	130,676	139,780	161,008	189,489	146,774
Electricity & Water	17,616	19,383	20,478	22,207	24,078	20,752
Construction	120,574	122,169	134,506	151,778	178,475	141,500
Wholesale & Retail Trade	224,594	238,546	252,502	272,923	331,923	264,098
Hotels & Restuarants	24,671	28,164	32,394	39,319	47,790	34,468
Transport & Communication	84,254	88,131	94,985	107,427	122,205	99,400
Community Services	303,517	331,832	357,984	380,769	407,319	356,284
Owner-occupied Dwellings	62,556	64,362	66,765	68,883	71,004	66,714
Total GDP	2,023,647	2,085,962	2,261,056	2,384,456	2,632,040	2,277,432
GDP by Share (Percentage)						
Agriculture	52.72	50.62	51.05	49.17	47.39	50.03
Food Crops as % of Agriculture	68.4	66.8	68.7	68.2	69.3	68.3
Food Crops as % of Total GDP	36.0	33.8	35.1	33.5	32.7	34.1
Mining & Quarrying	0.30	0.33	0.33	0.33	0.30	0.32
Manufacturing	5.58	6.26	6.18	6.75	7.22	6.45
Electricity & Water	0.87	0.93	0.91	0.93	0.92	0.91
Construction	5.96	5.86	5.95	6.37	6.80	6.22
Wholesale & Retail Trade	11.10	11.44	11.17	11.45	12.65	11.61
Hotels & Restuarants	1.22	1.35	1.43	1.65	1.82	1.51
Transport & Communication	4.16	4.22	4.20	4.51	4.66	4.37
Community Services	15.00	15.91	15.83	15.97	15.53	15.66
Owner-occupied Dwellings	3.09	3.09	2.95	2.89	2.71	2.93
Total GDP	100.00	100.00	100.00	100.00	100.00	100.00

Source: Statistics Department, MFEP

Increasing food production, and as a result lower food prices also directly increases the real wages of poor people. It is widely acknowledged that the real wages of non-agricultural laborers rise as food prices decline. What is less widely known is that a significant proportion of African small-holders are purchasers of food staples at one moment or other so that the decline in price of these staples also increases the real incomes of these small-holder farmers. It is true that small farmers due to lack of proper storage or other post-harvest facilities usually sell their crops soon after the harvesting, and purchase foods when it comes to satisfying their need for food consumption. In a situation of food surplus, the spread in selling and repurchasing price would be reduced so that even the rural poor farmers can still benefit from lower food prices. Thus changes in relative food prices which is in the short-run one of the most important determinants of change in the relative and absolute real income of low income people, in many cases applies to the rural poor as well as the urban poor.

In order to promote food crops production, a precondition and strong incentive for food producers is that demand exceeds supply. Lack of demand and markets can become a major disincentive to food production. In a situation where domestic consumption level is already below production level, export of food crops should be considered as an essential component of government's policy to increase supply of food crops. Export of food by absorbing the increasing amount of food surplus will provide more incentive to increasing food production and contribute to solve the problem of food security in the immediate, while raising income of the farmer in longer-term. Food exports should, therefore, be considered an essential component of the government and donors' initiatives to meet the challenge of poverty reduction through an agricultural-led development strategy.

All the above mentioned considerations show how growth in agriculture can effectively contribute directly to raise the living standards of the rural and non-rural poor. Faster agricultural growth should be translated into higher reduction in poverty while promoting better economic growth. Countries whose economies are predominantly rural, an agriculture-based growth strategy provides the only possibility of broad-based participation by the poor.

Adjustment to Ugandan Realities

The implications of a maximizing growth strategy based on Uganda's comparative advantage is that an agriculture-led development should be oriented to promote food production and rural development. The principle of comparative advantage has to be kept in mind. Moreover, comparative advantage is not a static but a dynamic process. An agriculture-led development besides contributing to strengthen food security, also increases income of the rural poor which in turn provides a natural and enlarged market for consumer goods, agro-based industries and opportunities for exports agricultural and manufactural exports. The creation of new jobs, as a consequence, will raise income of the non-rural poor. A "virtuous circle" therefore, could be created with rural and urban growth being complementary and mutually reinforced.

Agricultural development should represent a potential force for poverty alleviation in Uganda where more than 80 percent of the population is engaged wholly or predominantly in agriculture and live mostly in the rural areas. Small holders also account for almost the total agricultural output with an estimated 2.5 million farm households of which 80 percent cultivate less than 2.5 hectares of land each. In 1994/95, with a per capita GDP of U. Shs 256,690 (or about US $ 256 at average exchange rate of 1000) Uganda is still one of the poorest countries in Sub-Saharan Africa and in the developing world.

While the Ugandan economy is predominantly agrarian, the contribution of agriculture to GDP which was over 55 percent in the mid 1980s, started to come down to 51 percent in 1992/93, about 49 percent in 1993/94 and only 47 percent in 1994/95. The average annual growth rate of agriculture in Uganda during the last five years (1990/91 - 1994/95) was 3.7 percent just comparable to about 3.9 percent in the low-income countries even though Uganda does have a comparative advantage in agriculture. It was noted that for the same five year period, although total GDP growth at constant prices 1991 was 6.4 percent, agriculture had the lowest growth rate of 3.7 percent compared with 10.5 percent in commerce and 12.5 percent in manufacturing.**** Because poverty in Uganda is largely a rural phenomenon and most of the poor are engaged in multi-crop and mixed production the trends in agricultural GDP closely reflect the pattern of rural living standards. With an increase of 3.7 percent in agriculture output and a growth of population of about 2.5 - 2.7 percent, the average trend is expected to be a fair reflection of little improvement in rural living conditions.

Since the quasi majority of the population live in rural areas any economic recovery and growth has to be based on achieving the full potential of the agricultural sector. The prevalence of low incomes in the rural areas and low demand for products and services of industry and the services sector will in turn reduce incomes in the urban areas. While agricultural growth is essential to improve living standards and provide higher incomes to the majority of the population which depend on agriculture, it can promote savings and investment to promote industrialization and exports. Neglect of agriculture, therefore, contributes to reduce savings as a source of investment for the development of other sectors. As the agricultural sector grows, the non-agricultural sectors will also be strengthened. The overall effect not only helps reduce poverty in the rural area but also has a desirable impact on poverty alleviation of the poor in the non-agricultural sector as well. The major policy issue is how to use investment in agriculture and the rest of the food system as a tool for poverty reduction and structural transformation of agriculture, thereby increasing overall growth of the economy.

In sum, an agriculture-led development can serve as a catalyst not only to generate broad-based income to promote savings and investment, but also to widen the domestic market for manufactured goods both consumer and intermediate consumption. Expanded agricultural income will create domestic demand for industrial output and increase competitiveness of Ugandan exports to successfully compete in the international economy. With a strategy of agriculture-led development both agriculture and industry growth will become complementary and reinforcing expansion of promoting exports. Neglect of, and policies biased against agriculture will also result in deficient production or marketing of agricultural products for export, leading to reduced foreign exchange receipts and negative multiplier effects throughout the economy whose main macro-economic constraint is the capacity to import. In Uganda, finally an agriculture-led development will be the best strategy to respond to the challenge of growth and poverty reduction.

**** *Background to the Budget 1995/96, Ministry of Finance and Economic Planning, June 1995.*

III. FOOD SECURITY AND POVERTY REDUCTION

According to the World Bank Report "Uganda: The Challenge for Growth and Poverty Reduction" poverty has many dimensions. Cultural values and traditional beliefs may deprive disadvantaged people while lack of political voice or physical insecurity impoverishes others. Economic factors such as low incomes, few assets or little access to markets or social services (e.g. health, education, etc...) can force people into poverty. At the personal level, however, access to food and adequate nutrition is undeniably a vital issue for the poor.

III.1 AN ASSESSMENT OF FOOD INSECURITY

Food security can basically be defined as the access by all the people in a given location to adequate food both in quantity and quality at all times. Food security can be defined both at the household and national levels. Thus a household is food secure when it has access to enough food (both quantitatively and qualitatively) to ensure adequate dietary intake for all its members. Whereas, a country and its population are food secure when food production, accessibility and distribution are such that the food consumption needs of the population, taking into consideration cultural practices, are always met. Food Security is, therefore, either achieved through households' ability to produce, the ability to purchase or through food aid and distribution.

Food insecurity on the other hand, portrays the lack of access to adequate food. This can be transitory, resulting from a temporary instability in either production, household incomes, food prices or distribution. etc... It can also be chronic due to a permanent presence of inadequate food either through the inability of the population to purchase enough food or produce its own. Food insecurity concept thus assesses the risk of the population of not having access to adequate food required for their daily activity and a healthy living. These risks can be in the form of income, food production, distribution, lack of knowledge, etc...

a) Definition of Concepts

The main concepts related to food security are highlighted below.

Food Self-sufficiency, Food Availability and Food Accessibility

Food self-sufficiency is the ability of a district to produce enough food to meet its requirements for human consumption and seeds.

Food availability is the ability of the district to produce and procure food from elsewhere facilitated by supportive infrastructure such as storage, road network, marketing and distribution system.

Food accessibility refers to the ability of the households in a district to obtain food through self provision or have enough purchasing power to procure food.

Food Supply and Food Demand

Total food supply is composed of total production in a given year plus imports minus exports, plus stocks carried over from the previous year less pre- and post-harvest losses, and other wastes. Thus food supply in a given year can be expressed as:

S = P+I - E+St - L

Where: S = Total Food Supply, P = Production, I = Imports, E = Exports, St = Carry over stocks, and L = Pre - and Post-harvest losses and wastes.

Total food demand is defined as the total food needed for human consumption, and other utilization such as animal feeds, seeds, industrial processing, etc. Thus food demand in a given year can be expressed as:

TD = HC + SE + AF + IND

Where: TD = Total Demand, HC = Human Consumption, SE = Seed Requirement, AF = Animal feed, and IND = Industrial usage.

Food Balance and Food Balance Sheet

Food balance (FB) may be defined as the food surplus/deficit when total demand (TD) is deducted from total supply (S). The balance can be expressed both quantitatively and qualitatively. FB = S - TD. Human food balance (HFB) is defined as the food surplus or deficit when human consumption is deducted from the total supply. Thus HFB = S - HC.

A Food Balance Sheet (FBS) is a comprehensive picture of a country's food supply and utilization during a specific period. As such it gives an indication of:

- Total supply and utilization
- Surplus quantities available for export or the deficit or import gap,
- Per capita daily supply and consumption of the important food components, such as calories, protein.
- The relative importance/contribution of the various foods in the national/local dietary pattern,

By definition therefore, a FBS is a very important tool in the policy making process as regards the country's food production, marketing and import/export policy; and gives rise to the instituting of an efficient food distribution/transportation system in the country. It helps to identify more easily areas of potential high malnutrition.

b) The Magnitude of Food Insecurity

In Uganda, based on the 1991 census about 89 percent of the population live in the rural areas where they are engaged predominantly, if not wholly, in agriculture. The sector employs more than 80 percent of the labor force. Smallholders account for practically the entire agricultural output. It is estimated that about 2.5 million farm households, of which 80 percent cultivate less than 2.5 hectares of land each basically produce food crops which accounts for about 70 percent of the agricultural production based on official figures from the Statistics Department, MFEP.

Table 14: Population Distribution in 1991

Total Population	16,671,705	100%
Rural	14,782,083	89%
Urban	1,889,662	11%
Females	8,485,968	51%
Males	7,185,747	49%

Source: Population and Housing Census Report, MFEP, 1991.

The Food Poverty line

Uganda is one of the most promising countries in Sub-Saharan Africa to be considered as self-sufficient in food. One of the dominant features of the agricultural sector in Uganda is the size of the contribution of food crops to agricultural output. During the 1987-91 period, food crops accounted for between two thirds and three quarters of agricultural output.

Despite the apparent food abundance, based on the 1994 Food Balance Sheet about 52 percent of the population in Uganda are living in districts with an average per capita food consumption less than the national daily energy requirements.

The food poverty line is based on the cost of 2.200 calories as a standard requirement established by World Health Organization(WHO)[*****] from a given basket. So there is polarization toward two extremes where in spite of an average per capita daily food availability, a large proportion of the total population lives in districts with possible high proportion of underfed persons.

Besides, despite the apparent availability of various foods in Uganda, malnutrition and its consequence seem to have increased. Paradoxally, Uganda is one of the countries in which food abundance and malnutrition co-exist.

***** *Based on WHO, even for light physical activity, the "critical" minimum calorie intake should not be less than 2,200 calories per person per day.*

262

Awareness of the magnitude and the nature of the nutrition problems show the need for an appropriate food security policy based not only on quantitative but also qualitative food requirements.

Household Food Consumption at National Level

The share of food consumption in total expenditure based on the Uganda National Household Survey 1993/94 shows:

For about 89 percent of the population living in the rural area, the average share of spending on food drink and tobacco is 68 percent and spending on food is 63.4 percent of total expenditure. For the remaining 11 percent of urban population the average share of spending of food drink and tobacco is 54.7 percent, and spending on food accounts for 43 percent. The weighted rural-urban average share of spending on food, drink and tobacco is 63.6 percent, and spending on food alone is 56.8 percent.

Table 15 **ON-FARM AND OFF-FARM SOURCES ON INCOME MAY 1995**

Sub-Region	Sources of Income	Average Income per H/Hold (Shs/p.a)
i) South-East (Jinja, Iganga, Kamuli)	• cash and food crops • petty trade • local brewing	500,000 to 800,000
ii) Eastern (Tororo, Mbale, Kapchorwa)	• cash food and Horticultural crops • border trade • livestock rearing • petty trade • poultry farming • brick making • local brewing	300,000 to 1,000,000
iii) East-Central (Kumi, Soroti)	• food crop production • piggery, poultry • wood fuel • brewing	250,000 to 500,000
iv) North-East (Moroto, Kotido)	• livestock keeping • peasant farming • hunting	Not available
v) North (Lira, Apac, Gulu, Kitgum)	• food crop production • poultry • charcoal burning • petty trading • brewing	300,000 to 700,000
vi) North-West (Arua, Nebbi, Moyo)	• crop production • cattle keeping • poultry & piggery • wood fuel • brewing • fishing • casual labour	400,000 to 1,500,000
vii) West (Masindi, Hoima, Kabarole, Bundibugyo, Kasese)	• cattle keeping • crop production • petty trade	400,000 to 900,000
viii) South-West (Kabale, Rukungiri, Bushenyi, Mbarara)	• crop production • dairy cattle • poultry • local trade • local brewing	300,000 to 1,800,000
ix) Lake Victoria Crescent (Rakai, Masaka, Mpigi, Mukono, Kampala)	• food crop production • cash crop • horticultural crop • cattle • small scale industry • brick making	Not Available
x) Mid-Central (Luwero, Mubende)	• food & cash crop production • horticultural crops • handicraft • local brew	Not Available

Expenditure in Food by Region

At the regional level; weighted average share of household spending on food, drink and tobacco, and of household spending on food alone compared to total expenditure are 63.6 percent and 56.8 percent respectively.

Average share of household spending on food, drink and tobacco, and of household spending on food alone compared to total expenditures are respectively:

58% and 49.8 % for Central Region
69.9% and 64.2% for Eastern Region
68.8% and 62.9% for Western Region
68.6% and 63.7% for Northern Region

Table 16

AVERAGE PER HOUSEHOLD MONTHLY CONSUMPTION EXPENDITURE IN FOOD, DRINK AND TOBACCO BY REGIONS WITH RURAL AND URBAN BREAK-DOWN.
(In Million Shillings)

Region	Rural Expenditure	(%)	Urban Expenditure	(%)	Weigted Average Rural-urban	(%)
Central	41.690	64.1%	89.452	52.4%	55.763	58.0%
Eastern	28.518	71.3%	50.425	62.8%	30.530	69.9%
Northern	25.100	70.1%	53.513	63.2%	27.667	68.8%
Western	35.542	69.1%	52.362	63.5%	36.591	68.6%
Uganda	33.257	68.0%	75.655	54.7%	39.592	63.6%

Source: Report of the Uganda National Household Survey 1993/94. Volume 1, September 1995.

Table 17

AVERAGE PER HOUSEHOLD MONTHLY CONSUMPTION EXPENDITURE IN FOOD BY REGIONS WITH RURAL AND URBAN BREAK-DOWN.
(In Million Shillings)

Region	Rural Expenditure	(%)	Urban Expenditure	(%)	Weigted Average Rural-urban	(%)
Central	38.828	59.7%	69.783	40.9%	47.954	49.8%
Eastern	26.642	66.6%	42.223	52.6%	28.072	64.2%
Northern	23.261	65.0%	45.956	54.3%	25.313	62.9%
Western	33.311	64.8%	43.686	53.0%	33.958	63.7%
Uganda	31.030	63.4%	60.222	43.6%	35.392	56.8%

Source: Report of the Uganda National Household Survey 1993/94. Volume 1, September 1995

265

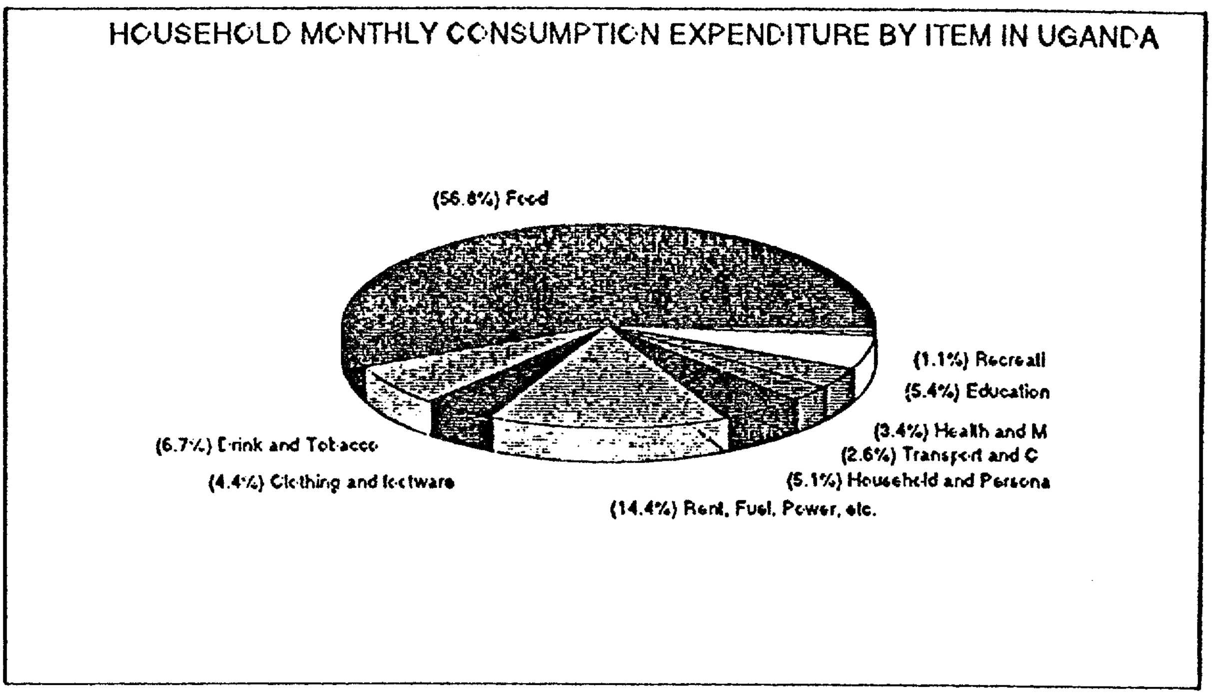
Table 18:

AVERAGE PER HOUSEHOLD MONTHLY CONSUMPTION EXPENDITURE BY ITEM GROUPS AND EXPENDITURE GROUPS IN UGANDA WITH RURAL AND URBAN BREAK-DOWN.
(In Million Shillings)

Item Group	Rural Expenditure	(%)	Urban Expenditure	(%)	Weighted Average Rural-urban	(%)
1. Food, drink and tobacco	33.257	68.0%	75.655	54.7%	39.592	63.6%
(Food alone)	31.030	63.4%	60.222	43.6%	35.392	56.8%
2. Clothing and footware	1.998	4.1%	7.027	5.1%	2.748	4.4%
3. Rent, Fuel, Power, etc.	6.043	12.3%	25.580	18.5%	8.961	14.4%
4. Household and Personal Equipement and Goods	2.417	4.9%	7.659	5.5%	3.201	5.1%
5. Transport and Communications	0.800	1.6%	6.245	4.5%	1.614	2.6%
6. Health and Medical Care	1.881	3.8%	3.288	2.4%	2.091	3.4%
7. Education	2.332	4.8%	9.212	6.7%	3.361	5.4%
8. Recreation and Other Services	0.215	0.4%	3.571	2.6%	0.716	1.1%
Total	48.943	100.0%	138.237	100.0%	62.284	100.0%

Source: Report of the Uganda National Household Survey 1993/94. Volume 1, September 1995.

Chart IV:



266 -

It is to be noted that the average share of household spending on food, drink and tobacco, or spending on food alone compared to total expenditure are much higher for rural expenditure than urban expenditure in all of the four regions without any exception while average income is lower for the rural than the urban population, consistent with the fact that poor people consume proportionally more in percentage share in food in their household budget.

c) The Measure of Poverty

If considering the measure of welfare which is the ratio of total household expenditure per adult to the poverty line, 61 percent of Ugandans are classified as poor. In fact poverty is unequally distributed in Uganda.

Poverty Line

In order to have an approximate idea about the measure of poverty the following approach has been taken. First, the total expenditure is estimated for each household. The poverty line is based on the cost of 2,200 calories from a given food basket (food poverty line) plus essential non-food expenditures (based on the consumption of non-food items of the households whose total expenditures are equal to the food poverty line). The cut-off point separating poor and non-poor is one.

Table 19: Distribution of Welfare and Poverty

Distribution percentiles	Welfare measure (highest value in each percentile)
99%	4.643
95%	2.510
90%	1.916
75%	1.289
61%	1.000
50%	0.850
25%	0.559
10%	0.381
5%	0.300
1%	0.193

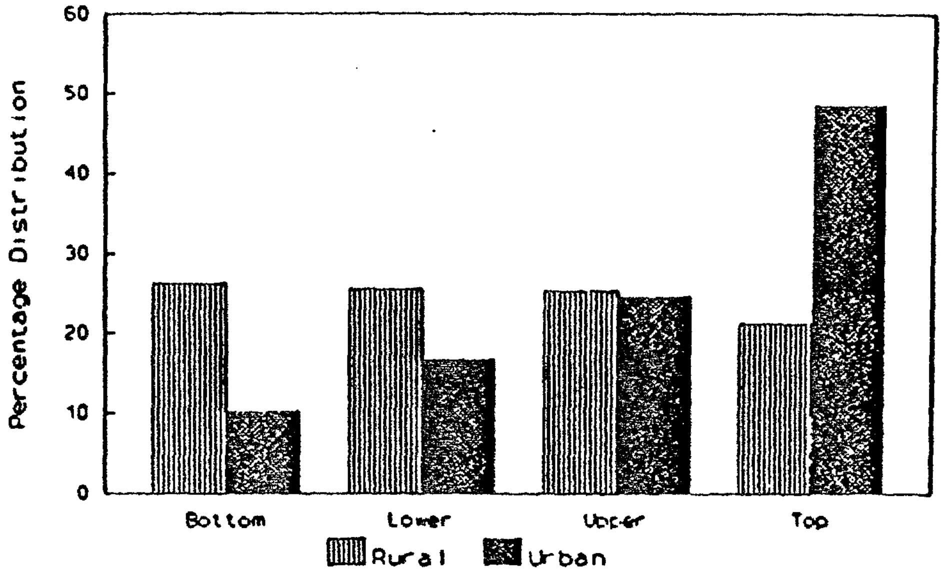
Welfare measure = household expenditure per adult equivalent/poverty line.

Source: Calculations from 1992/93 Integrated Household Survey, The World Bank, 1995.

Rural-Urban Poverty Gap

Besides, rural households are poorer than urban households on average. The urban-rural gap is pronounced in Uganda. 27 percent of the rural and only 11 percent of the urban population fall into the lowest quartile, while 22 percent of the rural against 49 percent of the urban population are in the top quartile.

Chart V: DISTRIBUTION OF RURAL/URBAN POPULATION BY EXPENDITURE QUARTILES



Source Integrated Household Survey 1992/93

Unequal Poverty Distribution by Regions

Furthermore, the distribution of poverty accentuates the difference between regions. The Central and the Western regions are relatively better off than the North and the East. Another clear pattern also emerges in the distribution of poverty across districts. Kampala is relatively affluent with 83 percent of the population in the two upper quartiles, if compared to the poverty of Karamoja, where Moroto and Kotido have 86 percent and 70 percent in the two bottom quartiles respectively.

Table 20: Distribution of Expenditure Quartiles by Region
(In Percentage)

Region	Central	Eastern	Western	Northern
Expenditures Quartiles	100	100	100	100
Bottom	17	29	18	39
Lower	22	27	23	29
Upper	27	25	28	18
Top	34	19	31	13

Source: Calculations from the 1992/93 Integrated Household Survey.

The impact of food security on poverty reduction stresses the need for an appropriate food security policy and an effective disaster management strategy. Solving the problem of food security will contribute to the resolution of at least half of the problems of the rural as well as the urban poor.

III.2 A REVIEW OF THE FOOD STATUS

The Food status represents the pattern of total food supply compared to total food demand in order to establish the overall food balance. The assessment of the food status covers various aspects at different levels. At the national, level food self-sufficiency based on national production in developing countries is still a major policy objective to be achieved. At the regional and district level, food availability which can be attained through production and distribution is mostly required. While at the household level, accessibility of food is no doubt the most vital issue.*

a) Human Food Demand

Human Food Demand can be assessed based on three different criteria: food consumption level standard (quantitative), nutritional intake requirement (qualitative) and ratio of human food consumption to requirement.

(i) Human Food Consumption

According to the PAPSCA report on Uganda Food Balance Sheet, the staple foods in Uganda include; bananas, cassava, sweet potato, maize, finger millet and sorghum. The major sauces include beans, groundnuts, simsim, peas, fish or meat. Green vegetables, although not included in the Study, are also a major source. The main staple food in the Eastern and Northern regions are cassava, sweet potato, millet, sorghum, maize. Beans, peas, groundnuts, simsim, vegetables are the main sauce. Fish, milk and meat are consumed to a less extent in comparison to beans, peas and vegetables. Usually groundnuts and simsim are used as a paste mixed with vegetables, beans, peas, meat and fish. In Western and Central parts of the country, matoke (cooking type) is the main staple and is usually eaten with groundnut sauce or beans. Sweet potato, irish potato, maize and cassava are the other staples.

National Level

In terms of food consumption for major staple foods such as beans, maize, banana, sweet potato, etc... per capita food consumption, based on the present consumption pattern is generally between 51 and 76 percent of the national per capita food availability. Among the commodities whose consumption levels exceed per capita food availability are milk and beef. This implies therefore that for most commodities human consumption level is significantly below the supply level.

Regional Level

In the **Eastern** region, the consumption contribution of the various food groups to calories are: pulses 10 percent, cereals 16 percent, oil crops 5 percent, bananas 12

---

* *Refer to Annex I "Analytical Framework: Definition of Terms and Concept", for more detail.*

percent and roots and tubers 22 percent. The contribution to protein intake are: pulses 15 percent, cereals 25 percent and oil crops 8 percent.

For the **Northern** region, the consumption contribution of various commodity groups to calories are: pulses 14 percent, cereals 17 percent, oil crops 19 percent, bananas 4 percent and roots and tubers 18 percent. The contribution to proteins are: pulses 17 percent, cereals 22 percent and oil crops 25 percent.

In the **Western** region the contribution to calories are: pulses 13 percent, cereals 18 percent, bananas 15 percent, oil crops 8 percent and roots and tubers 17 percent. While, the human consumption contribution to proteins are: pulses 19 percent, cereals 27 percent and oil crops 11 percent.

In the **Central** region, the contribution to calories intake for various food groups are: pulses 10 percent, cereals 7 percent, oil crops 6 percent, bananas 13 percent and roots and tubers 24 percent. For the case of proteins, pulses contribute 16 percent, cereals 11 percent and oil crops 9 percent.

(ii) Nutritional Intake Requirements

The nutritional calorie intake requirement for Uganda used in this analysis is based on the Sub-Saharan African standard contained in the UNDP Human Development Reports of 1993 and 1995. According to these reports, the minimum per capita daily calorie intake requirements are as follows:

All developing countries - 2327 calories,
Least developed countries - 2367 calories,
Sub-Saharan Africa - 2419 calories.

Based on WHO, even for only light physical activity, the "critical" minimum calorie intake should not be less than 2,200 calories per person per day.

As for the composition of proteins and fats, the FAO* recommend minimum intake levels of 57.6 g and 20.3 g respectively.

In general, cereals, pulses and oil crops have high calorie contents whereas pulses, oil crops and livestock products have high protein and fat contents.

National Level

Based on the present consumption pattern*, the daily average nutrient intake for calories are about 2,400 calories, and for proteins and fats 50 g and 19 g

**FAO "Handbook on Human Nutritional Requirements 1974".*

* *Uganda National Integrated Household Survey 1992/93.*

271

respectively. As a result, the national calorie intake is 99 percent of the Sub-Saharan African minimum requirements. If compared to the WHO "critical" level, the national average calorie intake per person per day is about 109 percent. In the case of proteins and fats, the national average intake levels are 87 and 94 percent of the FAO minimum intake levels. This clearly shows that the national average calorie intake is about equal to the Sub-Saharan level and higher than WHO "critical" minimum level. As for proteins and fats, national intake levels are below the minimum recommended levels of FAO.

The average daily per capita national consumption and requirement levels in terms of food nutrients is summarized in the Table below:

Table 21: Uganda: Average Daily per Capita Levels of Nutritional Intakes

Nutrient Value	Consumption (a)	Requirement (b)	(a) as % of (b)
Calories (cals)	2,400	2,420	99
Proteins	50	57.6	86
Fats	19	20.3	94

Source: EPAU Food Security Framework 1995 (National Food Requirements), UNDP: Human Development Report, 1993; FAO: Handbook on Human Nutritional Requirement, 1974.

It should be pointed out that lack of adequate food nutrient intake results into malnutrition in children and ill-health, thereby reducing the ability of the population to develop optimally, and thus directly affecting the country's productivity. The most common malnutrition diseases among children under 5 years in Uganda include kwashiorkor, marasmus, stunted growth and underweight. According to the Uganda Demographic and Health Survey of 1988/89, 45 percent of the children suffer from stunting. This shows the extent to which children have low nutrient intakes.

Regional Level

Intake levels by region are summarized as follows:-

Eastern Region consumes on average 108 percent of calorie intake requirements, 89 percent of protein intake requirements and 79 percent of fats requirements. The region leads in calorie intake and is second in protein intake.

Northern Region consumes 103, 79 and 82 percent of calorie, protein and fat intake requirements respectively. The region ranks second and third in calories and fats intake respectively.

Western Region has the lowest intake rates of calories but ranks first in protein and second in fats intake with consumption levels of 90, 92 and 105 percent of requirements respectively.

Central Region's consumption levels of calories, protein, and fats, averages 97, 87 and 111 percent of requirements respectively. The region leads in intake of fats.

Table 22: Average Daily per Capita Nutritional Intakes at Regional Levels

Nutrient Value	Eastern	Northern	Western	Central
Calories (cals)				
- Consumption	2,608	2,495	2,181	2,353
- Requirement	2,420	2.420	2,420	2,420
- Percent*	108	103	90	97
Proteins (g)				
- Consumption	51.37	45.66	52.80	49.95
- Requirement	57.6	57.6	57.6	57.6
- Percent*	89	79	92	87
Fats (g)				
- Consumption	15.95	16.57	21.26	22.51
- Requirement	20.3	20.3	20.3	20.3
- Percent*	79	82	105	111

Source: EPAU Food Security Framework 1995 (Regional Food Requirement), UNDP: Human Development Report, 1993, FAO : Hand book on Human Nutritional Requirement, 1974

Note: * Percent worked out by dividing consumption by requirement.

In terms of calories, Eastern, Northern, Western and Central regions have daily per capita intake of 2608, 2495, 2353 and 2178 calories respectively, which are 108, 103, 90 and 97 percent respectively of the calorie requirements of 2419 calories in Sub-Saharan African countries. This shows that Eastern is above the Sub-Saharan African level, whereas Northern and Central have calorie intakes of just about the same level as in Sub-Saharan African countries. Western region, however, is below the Sub-Saharan African level. Compared to the WHO "critical" minimum of 2,200 calories, intake levels in Eastern, Northern and Central are above, while Western is just about equal to the critical level.

In the case of proteins, the per capita daily intake levels in Eastern, Northern, Western and Central of 51.37 g, 45.66 g, 52.80 g and 49.95 g respectively are 89, 79, 92 and 87 percent of the FAO minimum level of 57.6 g. The most seriously affected is the Northern region.

The per capita daily fats intake levels in Eastern, Northern, Western and Central regions are 15.95 g, 16.57 g, 21.26 g and 22.51 g respectively. These are 79, 82, 105 and 111 percent of the FAO minimum of 20.3 g. This shows that intake levels in Western and Central regions are above the FAO minimum level, while in the case of Eastern and Northern regions fats intake are below:

Table 23: Percentage of Nutritional Requirements Consumed at District level

District	Calories	Proteins	Fats
Jinja	107	104	82
Iganga	114	99	85
Kamuli	105	86	68
Tororo	110	104	56
Mbale	112	116	72
Kapchorwa	114	91	55
Kumi	96	48	85
Soroti	88	65	77
Moroto	85	57	68
Kotido	82	62	70
Apac	110	84	85
Lira	106	82	88
Kitgum	113	85	89
Gulu	111	83	88
Moyo	76	66	72
Arua	110	90	84
Nebbi	106	83	82
Masindi	101	92	96
Hoima	91	86	89
Kabarole	96	85	109
Bundibugyo	78	84	94
Kasese	104	93	106
Kabale	98	84	110
Rukungiri	64	82	101
Bushenyi	83	102	110
Mbarara	85	103	116
Rakai	92	97	96
Masaka	94	100	109
Mpigi	102	96	101
Mukono	99	89	116
Luwero	88	82	99
Mubende	99	68	97
Kampala	104	68	107

Source: EPAU Food Security Framework 1995 (District Food Requirements).

District Level

At the district level, nutritional intake analysis shows that intake levels are highest for calories followed by protein and lastly fats. Analysis shows that:-

The districts consuming over 100 percent of the Sub Saharan calorie requirements are Jinja, Iganga, Kamuli, Tororo, Mbale, Kapchorwa (Eastern), Kitgum, Gulu, Arua, Nebbi (Northern), Masindi, Kasese (Western) and Mpigi (Central). Compared to the WHO "critical" level of 2,200 calories, upto 22 districts, including 7 in Eastern region, 6 in Northern region, 2 in Western region and 4 in Central Region have per capita calorie intakes above 2,200 calories. The most seriously affected districts which even have the calorie intake below the WHO "critical" minimum level of 2,200 calories include Soroti (Eastern), Moroto, Kotido, Moyo (Northern), Hoima, Bundibugyo, Rukungiri, Bushenyi, Mbarara (Western) and Rakai and Luwero (Central).

The leading districts in terms of protein intakes are Mbarara, Bushenyi (Western), Masaka, Mpigi (Central), Mbale, Jinja, Tororo and Iganga (Eastern). However, it is only Mbarara, Bushenyi (Western), Masaka (Central) and Jinja, Tororo and Mbale (Eastern) which have per capita daily protein intake exceeding the FAO minimum of 57.6 g. The rest of the districts have intakes below the minimum level. The most seriously affected districts are Kumi (Eastern), Moroto, Kotido, and Moyo (Northern) and Mubende (Central).

The districts with daily per capita fats intake of at least FAO minimum level of 20.3 g include: Kabarole, Kasese, Kabale, Rukungiri, Bushenyi and Mbarara (Western), Masaka, Mpigi and Mukono (Central). The remaining 25 districts studied have intake levels below the FAO minimum standard. The most seriously affected districts include Kamuli, Tororo, Mbale, Kapchorwa (Eastern), Moroto, Kotido and Moyo (Northern).

(iii) Ratio of Human Food Consumption to Requirement

The following Table gives national and regional percentage of total food requirement consumed. This is based on the real consumption levels as a percentage of what is required for optimal dietary intake. The percentage consumption levels for each food group is obtained by summing up the quantitative food items within that group (e.g. beans, field peas, pipeon peas, cow peas) for both human demand and requirement. The total quantitative value of the food consumed is then divided by the theoretical food required for optimal dietary intake.

275

Table 24: Human Consumption (Real) as a Percentage of Human Requirement (Theoretical)

Food Group	Central	Eastern	Northern	Western	Uganda
Pulses	68	72	86	84	75
Cereals	68	79	83	85	82
Root Crops	73	90	84	94	86
Oil Crops	52	54	52	74	68
Milk	75	79	74	85	80
Meat	52	52	48	74	66

Source: EPAU Food Security Framework 1995 (Regional Food Requirements)

From the above therefore, it can be observed that the total food consumed is between 50 to 90 percent of the total food required for optimal intake based on the nature of human activities and consumption patterns in the various regions. It is also clear from the above analysis that in general cereals and root crops are consumed to a greater extent in relation to oil seeds, pulses and livestock products.

In particular, it can be observed that:-

- 75 percent of the pulses required for optimal intake is consumed at the national level. The corresponding intake levels for cereals, root crops, oil crops, milk and meat are 82, 86, 68, 80 and 66 percent of total national requirement respectively.

- At the regional level, 72 percent of pulses requirements is consumed in Eastern region. The corresponding levels in Northern, Western and Central regions are respectively 86, 84, and 68 percent.

- Close to 90 and 54 percent of root and oil crop requirements respectively are consumed in the Eastern region. In the case of the Northern region, 84 and 52 percent are consumed respectively. In the case of the Western region the corresponding levels are 94 and 74 percent of total requirements respectively. 73 and 52 percent of roots and oil crops respectively are required for adequate dietary intake in the Central region.

- The levels of livestock products intake in Western and Central regions, are 80 and 64 percent respectively. The corresponding levels in Eastern and Northern regions are 60 and 56 percent respectively.

Table 25:

NATIONAL HUMAN QUANTITATIVE AND QUALITATIVE CONSUMPTION 1992-94

YEAR	POPULATION TOTAL	COMMODITY	HUMAN CONSUMPTION (REAL AND THEORETICAL)									
			HUMAN CONSUMPTION (REAL)					HUMAN REQUIREMENTS (THEORETICAL)				
			QUANTY (ton)	ENER (kcal)	PROTEIN (kg)	FATS (kg)	CHO (kg)	QUANTY (ton)	ENER (kcal)	PROTEIN (kg)	FATS (kg)	CHO (kg)
1992	17,521,000	BEANS	341,660	1,124,058,755	81,998,280	3,416,595	191,328,320	446,788	1,505,667,135	107,228,520	4,467,855	250,199,880
		F PEAS	8,761	29,522,885	2,190,125	87,605	4,990,485	10,513	34,481,328	2,628,150	105,128	5,992,182
		P PEAS	7,008	22,967,552	1,401,680	140,166	4,064,672	38,548	131,057,080	7,708,240	770,924	22,356,796
		C.PEAS	17,521	58,571,400	3,854,620	262,815	10,512,600	29,788	105,441,578	8,552,854	448,788	17,871,420
		MAIZE	394,223	1,395,547,650	31,537,800	5,913,336	309,551,325	420,504	1,396,073,280	33,640,320	8,307,560	323,788,080
		F MILLET	285,392	948,168,436	15,707,577	2,264,738	217,050,148	438,025	1,548,228,250	24,091,375	3,504,200	332,899,000
		SORGHUM	154,185	544,272,344	15,418,480	3,854,620	112,554,904	280,336	988,782,720	28,033,600	7,008,400	204,645,280
		RICE	35,042	123,347,840	2,452,940	175,210	28,033,600	49,058	171,705,800	3,434,116	245,294	39,247,040
		WHEAT	7,008	24,528,400	700,840	70,064	5,256,300	11,389	17,424,635	1,138,865	113,887	8,541,488
		CASSAVA	2,190,125	3,350,891,250	15,330,875	4,380,250	810,346,250	2,385,335	2,698,481,900	16,557,345	4,730,670	875,173,950
		S POTATO	1,401,680	1,387,915,200	21,025,200	4,205,040	384,436,800	1,366,638	1,024,978,500	20,499,570	4,099,914	353,325,900
		I.POTATO	159,937	118,852,675	3,118,738	0	26,509,273	178,714	1,034,755,218	3,574,284	0	30,381,414
		GNUTS	85,853	497,086,291	23,180,283	38,833,905	14,594,993	101,622	801,601,058	27,437,888	45,729,810	17,275,706
		SIMSIM	22,777	154,841,618	4,555,400	11,388,650	3,844,368	42,050	181,473,538	8,410,080	21,025,200	8,728,064
		SOYABEAN	10,513	40,368,384	3,679,410	1,892,268	2,102,520	40,298	51,581,824	14,104,405	7,253,494	8,059,660
		BANANA	3,626,847	4,842,364,180	36,268,470	7,253,694	1,124,322,570	4,590,502	2,937,921,280	45,905,020	9,181,004	1,423,055,620
		MILK	390,746	250,090,536	12,504,527	14,458,358	18,366,024	429,843	668,283,081	13,754,980	15,904,195	20,202,626
		BEEF	104,232	210,548,063	18,804,110	14,592,502	0	119,867	173,807,127	22,774,727	16,781,378	0
		GOAT MEAT	15,830	20,052,878	2,212,731	1,244,881	0	14,521	0	2,323,368	1,308,894	0
		MUTTON	0	0	0	0	0					
		PORK	9,637	35,751,801	1,349,117	3,372,793	0	15,733	31,465,881	2,202,612	5,506,529	0
		CHICKEN	29,498	58,997,780	5,899,778	3,718,860	0	32,449	36,687,120	6,489,754	4,068,548	0
		FISH	159,073	179,752,680	27,042,438	7,853,658	0	182,934	289,035,914	31,098,801	8,146,708	0
		EGGS	144,727	228,669,331	18,814,541	16,843,632	0	173,673	274,402,837	22,577,449	19,972,358	0
			0	0	0	0	0					
1993	18,002,000	BEANS	351,039	1,154,916,310	84,249,360	3,510,390	196,581,840	459,051	1,547,001,870	110,172,240	4,590,510	257,068,560
		F PEAS	9,001	30,333,370	2,250,250	90,010	5,130,570	10,801	35,427,936	2,700,300	108,012	6,156,684
		P PEAS	7,201	23,618,624	1,440,180	144,018	4,176,464	39,604	134,654,960	7,920,680	792,088	22,970,552
		C PEAS	18,002	61,208,800	3,960,440	270,030	10,801,200	30,603	108,336,036	8,732,748	459,051	18,342,040
		MAIZE	405,045	1,433,859,300	32,403,600	6,075,675	311,884,650	432,048	1,434,399,360	34,563,840	6,450,720	332,676,360
		F MILLET	293,433	974,194,232	16,138,793	2,347,461	223,000,778	450,050	1,588,676,500	24,752,750	3,600,400	342,038,300
		SORGHUM	158,418	559,214,128	15,841,780	3,960,440	115,644,848	288,032	1,013,872,640	28,803,200	7,200,800	210,263,360
		RICE	36,004	126,734,080	2,520,280	180,020	28,803,200	50,406	176,419,600	3,528,392	252,028	40,324,480
		WHEAT	7,201	25,202,800	720,080	72,006	5,400,600	11,701	17,902,986	1,170,130	117,013	8,775,975
		CASSAVA	2,250,250	3,442,882,500	15,751,750	4,500,500	832,592,500	2,430,270	2,770,507,800	17,011,890	4,860,540	899,139,300
		S POTATO	1,440,160	1,641,782,400	21,602,400	4,320,480	374,441,600	1,404,156	1,053,117,000	21,062,340	4,212,468	365,080,560
		I POTATO	160,218	120,163,350	3,204,356	0	27,237,024	183,620	1,063,182,116	3,672,408	0	31,215,400
		GNUTS	88,210	510,734,742	23,818,846	39,694,410	14,995,668	104,412	818,110,672	28,191,132	46,985,220	17,749,972
		SIMSIM	23,403	138,543,392	4,680,520	11,701,300	3,744,416	43,205	185,906,432	8,640,960	21,602,400	6,912,768
		SOYABEAN	10,801	41,478,508	3,780,420	1,844,218	2,160,240	41,405	52,997,888	14,491,610	7,452,828	8,280,920
		BANANA	3,726,414	4,769,809,920	37,264,140	7,452,828	1,155,188,340	4,716,324	3,018,575,360	47,165,240	9,433,048	1,462,122,440
		MILK	401,494	256,956,215	12,847,811	14,855,281	18,870,222	441,643	892,119,858	14,132,592	18,340,809	20,757,244
		BEEF	107,094	216,329,118	20,347,788	14,993,107	0	123,156	178,576,614	23,399,956	17,242,073	0
		GOAT MEAT	14,209	20,603,385	2,273,477	1,278,831	0	14,920	0	2,387,151	1,342,772	0
		MUTTON	0	0	0	0	0					
		PORK	8,901	34,753,081	1,384,154	3,465,385	0	16,165	32,329,706	2,263,079	5,657,699	0
		CHICKEN	30,308	60,617,435	6,061,745	3,816,898	0	33,340	37,673,735	6,667,918	4,200,788	0
		FISH	165,440	184,887,364	27,784,825	8,172,007	0	187,954	298,870,751	31,952,549	8,397,809	0
		EGGS	148,700	234,918,630	18,331,052	17,100,548	0	178,440	0	23,197,262	20,520,855	0
			0	0	0	0	0					
1994	18,492,000	BEANS	360,594	1,186,354,260	86,542,560	3,605,940	201,932,640	471,546	1,589,110,020	113,171,040	4,715,460	264,065,760
		F PEAS	9,246	31,159,020	2,311,500	92,460	5,270,220	11,095	36,392,256	2,773,800	110,952	6,324,264
		P PEAS	7,397	24,261,504	1,479,360	147,936	4,290,144	40,682	138,320,160	8,136,480	813,648	23,595,792
		C PEAS	18,492	62,872,800	4,068,240	277,380	11,095,200	31,436	111,284,856	8,918,008	471,546	18,861,840
		MAIZE	416,070	1,472,887,800	33,285,600	6,241,050	320,373,900	443,908	1,473,442,560	35,504,640	6,657,120	341,732,160
		F MILLET	301,420	1,000,713,072	18,578,078	2,411,357	229,078,836	462,300	1,631,819,000	25,426,500	3,698,400	351,348,000
		SORGHUM	162,730	574,435,458	16,272,960	4,068,240	118,792,608	295,872	1,041,469,440	29,587,200	7,396,800	215,986,560
		RICE	36,984	130,183,680	2,588,880	184,920	29,587,200	51,778	181,221,600	3,624,432	258,888	41,422,080
		WHEAT	7,397	25,888,800	739,680	73,968	5,547,600	12,020	18,390,294	1,201,980	120,198	9,014,850
		CASSAVA	2,311,500	3,536,595,000	16,180,500	4,623,000	855,255,000	2,496,420	2,845,918,800	17,474,940	4,992,840	923,675,400
		S POTATO	1,479,360	1,686,470,400	22,190,400	4,438,080	384,633,600	1,442,376	1,081,782,000	21,635,640	4,327,128	375,017,760
		I.POTATO	164,578	123,434,100	3,291,576	0	27,978,396	188,618	1,092,100,538	3,772,368	0	32,065,128
		GNUTS	90,611	524,636,532	24,464,916	40,774,860	15,403,836	107,254	834,941,312	28,958,472	48,264,120	18,233,112
		SIMSIM	24,040	142,314,432	4,807,920	12,019,800	3,846,336	44,381	170,422,272	8,876,160	22,190,400	7,100,929
		SOYABEAN	11,085	42,605,568	3,883,320	1,997,136	2,219,040	42,532	54,440,448	14,886,060	7,655,688	8,506,320
		BANANA	3,827,844	4,899,640,320	38,278,440	7,655,688	1,185,631,640	4,544,904	3,100,738,560	48,449,040	9,689,808	1,501,920,240
		MILK	412,422	263,950,357	13,197,518	15,259,630	19,383,854	453,685	916,402,645	14,517,270	16,785,593	21,322,240
		BEEF	110,009	222,217,421	20,901,639	15,401,207	0	126,510	183,439,381	24,036,884	17,711,388	0
		GOAT MEAT	14,596	21,184,192	2,335,358	1,313,640	0	15,326	0	2,452,127	1,379,322	0
		MUTTON	0	0	0	0	0					
		PORK	10,171	37,732,926	1,423,884	3,559,710	0	16,605	33,209,595	2,324,679	5,811,497	0
		CHICKEN	31,134	62,267,391	6,226,738	3,922,846	0	34,247	38,899,183	6,849,413	4,315,130	0
		FISH	167,883	189,714,410	28,541,106	8,394,443	0	193,072	305,054,057	32,822,272	9,653,609	0
		EGGS	152,748	241,341,899	19,857,228	17,568,009	0	183,297	0	23,828,673	21,079,211	0

Source: EPAU Food Status Framework, 1995

277

b) Food Supply

Analysis of food supply and demand shows that on average, Uganda has surplus in peas, maize, finger millet, sorghum, cassava, potatoes, banana, fish and goat meat and mutton. The commodities in deficits are beans and livestock products (particularly beef and poultry products). On-farm production accounts for over 90 percent of total supply. Stocks hardly form 5 percent of the total food supply and imports are only significant for beans, rice, wheat and irish potato.

(i) Food Production

In terms of productivity, yields attained at farm level vary between 17 and 50 percent of what is achievable at research stations. The low levels of productivity is mainly due to lack of improved seeds and associated crop husbandry practices. Furthermore, crop losses are high, ranging from about 6 percent (in the case of finger millet) to about 30 percent (in the case of beans, maize and cassava).

Despite the above problems, per capita analysis shows that Uganda has sufficiently high levels of food availability. Table below shows that the per capita food consumption is generally between 50 and 76 percent of the national per capita food availability levels. The commodities whose consumption levels exceed 100 percent of the food availability are milk and beef.

Table 26: National per Capita Food Availability and Food Consumption for Selected Commodities

Commodity	Per Capita Availability (Kg/head/year) (a)	Per Capita Consumption (kg/head/year) (b)	(b) as % of (a)
Beans	32	20	63
Maize	45	23	51
Finger millet	39	15	38
Cassava	218	131	60
S.Potato	128	81	63
G.Nuts	10	5	50
Banana	286	217	76
Milk (lts)	20	25	125
Beef	5	6	120

Source: EPAU Food Security Framework 1995 (Food Supply and Food Consumption)

It can, therefore, be concluded that even at the present low levels of input usage, and technology and the reliance on rainfed agriculture, Uganda has a fairly adequate level of food supply. There are surpluses in virtually all food commodities, with the exception of beans, rice, wheat, beef and poultry products. The problem of food security at the national level is not a question of food availability per se. Even if consumption levels increase as a result of increase in population and income, food available can still exceed food consumed. Yet, in spite of the positive food situation, some households are still faced with a real threat of food insecurity every now and again. The issue of food security is therefore, beyond the norms of food supply. Food accessibility, distribution, storage, income levels are just a few other aspects which could negate any positive gains accruing from adequacy in food supply.

(ii) Food Imports

According to official statistics, Uganda has been a net importer of rice and wheat. In addition to these commodities, the country has in the past imported beans, maize, irish potato and cow peas.

Table 27: Uganda Food Imports: 1990-94
(mt)

Commodity	1990	1991	1992	1993	1994	Average (1990-94)
Beans	31,417	0	0	1,932	9,605	8,591
C. Peas	0	0	0	3,459	16,165	3,925
Maize	52,325	0	8,696	11,434	19,733	18,438
Rice	0	1,034	868	2,134	7,294	2,266
Wheat	2,664	17,385	9,912	8,970	10,423	9,871
Cassava	0	0	5,850	118	0	1,194
I. Potato	84	15	240	148	1,914	480

Source: URA and MTI

Between 1990 and 1994 Uganda imported on average, 8,600 mt of beans, 18,500 mt of maize, 3,900 mt of cow peas, 2,300 mt of rice, 10,000 mt of wheat, 1,200 mt of cassava and 500 mt of irish potato. The major items imported are therefore, pulses, cereals and root crops. Beans and maize are imported by World Food Program and other relief agencies. As for rice and wheat, these are imported to supplement the domestic food demand for human consumption as well as industrial use. Although figures are not readily available, significant imports noticeably occur for edible oils and milk powder.

c) Food Relief

The need for food relief has been necessitated by many factors including civil strife, cattle rustling and war all leading to the displacement of the local population; political turmoil in neighboring countries resulting in influx of refugees; bad weather and absence of means of production. In all these cases, the affected population could not produce to meet its food requirements. Some of these occurrences have been transitional while others have persisted over the years.

The Problem of Refugees

In Uganda the following are the categories of the population which regularly require food relief:-

- Refugees: Presently comprising mainly Sudanese refugees in Arua, Moyo and Masindi districts.

- War-torn Areas: Following rebel activities and cattle rustling. Parts of the following districts require food aid, at least over the next one to two years - Moroto, Kotido, Soroti, Kumi, Pallisa, Lira, Kitgum, and Gulu.

- Dry areas: Due to low rain and poor soil the districts of Moroto, Kotido, Moyo and Luwero may require food aid time and again.

Trends in Food Relief

According to information from MRSA and WFP, food relief has mainly been distributed in the districts of Moroto, Kotido, Kumi, Soroti, Kabarole, Kabale, Masaka, Rakai and Luwero. During periods of drought the need for food aid increases as a number of districts are not able to meet their own food needs. On average about 19,000 mt of maize grains and less than 2,000 mt of beans are distributed as food aid in normal years (i.e. when rainfall is fairly adequate). On the other hand, close to 25,000 mt of maize grains and 3,500 mt of beans are distributed during bad years (i.e. when there is either drought or delayed rain).

As can be seen from the trends in food relief, Moroto, Kotido, Soroti, Kumi, Kabarole, Kabale and Luwero districts have been the main recipients of food relief in 1994. The districts with significant levels of refugees include Arua, Moyo and Masindi. According to estimates by WFP and MRSA, about close to 30,000 mt of maize and 6,000 mt of beans are required for refugees every year.

d) **Food Balance Status**

The overall Food Balance is total food supply minus total food demand. The Food Balance at national, regional and district levels shows that Uganda has a fairly positive food balance. The food supply and demand situation at national, regional and district levels show the following:

National Level

Analysis of overall food supply and demand shows that on average, Uganda has an overall positive food balance in most commodities (peas, maize, finger millet, sorghum, cassava, potatoes, bananas, fish, goat meat and mutton). The commodities in deficits are beans, milk, beef and poultry products. In terms of productivity, yields attained at farm level vary between 17 and 50 percent of what is achievable at research stations. The low level of productivity is mainly due to lack of improved seeds and associated crop husbandry practices. Furthermore, crop losses are high, ranging from about 6 percent (in the case of finger millet) to about 30 percent (in the case of beans, maize and cassava). On balance, Uganda has presently a fairly sufficient level of food supply.

Regional Level

Eastern region has clearly positive overall food balance. Most of the districts have surplus except for the districts of Soroti, Kumi, Pallisa and Tororo which have some deficits due to cattle rustling, low income poor transportation and distribution network. In a normal situation the region has per capita food supply exceeding the national average for all commodities, with the exception of bananas, milk and meat. In terms of inter-regional comparison, Eastern ranks first in supply of beans, maize, millet, cassava and sweet potato; and is second in groundnuts. However, the problem of cassava mosaic disease is a serious constraint to the increase of cassava production in the region. As a matter of fact, the supply level for cassava in the region between 1993 and 1994 as below the level in Northern region.

Northern region has a positive overall food balance. However, the districts of Moroto, Kotido and Moyo have chronic deficits and Nebbi with less pronounced deficit due to, among others, poor soils and climatic conditions, low income as well as the influx of refugees. In fact the region has per capita supply of maize, millet, cassava, and groundnuts exceeding the national average. The region ranks first in groundnuts; comes second in beans, maize, finger millet, cassava and sweet potato; and is third in milk. In the recent past, considerable efforts have been undertaken to supply cuttings of resistant varieties to cassava mosaic disease in the region and as a result, the region has from 1993 been the leading cassava supplier.

Western region shows an overall food surplus except Kibaale, Bundibugyo, Kabarole, and to a lesser extent Kasese and Bushenyi districts which experience difficulty in food accessibility primarily due to poor road network and distribution problems. The commodities in Western region whose per capita food supply exceeds the national average include sweet potato, bananas, milk and beef. In terms of inter-regional comparison, Western is first in bananas and milk, second in beef and third in beans, maize, finger millet, cassava and groundnuts.

Central region has overall negative food balance in terms of food self-sufficiency. However, because of better infrastructure, higher levels of urbanization and higher per capita household incomes compared to other regions, Central region is able to access food from other sources, including food importation from other regions as well as from outside the country. In Central region the commodities whose per capita supply exceeds the national average are meat, bananas and milk. These are the commodities for which Central region ranks first and second. Otherwise for all other commodities the region ranks last.

Table 28: Ranking Based on Magnitude of Food Surplus

Commodity	Eastern	Northern	Western	Central
Beans	2	1	4	3
Peas	2	1	3	4
Maize	1	2	3	4
Finger millet	1	2	3	4
Cassava	2	1	3	4
Sweet Potato	1	2	4	3
Groundnuts	2	1	3	4
Banana	3	4	1	2
Milk	3	2	1	4
Beef	4	3	2	1
Overall	2	1	3	4

Source: EPAU Food Security Framework 1995 (Regional Food Balance).

Note: 1 = the best/leading and 4 = the worst/last.

District Level

Chronic Food Deficit Districts

Nearly half a dozen districts are faced with what can be termed as chronic food deficits in most food items which are also regarded as food security commodities by the local population. Food balance between 1981 and 1994 shows that Moroto, Kotido, Moyo, Bundibugyo and Luwero have had continuous deficits in at least 20 out of the 24 commodities studied. Moreover, the deficits are in food stuffs which are the main staples

282

in these districts such as cassava, sorghum, finger millet and beans. These districts are thus faced with severe food shortages and can be said to be suffering from chronic food insecurity.

These include Moroto, Kotido, Moyo, Bundibugyo and Luwero. The commodities in deficit are given in Table below.

Table 29: Chronic Food Deficit Districts

District	Commodities in Deficit
Moroto	Beans, peas, finger millet, rice, cassava, potato, oil crops.
Kotido	Beans, peas, rice, cassava, potato, soyabean.
Moyo	Beans, peas, maize, finger millet, rice, potato, oil crops, livestock products.
Bundibugyo	Peas, maize, finger millet, sorghum, potato, oil crops.
Luwero	Beans, peas, maize, finger millet, rice, cassava, potato, oil crops.

Source: EPAU Food Security Framework 1995 (District Food Balance)

As can be seen from the above, most of the chronic deficit districts lack beans and maize, as well as major food groups such as oil crops (groundnuts, simsim, soyabean), root crops (cassava, sweet potato, irish potato), cereals (maize, finger millet, sorghum, rice wheat) and livestock products (milk, meat). In addition the extent of the magnitude for most of the above districts are in excess of 10,000 mt of beans 15,000 mt of maize and 30,000 mt of cassava per annum.

The main causes for the chronic food deficits revolve around insecurity and civil strife and include, among others, low productivity, low income levels, poor storage, poor road network constraining food distribution, etc... The ability of the population to feed itself in such a circumstance is severely constrained. The districts with chronic food deficits include Moroto, Kotido, Moyo (Northern region), Bundibugyo (Western region) and Luwero (Central region).

In the case of districts with chronic food deficits, the immediate solutions would therefore include better food distribution, food aid and relief. While increasing production, raising income as well as better provision of both social and economic infrastructure should be considered as longer term reform measures.

Transitory Food Deficit Districts

The districts of Soroti, Kumi, Tororo (Eastern region), Nebbi (Northern region), Kabarole, Kasese, Bushenyi (Western region), Masaka, Mpigi and Mubende (Central region) have had deficits in about half of the commodities studied. In a number of cases these deficits have either been small or not continuous. These districts are said to be suffering from transitory food insecurity. The districts in the northern parts of the country have deficits in livestock products. In the case of districts in the central part, food commodities in deficit include beans, maize and other cereals, groundnuts and oil crops. In the eastern part the main commodities in deficit are livestock products. The western parts of the country are deficient in beans and root crops.

In most of these cases, the main issues involved mostly include food distribution, low income, availability and provision of economic and social infrastructure.

Table 30: Transitory Food Deficit Districts

District	Major Food Items
Tororo	Oil Crops, Livestock Products
Kumi, Soroti	Beans, Cassava, Livestock products
Nebbi	Beans, Livestock products
Kabarole, Kasese, Bushenyi	Beans, Finger millet, Cassava, Oil crops, Potatoes
Masaka, Mpigi, Mubende	Beans, Maize, Finger Millet, Cassava, Oil crops

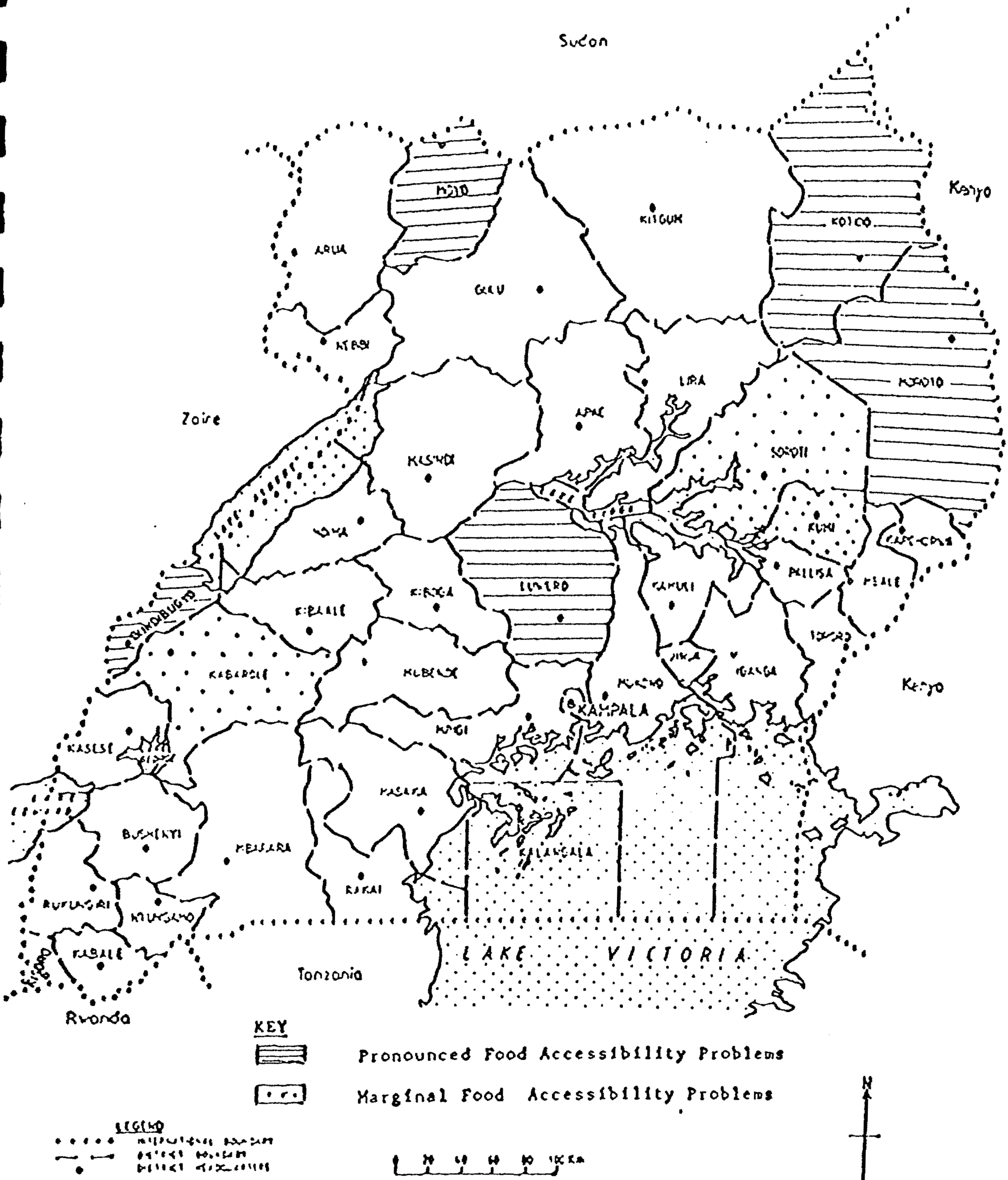
Source: EPAU Food Security Framework 1995 (Food Balance).

Food Surplus Districts

The food surplus districts include Kapchorwa, Mbale, Iganga, Kamuli (Eastern region), Kitgum, Arua, Lira, Gulu, Apac (Northern region), Masindi, Hoima, Mbarara, Rukungiri, Ntungamo, Kabale (Western region), and Kiboga (Central Region).

In food surplus districts, food accessibility for the poor is basically an income problem. Whereas at the district level surplus of food should be channelled through appropriate distribution networks.

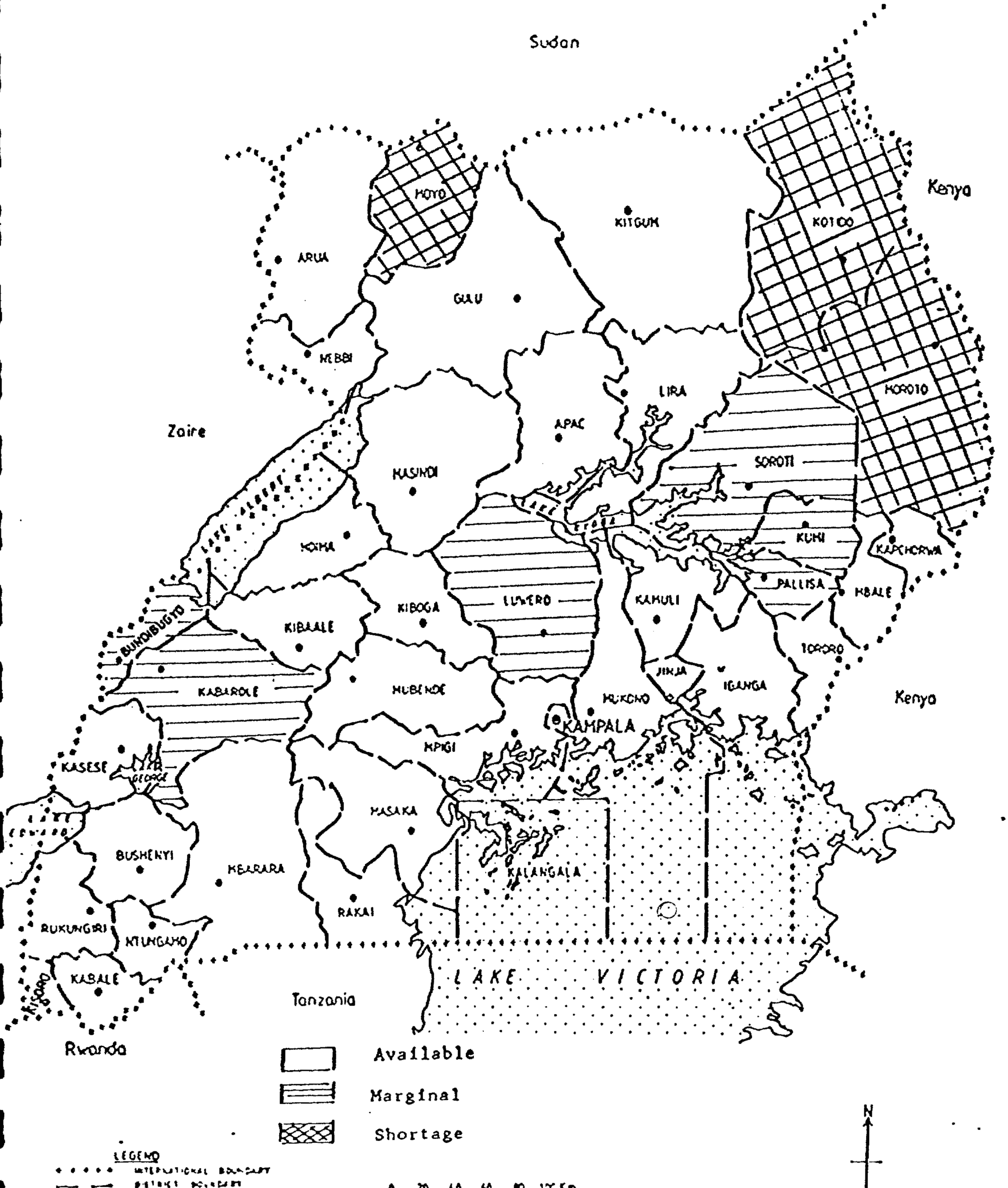
Map 1 FOOD ACCESSIBILITY AT DISTRICT LEVEL



Footnote: Food Accessibility refers to the ability of the h/holds in a district to obtain food through self provision or have enough purchasing power to procure food

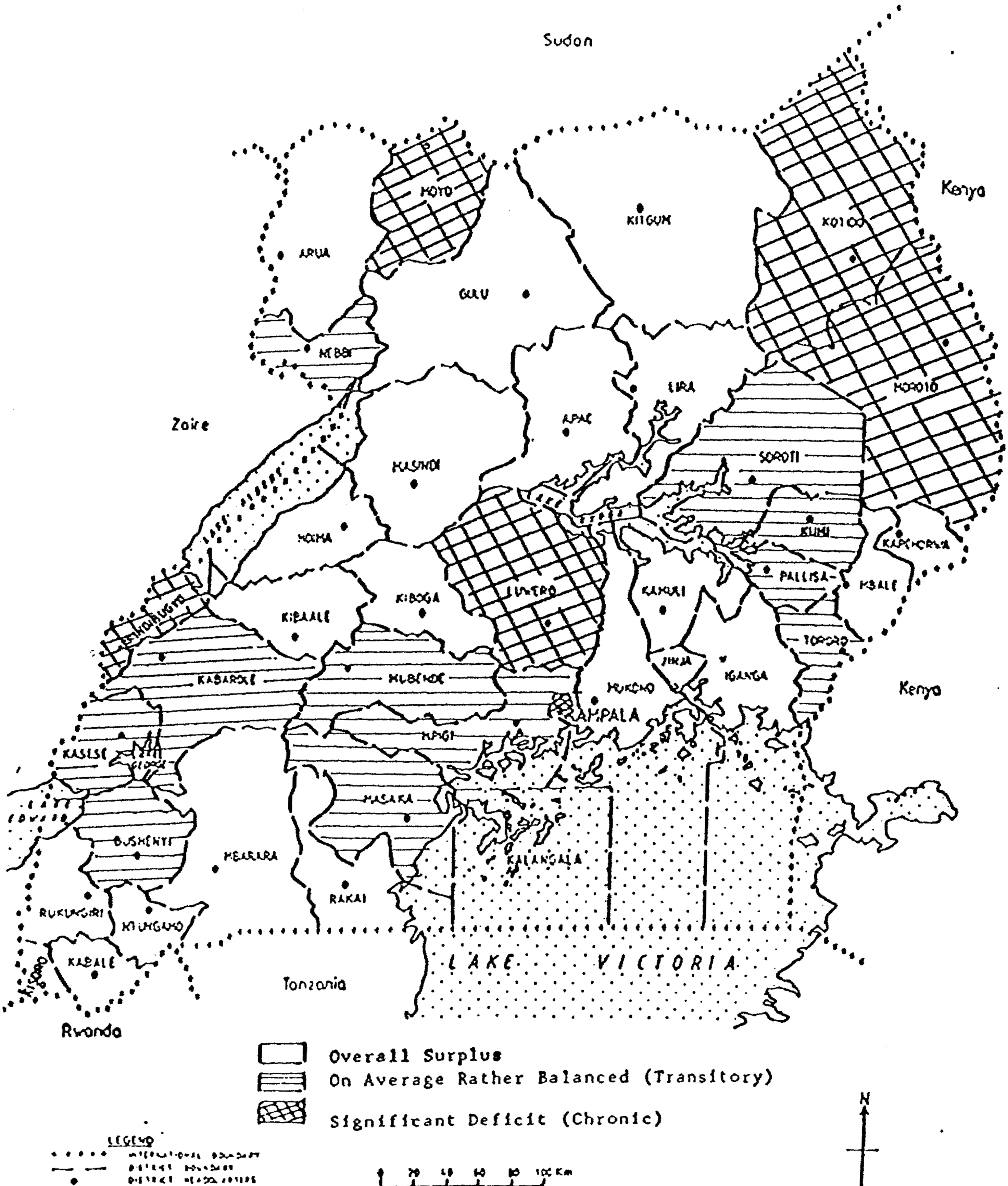
285

Map 2 FOOD AVAILABILITY STATUS BY DISTRICT



Foot Note: Food Availability is the ability of a district to produce and procure food from elsewhere, facilitated by supportive infrastructure such as storage, road network, marketing and distribution system.

Map 3 FOOD SELF-SUFFICIENCY STATUS BY DISTRICT



Foot Note: Food self-sufficiency in this analysis is the ability to produce enough food by a district to meet its requirements for human consumption and seeds.

287

e) Overall Food Balance Situation

Uganda has surpluses in almost all crops (except for beans and livestock products). Even then, the severity of the shortage is generally low (under 25,000 mt) and is transitional in nature. Besides, surpluses in other food substitutes can supplement the related food shortage.

Table 31: Average National Food Balance per Annum (Based on 1990-94 Period) (thousand mt)

Food Item	Status*	Average	Range
Beans	D	(10)	(5)-(20)
F.Peas	S	5	5 - 10
P. Peas	S	23	20 - 35
C. Peas	S	20	15 - 30
Maize	S	125	50 - 200
Finger millet	S	350	200 - 450
Sorghum	S	150	100 - 220
Rice	S	5	(5)- 10
Wheat	S	(0)	(10)- 10
Cassava	S	550	400 - 900
S. Potato	S	330	250 - 450
I. Potato	S	75	60 - 150
G. Nuts	S	20	10 - 35
Simsim	S	18	10 - 25
Soyabean	S	30	25 - 60
Matoke	S	4,250	2,800 - 5,000
Milk (million lts)	D	(80)	(150) - (50)
Beef	D	(30)	(40)- (25)
Goat Meat/Mutton	S	10	5 - 20
Pork	S	1	(2)- 3
Poultry	D	(10)	(20)- (10)
Fish	S	30	15 - 35
Eggs	D	(150)	(180)-(100)

Source: EPAU Food Security Framework 1995 (National Food Balance).

* D = Deficit S = Surplus

Parenthesis implies negative values

288

It can be observed that:-

- Uganda has large surpluses for cereal (maize, finger millet, sorghum) and root crops (cassava and sweet potatoes). In the case of these food items the surpluses are in the range of 100,000 mt to 900,000 mt per annum.

- Uganda is reasonably secure from oil crops (groundnuts, simsim, soyabean), with a surplus in the range of about 10,000 mt to 50,000 mt per annum.

- There are large deficits for livestock products, most notably milk, beef, poultry and eggs. The deficits are in the range of 10,000 mt to 180,000 mt. In the case of milk there deficit level is between 100 and 200 million liters per annum.

- There is a general deficit in beans (of about 5,000 mt to 20,000 mt per annum) but surpluses in other pulses, including field peas, pigeon peas and cow peas. Overall, there is a surplus in pulses of about 20,000 mt to 35,000 mt per annum.

From the above, it can be concluded that Uganda is generally a food surplus country with high export potentials. The key food items that can be exported include peas, cereals and root crops. For instance, between 1990 and 1994, Uganda exported on average 14,000 mt of beans per annum and at the same time imported about 9,000 mt per annum. In particular in 1990, Uganda exported 27,000 mt of beans and imported about 32,000 mt. Similarly, although Uganda has huge maize surplus, the country continues to import close to 18,500 mt of maize per annum.

Table 32 UGANDA FOOD BALANCE SHEET: 1994

POPULATION 18,492,000

COMMODITY	COMMODITY SUPPLY (Metric Tonnes)						TOTAL	DOMESTIC UTILISATION (Metric Tonnes)					PER CAPITA CONSUMPTION					CONVERSION FACTORS		
	OUTPUT	LOSSES	STOCKS	IMPORTS	SUPPLY	EXPORTS		SEED REQMT	ANIMAL FEED	INDUSTRY USE	WASTES & OTHER	FOOD	kgs per annum	grms per day	calories per day	proteins per day	fats per day	Calories	Protein	Fats
PULSES																				
BEANS	378,000	52,920	82,892	13,605	401,377	26,955	374,422	31,570			750	342,102	18.50	50.68	166.75	12.16	0.51	3.29	0.24	0.01
F PEAS	17,000	850			16,150		16,150	980			5,924	9,246	0.50	1.37	4.62	0.34	0.01	3.37	0.25	0.01
P PEAS	55,000	9,350			45,650		45,650	2,010			36,243	7,397	0.40	1.10	3.59	0.22	0.02	3.28	0.2	0.02
C PEAS	45,000	4,500		16,165	56,665		56,665	1,060			37,113	18,492	1.00	2.74	9.32	0.60	0.04	3.4	0.22	0.015
CEREALS																				
MAIZE	900,000	171,000	27,336	19,733	776,069	87,285	688,785	14,075	28,653	25,763	204,224	416,070	22.50	61.64	218.22	4.93	0.92	3.54	0.08	0.015
F MILLET	610,000	36,600	61,000		634,400	286	634,114	3,296			329,398	301,420	16.30	44.66	148.26	2.46	0.36	3.32	0.055	0.008
SORGHUM	390,000	39,000	14,363		365,363	3,904	361,459	2,600			196,129	162,730	8.80	24.11	85.11	2.41	0.60	3.53	0.1	0.025
RICE	77,000	15,400		7,294	66,894	90	68,803	5,500		46	26,274	36,984	2.00	5.48	19.29	0.38	0.03	3.52	0.07	0.005
WHEAT	9,000	720		10,423	16,703	761	17,942	550			9,995	7,397	0.40	1.10	3.84	0.11	0.01	3.5	0.1	0.01
ROOT CROPS																				
CASSAVA	2,080,000	312,000	552,375		2,320,375	0	2,320,375			105	8,880	2,311,500	125.00	342.47	523.97	2.40	0.68	1.53	0.007	0.002
S POTATO	2,129,000	255,480	48,950		1,922,470	14	1,922,456				443,096	1,479,360	80.00	219.18	249.86	3.29	0.66	1.14	0.015	0.003
I POTATO	366,000	36,800		1,914	333,114		333,114				168,535	164,579	8.90	24.38	18.29	0.49	0.00	0.75	0.02	0
OIL CROPS																				
GNUTS	142,000	11,360	2,754		133,394	360	133,034	19,600			22,624	90,811	4.90	13.42	77.73	3.62	6.04	5.79	0.27	0.45
SIMSIM	70,000	7,000			63,000	4,245	58,755	1,264			33,452	24,040	1.30	3.56	21.08	0.71	1.78	5.92	0.2	0.5
SOYABEAN	75,000	3,750			71,250	1,449	69,801	2,040		442	56,223	11,095	0.60	1.64	6.31	0.58	0.30	3.84	0.35	0.18
PLANTAIN																				
BANANA	9,000,000	810,000			8,190,000		8,190,000				4,362,156	3,827,844	207.00	567.12	725.92	5.67	1.13	1.28	0.01	0.002
LVSTK PRODS																				
MILK	343,392				343,392		343,392			19	4,918	338,454	18.30	50.14	32.09	1.60	1.86	0.84	0.032	0.037
BEEF	92,920				92,920		92,920				1,403	91,517	4.95	13.56	27.39	2.58	1.90	2.02	0.19	0.14
GOAT MEAT MUTTON	34,655				34,655		34,655				20,059	14,596	0.79	2.16	3.14	0.35	0.19	1.45	0.16	0.09
PORK	13,686				13,686		13,686				3,515	10,171	0.55	1.51	5.59	0.21	0.53	3.71	0.14	0.35
CHICKEN	15,785				15,785		15,785				0	15,785	0.85	2.34	4.68	0.47	0.29	2	0.2	0.126
FISH	213,200				213,200		213,200			971	44,340	167,889	9.08	24.87	28.11	4.23	1.24	1.13	0.17	0.05
EGGS	19,957				19,957		19,957				540	19,417	1.05	2.88	4.55	0.37	0.33	1.58	0.13	0.115
														TOTAL	2,387.70	50.18	19.45			

IV. FOOD EXPORTS, A RESPONSE TO THE CHALLENGE OF FOOD SECURITY AND POVERTY REDUCTION

The main findings of the World Bank Report of June 1995 "Uganda: The Challenge of Growth and Poverty Reduction" are:

- Poverty has not yet fallen in Uganda as expected

- The poor are predominantly rural

- The urban-rural gap has widened slightly

- Production of food crops has stagnated because of inefficient technology and the absence of a major boost in demand

- Emerging export demand for a number of food crops has led to a prompt supply response similarly benefiting the poor as well as the non-poor.

The last finding is of great importance for experience has shown that faced with a real or perceived food shortage, even on a temporary basis or in a limited area, the immediate common reaction is to blame export of food to cause food insecurity.

IV.1 FOOD BALANCE VERSUS FOOD INSECURITY

In reality, under normal circumstances, Uganda has a fairly sufficient level of food availability. In case of bad years, unlike in some chronic food deficit countries in Sub-Saharan Africa, the degree of severity is still low, as the deficit in some major staple foods can be supplemented by substitutes in large surplus. If there is any problem of accessibility to sufficient nutritious food for the population, it should not be due to export of food but rather to under utilization and mismanagement of resources.

a) Overview Food Balance 1987 - 1994

Uganda has been considered as self-sufficient in food production. Per capita food consumption (quantitative) can be considered as adequate. As for per capita nutrious value of food (qualitative) there is still a need for improvement.

(i) National Food Balance

The net supply-total demand balance [SS-TDD] and net supply - human consumption balance (SS-HC] based on supply and demand levels for selected food items are given in Table below.

Table 33: Average National Food Balance
(thousand mt)

Commodity	SS - TDD			SS - HC			Overall Status
	1981/ 87	1987 /94	1981 /94	1981/ 87	1987/ 94	1981/ 94	
Beans	(34)	(25)	(29)	(13)	13	2	D
Maize	(23)	70	33	1	154	90	S
F. Finger millet	296	332	330	299	335	333	S
Cassava	1,231	677	972	1,230	832	1,058	S
S. Potato	376	314	345	376	314	345	S
G. Nuts	19	35	27	32	53	43	S
Banana	2,668	3,566	3,161	2,668	3,566	3,161	S
Milk (mill lts)	(38)	(125)	(64)	(39)	(125)	(84)	D
Beef	5	(23)	(13)	5	(23)	(13)	D

Source: EPAU Food Security Framework 1995 (National Food and Demand)

Note: Parenthesis implies negative value

Beans: Overall, the balance in terms of SS-TDD was negative. Between 1981 and 1987, the annual deficit was about 34,000 mt. The deficit levels were lower during the 1987-94 period (about 25,000 mt net per annum). On average, the overall food balance shows a deficit of about 29,000 mt per annum. The human consumption balance in terms of SS-HC, was positive with an overall surplus of 2,000 mt per annum. Between 1981 and 1987 there was a deficit of 13,000 mt per annum.

Between 1987 and 1994, however, the situation was the reverse, giving a surplus of 13,000 mt per annum. Therefore, it can be observed that on average the beans balance status improved over the years. In particular, bean supply has increased over the years averaging 337,000 mt per annum between 1987-94. The increase in supply has generally been due to the recognition of the crop as an income earner and the increased demand both within the country and the neighboring countries.

Peas: Over the years, there was surplus which showed increasing trends. The surplus levels were 5,000 mt; 23,000 mt and 10,000 mt p.a. for field peas, pigeon peas and cow peas. The main reason for the increase in surplus was the increased demand and substitution of peas for beans.

292

Maize: Overall, there was surplus in maize both in the case of SS-TDD and SS-HC, with peak level of 204,000 mt as surplus realized in 1994. There was average deficit of 23,000 mt per annum between 1981-87. The situation, however, greatly improved with a surplus of 70,000 mt per annum between 1987-94. Overall there was a surplus of about 33,000 mt per annum. In the case of SS-HC the state of maize balance was even better, averaging at 90,000 mt per annum between 1981 and 1994. The main reason for the increase in levels of surplus over the years, was the recognition of the crop as a major income earner. Indeed in most parts of the country where cotton used to be the main cash crop, maize was considered as a replacement following the collapse of the cotton industry.

Finger millet: The trends show surpluses throughout the 14 year period averaging at about 330,000 mt per annum. Between 1981 and 1987, the surpluses averaged at 296,000 mt per annum. Between 1987 and 1994 the surpluses level was about 332,000 mt per annum. The main reason for the ever-increasing levels of surpluses is the fact that the crop is regarded as a main staple food crop and is used at the household level for local beer.

Sorghum: Like finger millet, there was surplus with peak level of over 250,000 mt realized in 1983. On average close to 180,000 mt were realized as surplus annually between 1981 and 1994. Sorghum is generally used as a complement to finger millet and cassava.

Other Cereals: There were net deficits for rice and wheat of about 10,000 mt and 1,000 mt per annum, respectively. Over the years, the balance positions improved with surpluses of about 26,000 mt of rice and nearly 10,000 mt of wheat in 1994.

Cassava: The period 1981 and 1994 show gradual increase in surplus. From 1985, however, surplus declined steadily. Between 1981-87 for instance, the surplus level was 1,231,000 mt per annum. This level, however, declined to about 677,000 mt per annum between 1987 and 1994. The overall surplus between 1981 and 1994 average at about 972,000 mt per annum. The main reason for decline in levels of surplus is the outbreak of the cassava mosaic which destroyed the crop and also affected productivity in most of the cassava growing area.

Potatoes: Trends show positive balance for both sweet potato and irish potato. On average 34,000 mt and 50,000 mt of sweet potato and irish potato respectively, were realized as surpluses annually. The main reason for the positive balance is the use of sweet potato as a substitute for cassava, following the outbreak of the cassava mosaic.

Groundnuts and Other Oil Crops: On average 25,000 mt, 30,000 mt and 20,000 mt were realized as surpluses for groundnuts, simsim and soyabean, respectively. Of the three oil crops, only soyabeans showed deficits between 1981 and 1987. The other two oil crops have had positive balances throughout the 14 year period. All these oil crops are regarded as income earners.

293

Banana: The level of surplus averaged at about 3,161,000 mt per annum reaching a peak of 4.2 million mt in 1994. Between 1981 and 1987 the level of surplus was about 2,668,000 mt per annum. This increased to 3,566,000 mt per annum between 1987 and 1994. The main reason for the increase was the adoption of improved husbandry practices, resulting in increase in yields.

Milk: Trends show increasing deficits reaching a maximum of about 140 million litres in 1994. Between 1981 and 1994, the average deficit was 84 million litres per annum. Between 1981 and 1987, the deficit level was much lower at 39 million litres. The highest levels of deficits were recorded between 1987 and 1994. During this period, the average deficit level was 125 million litres per annum.

Beef: There was surplus between 1981 and 1987. From 1987, however, there were deficits, increasing annually and reaching a high of 38,000 mt in 1994. On average, between 1981 and 1987, there was a surplus of 5,000 mt per annum. Between 1987 and 1994, however, there were deficits averaging at 23,000 mt per annum. Overall (i.e. between 1981 and 1994), there was a deficit of 13,000 mt per annum.

Other Meat: There was on average, 11,500 mt of goat meat realized as surplus annually. In the case of pork, however, there was an annual deficit of 4,000 mt per annum.

Thus in the case of meat, it can be observed that overall when beef, goat meat, mutton and pork are considered together, there was a deficit of about 5,500 mt per annum.

Poultry: There were deficits in chicken meat of about 18,000 mt per annum.

Fish: Uganda has surplus of about 17,000 mt annually between 1981 and 1994. The peak levels of 30,000 mt is annual surplus were realized between 1990 and 1994.

Table 34: NATIONAL QUANTITATIVE AND QUALITATIVE FOOD BALANCE 1992-94

YEAR	POPULATION TOTAL	COMMODITY	FOOD SURPLUS/DEFICITS									
			QUANTITATIVE (mtons)						HUMAN CONSM - HUMAN REQMT (QUALITATIVE)			
			SS - TDO	SS - HC	HC - HR	HR - HC (ton)	(SS - HC) + (HR - HC)	(SS - TDO) + (HR - HC)	ENERGY (kcal)	PROTEIN (kg)	FATS (kg)	CHO (kg)
1992	17,521,000	BEANS	(34,550)	6,938	(105,126)	105,126	112,064	70,577	(345,564,540)	(25,230,240)	(1,051,260)	(58,870,560)
		F.PEAS	4,580	5,490	(1,752)	1,752	7,242	6,332	(5,904,577)	(436,025)	(17,521)	(996,697)
		P.PEAS	33,462	35,322	(31,538)	31,538	66,859	64,999	(103,443,984)	(6,307,560)	(630,756)	(18,291,924)
		C.PEAS	18,399	19,379	(12,265)	12,265	31,644	30,664	(41,699,980)	(2,696,234)	(183,971)	(7,358,820)
		MAIZE	78,636	165,922	(26,282)	26,282	192,203	104,918	(90,036,510)	(2,102,520)	(394,223)	(20,236,755)
		F.MILLET	364,090	367,968	(152,433)	152,433	520,400	516,522	(506,076,564)	(8,363,799)	(1,219,462)	(115,848,852)
		SORGHUM	193,466	196,928	(126,151)	126,151	323,079	319,617	(445,313,736)	(12,615,120)	(3,153,780)	(92,090,376)
		RICE	15,073	20,226	(14,017)	14,017	34,243	29,090	(49,338,136)	(981,176)	(70,084)	(11,213,440)
		WHEAT	8,350	11,183	(4,380)	4,380	15,564	12,731	(15,330,875)	(438,025)	(43,803)	(3,265,166)
		CASSAVA	680,769	680,950	(175,210)	175,210	656,160	855,979	(268,071,300)	(1,226,470)	(350,420)	(64,827,700)
		S.POTATO	319,322	319,345	35,042	(35,042)	284,303	284,280	39,947,880	525,630	105,126	9,110,920
		I.POTATO	85,503	85,503	(22,777)	22,777	108,280	108,280	(17,082,975)	(455,546)	0	(3,872,141)
		GNUTS	33,495	51,979	(15,769)	15,769	67,748	49,264	(91,301,931)	(4,257,603)	(7,096,005)	(2,680,713)
		SIMSIM	28,016	42,023	(19,273)	19,273	61,296	47,289	(114,056,752)	(3,854,630)	(9,636,550)	(3,083,696)
		SOYABEAN	36,577	39,837	(29,786)	29,786	69,623	66,363	(114,377,088)	(10,424,995)	(5,361,426)	(5,957,140)
		BANANA	3,476,613	3,476,613	(963,655)	963,655	4,440,268	4,440,268	(1,230,478,400)	(9,636,550)	(1,927,310)	(296,730,050)
		MILK	(142,504)	(142,487)	(39,077)	39,077	(103,411)	(103,428)	(25,009,054)	(1,250,453)	(1,445,835)	(1,806,602)
		BEEF	(34,649)	(34,649)	(15,635)	15,635	(19,014)	(19,014)	(31,582,344)	(2,970,617)	(2,168,675)	0
		GOAT MEAT	6,504	6,504	(691)	691	7,196	7,196	(1,002,644)	(110,637)	(62,233)	0
		MUTTON							0	0	0	0
		PORK	(1,910)	(1,910)	(6 096)	6,096	4,187	4,187	(22,617,606)	(653,495)	(2,133,737)	0
		CHICKEN	(20 092)	(20,092)	(2,950)	2,950	(17,142)	(17,142)	(5,899,778)	(589,979)	(371,686)	0
		FISH	30 389	31,237	(23,661)	23,661	55,098	54,250	(26,962,899)	(4,056,365)	(1,193,049)	0
		EGGS	(135 980)	(135,983)	(28,945)	28,945	(107,038)	(107 038)	(45,733,506)	(3,762,908)	(3,326,726)	0
									0	0	0	0
1993	18,002 000	BEANS	(19,809)	21,811	(106,012)	106,012	129,823	88 203	(355,359,450)	(25,922,680)	(1,080,120)	(60,456,720)
		F.PEAS	5 254	6,199	(1,800)	1,800	7,999	7,054	(6,066,674)	(450,050)	(18,002)	(1,026,114)
		P.PEAS	34 869	36,789	(32,404)	32,404	69,193	67,273	(106 253,808)	(6,480,720)	(648,072)	(18,794,088)
		C.PEAS	23 137	24,157	(12 601)	12,601	36,758	35,738	(42 844,760)	(2,772,308)	(169,021)	(7 560 840)
		MAIZE	110 564	279,967	(27,003)	27 000	306 970	137,567	(95 590 620)	(2,160,240)	(405 045)	(20 792,310)
		F MILLET	340 135	343,367	(156,617)	156 617	499 985	496 753	(519 969,768)	(8,613 957)	(1,252 939)	(119,039 224)
		SORGHUM	196 017	200,345	(129 614)	129 614	329,959	325 631	(457,536 832)	(12 961,440)	(3,240 350)	(94 615,512)
		RICE	19 904	25 330	(14,402)	14,402	39,731	34,306	(50 693,532)	(1,008,112)	(72,008)	(11,521,280)
		WHEAT	9 283	10,049	(4 501)	4,501	14,549	13 783	(15,751,750)	(450,050)	(45,005)	(3 375,375)
		CASSAVA	779,356	780,018	(180,020)	180,020	960,008	959 876	(275,430 600)	(1,260,140)	(360,040)	(65 607,400)
		S POTATO	330 421	330 505	36 004	(36 004)	294,501	294 417	41,044,560	540,050	108,012	9,361,040
		I.POTATO	127,900	127,900	(23 403)	23,403	151,333	151 333	(17,551,950)	(468 052)	0	(3,978,442)
		GNUTS	36 039	55,196	(16,202)	16,202	71,398	52,241	(90,808,422)	(4,374 485)	(7,290,810)	(2,754,306)
		SIMSIM	34,713	44,097	(19,802)	19 802	63,900	54,516	(117,229,024)	(3 960,440)	(9,901,100)	(3,168,352)
		SOYABEAN	47,244	52,849	(30,603)	30,603	83,452	77,647	(117,517,056)	(10,711,190)	(5,508,612)	(6,120,680)
		BANANA	3,755 608	3,755 608	(990,110)	990 110	4,745,718	4,745,718	(1,267,340,800)	(9,901,100)	(1,980,220)	(306 904,100)
		MILK	(139,813)	(139,797)	(40,149)	40,149	(99,664)	(99,663)	(25,695,621)	(1,284,781)	(1,485,528)	(1,887,022)
		BEEF	(37,358)	(37,358)	(16,064)	16,064	(21,292)	(21,292)	(32,449,367)	(3,062,168)	(2,243,965)	0
		GOAT MEAT	17,296	17,296	(710)	710	18,006	18 006	(1,030,169)	(113,874)	(63,942)	0
		MUTTON							0	0	0	0
		PORK	2,540	2,540	(6,264)	6,264	8,804	8,804	(23,238,524)	(676,925)	(2,192,314)	0
		CHICKEN	(18,718)	(18,718)	(3,031)	3,031	(15,687)	(15,687)	(6,061,743)	(606,174)	(361,690)	0
		FISH	29 897	30,676	(24 516)	24,516	55,192	54,413	(27,703,105)	(4,167,724)	(1,225,801)	0
		EGGS	(139 552)	(139,552)	(29,740)	29,740	(109,812)	(109 812)	(46 989,326)	(3 666,210)	(3,420,109)	0
									0	0	0	0
1994	18,492 000	BEANS	(81 952)	(20 557)	(110 952)	110 952	90 395	29,000	(365 032,080)	(26 625,430)	(1,109,520)	(62,133 120)
		F PEAS	5 924	8 904	(1,849)	1,849	8,753	7,773	(6,231,804)	(462 300)	(18 492)	(1,064 044)
		P.PEAS	36,243	38,253	(33 286)	33,286	71,539	69 529	(109,176,768)	(6,657,120)	(665,712)	(19,305,648)
		C.PEAS	37,113	38,173	(12,944)	12,944	51,117	50,057	(44,010,960)	(2,647,768)	(194,185)	(7,766,640)
		MAIZE	204 224	359,299	(27,738)	27,738	387,737	231,962	(98,192,520)	(2,219 040)	(416,070)	(21 354,260)
		F MILLET	329 398	332 980	(180 580)	180 580	493,861	490,278	(534,122,925)	(8,848,422)	(1,287,043)	(122 259,104)
		SORGHUM	196,129	202,633	(133,142)	133,142	335,775	329,271	(469,992,672)	(13,314,240)	(3,328,560)	(97,190,952)
		RICE	26,274	31,910	(14,794)	14,794	46,703	41,067	(52,073,472)	(1,005,552)	(73,968)	(11,834,880)
		WHEAT	9,995	11,306	(4,823)	4,823	15,929	14,618	(16,180,500)	(462,300)	(46,230)	(3,467,250)
		CASSAVA	715,680	715,875	(184,920)	184,920	900,795	900,600	(282,927,600)	(1,294,440)	(369,840)	(68,420,400)
		S.POTATO	443,096	443,110	36,984	(36,984)	406,126	406,112	42,181,760	554,760	110,952	9,615,840
		I.POTATO	168,535	168,535	(24,040)	24,040	192,575	192,575	(18,029,700)	(480,792)	0	(4,066,732)
		GNUTS	22,624	42,783	(18,643)	18,643	59,426	39,266	(96,361,812)	(4,493,565)	(7,489,260)	(2,629,276)
		SIMSIM	33,452	38,960	(20,341)	20,341	59,302	53,793	(120,419,904)	(4,068,240)	(10,170,600)	(3,254,592)
		SOYABEAN	51,473	55,405	(31,436)	31,436	86,841	82,909	(120,715,776)	(11,002,740)	(5,658,552)	(6,297,280)
		BANANA	4,212,916	4,212,916	(1,017,060)	1,017,060	5,229,976	5,229 976	(1,301,836,800)	(10,170,600)	(2,034,120)	(315,255,600)
		MILK	(141,050)	(141,000)	(41,242)	41,242	(99,758)	(99,808)	(26,395,006)	(1,319,752)	(1,525,960)	(1,938,365)
		BEEF	(38,089)	(38,089)	(16 501)	16,501	(21,587)	(21,587)	(33,332,613)	(3,135,248)	(2,310,181)	0
		GOAT MEAT	20,059	20,059	(730)	730	20,789	20 789	(1,056,210)	(116,768)	(65 662)	0
		MUTTON							0	0	0	0
		PORK	3,515	3,515	(6,434)	6,434	9,950	9,950	(23 871,058)	(900,795)	(2,251,987)	0
		CHICKEN	(18,828)	(18,828)	(3,113)	3,113	(15,714)	(15,714)	(6,226,739)	(622,674)	(392 255)	0
		FISH	29,138	30,109	(25 183)	25 183	55,292	54 321	(29 457,162)	(4 251,185)	(1,259,185)	0
		EGGS	(142 791)	(142 791)	(30 550)	30 550	(112 241)	(112 241)	(48 258,338)	(3 971 446)	(3 513 202)	0

Source: EPAU Food Status Framework,1995

BEST AVAILABLE COPY

295

(ii) Regional Food Balance

The food balance status at regional level is given in Table below.

Table 35: Regional Food Balance 1981-87, 1987-94, 1981-94 (thousand mt)

	NET SUPPLY (SS) - TOTAL DEMAND (TDD)											
	1981-87				1987 - 94				1981 - 94			
	East	North	West	Central	East	North	West	Central	East	North	West	Centra l
Beans	(9)	9	(26)	(30)	7	29	(30)	(32)	1	20	(27)	(32)
Maize	21	43	5	(48)	92	92	26	(53)	62	56	18	(50)
Finger millet	144	131	22	(20)	193	186	24	(20)	169	165	23	(20)
Cassava	370	425	250	(119)	407	424	72	(249)	401	401	156	(195)
S.Potato	250	256	38	192	176	211	(80)	(7)	130	130	(28)	76
G.Nuts	11	29	(10)	(7)	16	46	(10)	(10)	38	38	(10)	(9)
Banana	275	96	1,570	1,353	428	119	1,593	1,924	119	119	1,547	1,679
Milk (mill lts)	28	3	16	(20)	(39)	(17)	22	(48)	(7)	(7)	19	(60)
Beef	6	(0.3)	(0.3)	4	(4)	(4)	(9)	11	(2)	(2)	(4)	8

Source: EPAU Food Security Framework 1995 (Regional Food Demand)

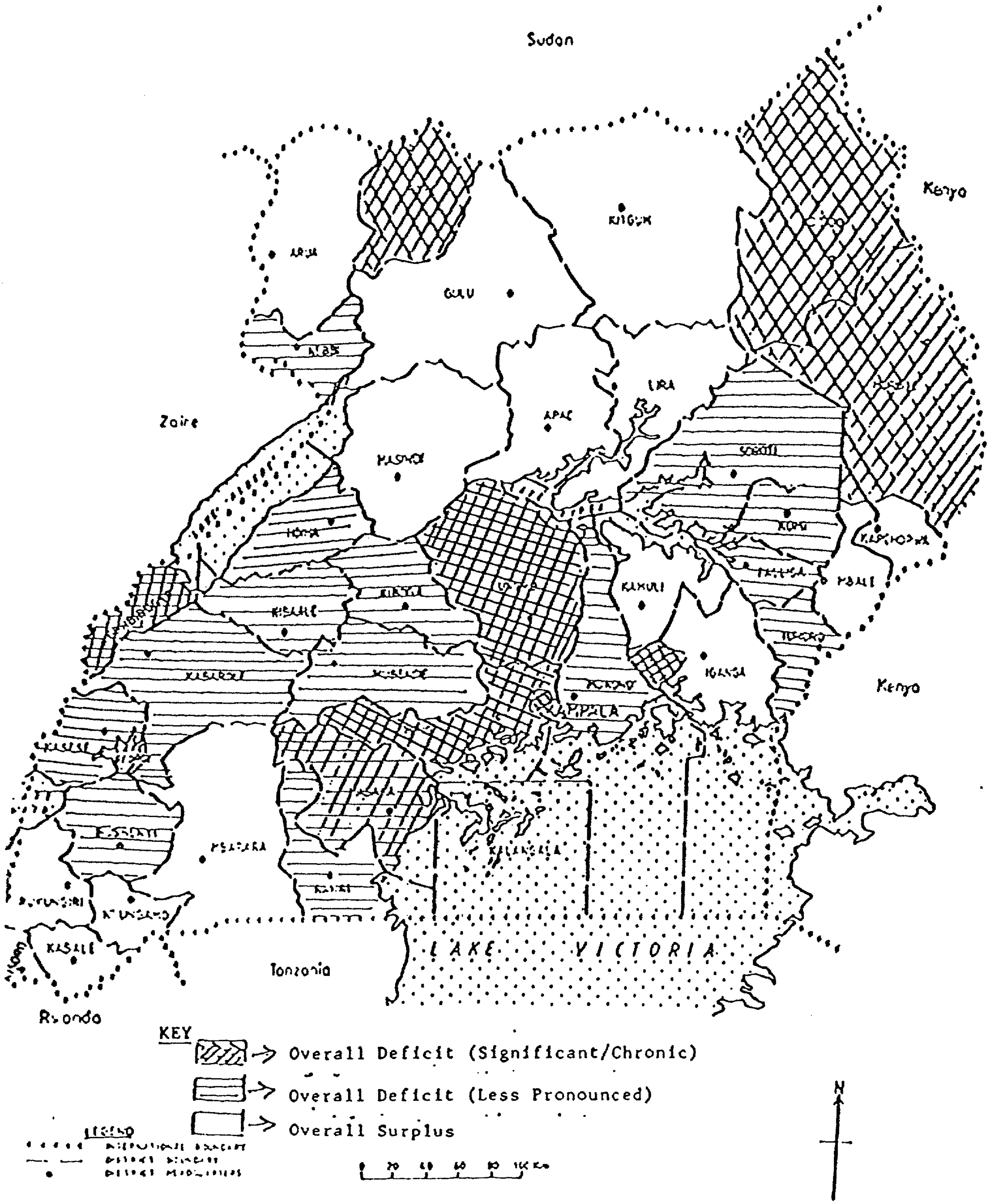
Note: Parenthesis implies negative value.

It can be seen from the above Table that, Northern region ranks first in pulses and oil crops while Eastern region leads in cereals and root crops. Western region ranks first in Banana and livestock products. Overall Northern region has the largest food surplus followed by Eastern region. Central region on the other hand has deficits in most food items except for banana, beef and other livestock products.

It can also be observed that Uganda has surplus for all food commodities with the exception of beans, rice, wheat, and livestock products (notably milk, beef, pork and poultry products). To maintain a steady level of food balance, and insure food security. Uganda needs to design and implement a consistent food security policy and an integrated management strategy. This should provide a framework to deal not only with emergency situations as well as transitory or chronic food deficit districts, but also to effectively promote Uganda's food exports looking toward the future.

Map 4

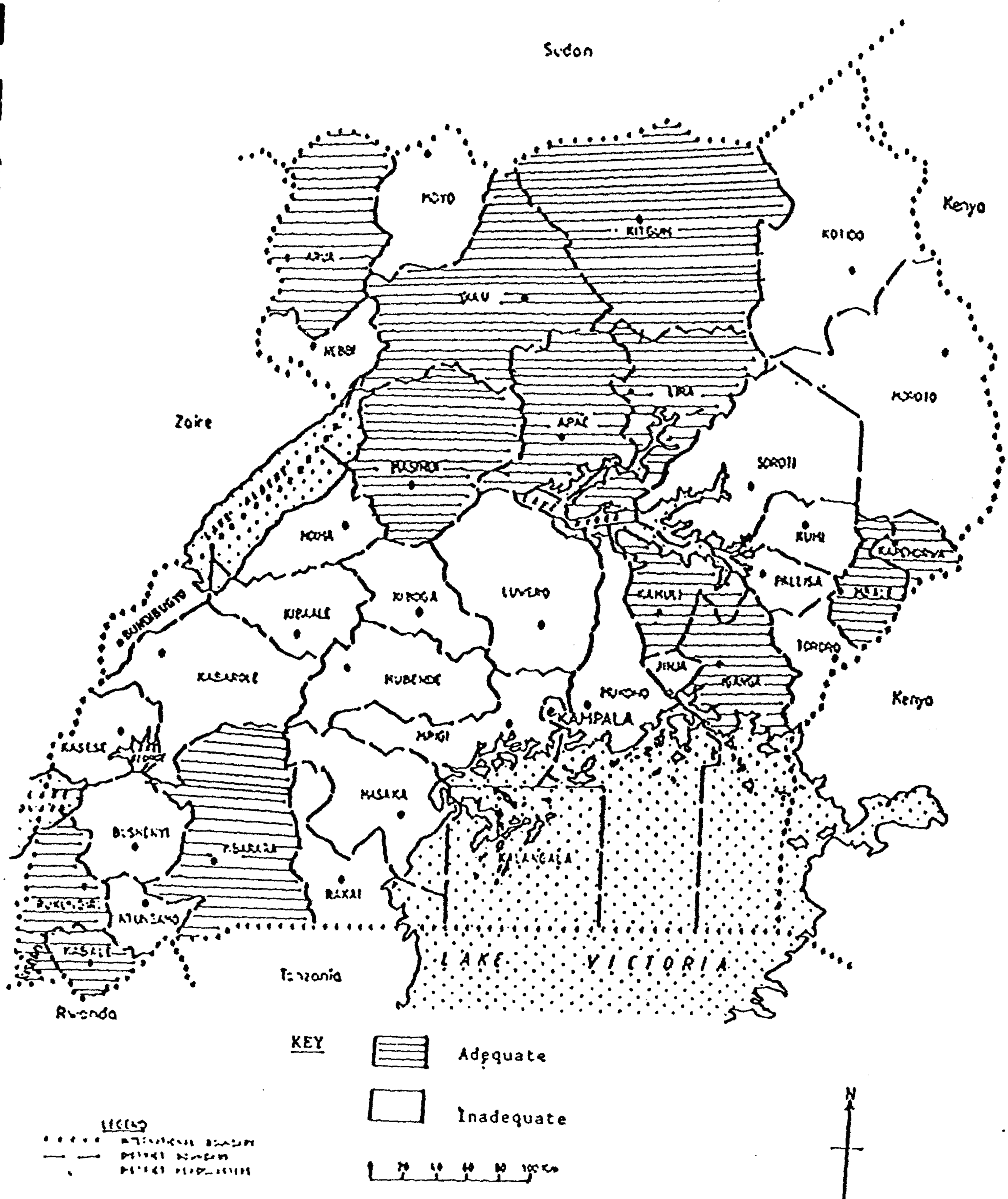
OVERALL QUANTITATIVE FOOD BALANCE STATUS BY DISTRICT (1992-94 AVERAGE)



297

Map 5

OVERALL QUALITATIVE FOOD BALANCE STATUS BY DISTRICT (1992-94 AVERAGE)



298

b) **Balance of Food Supply and Demand 1992-1994**

It is clear as can be seen in table below that Uganda has surplus in most food items except for beans, and livestock products. There exist huge surpluses in maize (over 90,000 mt per annum), finger millet (about 350,000 mt per annum); cassava (nearly 1,060,000 mt per annum), sweet potato (over 345,000 mt per annum) banana (nearly 3,200,000 mt per annum). These levels of surpluses are at least twice the amount exported. In the case of finger millet, cassava, sweet potatoes and groundnuts for instance, surpluses are in the range of 500 to 800 times the amount exported.

There is in general, a surplus in cereals, root crops, oil crops and plantain. However, in the case of pulses, there is a deficit in beans (of about 5,000 mt to 20,000 mt per annum) but surpluses in other pulses, including field peas, pigeon peas and cow peas. Overall, there is a surplus in pulses of about 20,000 mt to 35,000 mt per annum. However, there are still deficits for livestock products, most notably milk, beef, poultry and eggs. The deficits are in the range of 10,000 mt to 180,000 mt per annum. In the case of milk the deficit level is about 100 million litres per annum.

From table below, it can be concluded that Uganda is generally a food surplus country. There is therefore, high prospects for food exports. Even in the case of beans, there exist substitutes such as peas, which can be consumed. The food balance status is thus in conformity with the policy of increasing exports and export diversification.

Table 36: FOOD DEMAND, SUPPLY & BALANCE (IN THOUSAND TONS)

	FOOD SUPPLY			FOOD DEMAND			FOOD BALANCE		
	1992	1993	1994	1992	1993	1994	1992	1993	1994
BEANS	348,597	372,280	340,037	383,147	392,659	421,989	(34,550)	(20,379)	(81,952)
F. PEAS	14,250	15,200	16,150	9,671	9,946	10,226	4,579	5,254	5,924
P. PEAS	42,330	43,990	45,650	8,858	9,121	9,407	33,472	34,869	36,243
C. PEAS	35,900	42,159	56,665	18,501	19,022	19,552	17,399	23,137	37,113
MAIZE	560,144	685,012	776,069	481,508	574,448	571,845	78,636	110,564	204,224
F. MILLET	653,560	636,800	634,400	289,470	296,665	305,002	364,090	340,135	329,398
SORGHUM	351,113	358,763	365,363	157,647	162,746	169,234	193,466	196,017	196,129
RICE	55,268	61,334	68,894	40,195	41,430	42,620	15,073	19,904	26,274
WHEAT	18,192	17,250	18,703	9,841	7,967	8,708	8,351	9,283	9,995
CASSAVA	2,871,075	3,030,268	3,027,375	2,190,306	2,250,412	2,311,695	680,769	779,856	715,680
S. POTATO	1,721,025	1,770,665	1,922,470	1,401,703	1,440,244	1,479,374	319,322	330,421	443,096
I. POTATO	241,440	288,148	333,114	155,937	160,218	164,579	85,503	127,930	168,535
G. NUTS	137,832	143,406	133,394	104,337	107,367	110,770	33,495	36,039	22,624
SIMSIM	64,800	67,500	63,000	36,784	32,787	29,548	28,016	34,713	33,452
SOYABEANS	50,350	63,650	66,500	13,773	16,406	15,027	36,577	47,244	51,473
BANANA	7,103,460	7,482,020	8,040,760	3,626,847	3,726,414	3,827,844	3,476,613	3,755,606	4,212,916
MILK	248,279	261,697	271,392	390,783	401,510	412,442	(142,504)	(139,813)	(141,050)
BEEF	69,583	69,738	71,920	104,232	107,094	110,009	(34,649)	(37,356)	(38,089)
GOAT MEAT & MUTTON	20,334	31,505	34,655	13,830	14,209	14,596	6,504	17,296	20,059
PORK	7,727	12,441	13,686	9,637	9,901	10,171	(1,910)	2,540	3,515
CHICKEN	9,407	11,591	12,306	29,499	30,309	31,134	(20,092)	(18,718)	(18,828)
FISH	190,310	194,116	197,998	159,921	164,219	168,860	30,389	29,897	29,138
EGGS	8,742	9,149	9,957	144,727	148,700	152,748	(135,985)	(139,551)	(142,791)

Source: EPAU Food Security Framework 1995.

Note: Parenthesis implies negative value.

299

Table 37 NATIONAL FOOD SUPPLY AND DEMAND TRENDS 1992-94

YEAR	POPULATION TOTAL	COMMODITY	SUPPLY SIDE: PRODUCTION AREA (ha)	PRODUCTION OUTPUT (ton)	PRODUCTION LOSSES (ton)	STOCKS (ton)	IMPORTS (ton)	NET SUPPLY (QUANTITATIVE) (ton)	DEMAND SIDE: SEED REQMT (ton)	ANIMAL FEED (ton)	INDUSTRY USE (ton)	HUMAN CONSMPTN (ton)	TOTAL DEMAND (ton)
1992	17,521,000	BEANS	536 000	402,000	68,340	14,937		348,597	32,160			341,660	383,147
		F PEAS	26 000	15,000	750			14,250	910			8,761	9,671
		P PEAS	62,000	51,000	8,670			42,330	1,660			7,008	8,668
		C PEAS	49,000	41,000	4,100			36,900	980			17,521	18,501
		MAIZE	436,000	657 000	124 830	19,278	8,696	560,144	10 950	24,194	22,503	394,223	481,508
		F MILLET	396,000	634,000	38,040	57,600		653,560	3,168			285,592	289,470
		SORGHUM	250 000	375,000	37,500	13,613		351,113	2,500			154,185	157,647
		RICE	50,000	68,000	13,600		868	55,268	5,000		40	35,042	40,195
		WHEAT	5,000	9,000	720		9,912	18,192	550			7,008	9,841
		CASSAVA	362,000	2,896,000	434,400	403,625	5,850	2,871,075			171	2,190,125	2,190,306
		S POTATO	442,000	1,905,000	228,600	44,625		1,721,025				1,401,680	1,401,700
		I.POTATO	37,000	268,000	26,800		240	241,440				155,937	155,937
		GNUTS	184,000	147,000	11,760	2,592		137,832	18,400			85,653	104,337
		SIMSIM	143,000	72,000	7,200			64,800	1,144			22,777	36,764
		SOYABEAN	59,000	53,000	2,650			50,350	1,770		388	10,513	13,773
		BANANA	1,459,000	7,806,000	702,540			7,103,460				3,626,847	3,626,847
		MILK		248,279				248,279			17	390,766	390,783
		BEEF		69,583				69,583				104,232	104,232
		GOAT MEAT		20,334				20,334				13,830	13,830
		MUTTON											
		PORK		7,727				7,727				9,637	9,637
		CHICKEN		9,407				9,407				29,499	29,499
		FISH		190,310				190,310			848	159,073	159,921
		EGGS		8,744				8,744				144,727	144,727
1993	18 002 000	BEANS	552 000	428 000	72,760	15,678	1,932	372,850	33,120			351,039	392,659
		F PEAS	27 000	16 000	800			15,200	945			9,001	9,946
		P PEAS	64,000	53 000	9,010			43,990	1 920			7,201	9,121
		C PEAS	51 000	43 000	4 300		3,459	42,159	1,020			18,002	19,022
		MAIZE	503 000	804,000	152,760	22,338	11,434	685,012	12 575	25,335	20,667	405,045	574,448
		F MILLET	404 000	610,000	36,600	63,400		636,800	3 232			293,433	296,665
		SORGHUM	255 000	363,000	38 300	14,063		358,763	2,550			158,418	162,746
		RICE	53 000	74,000	14 800		2,134	61,334	5 300		37	38,004	41,430
		WHEAT	5,000	9 000	720		8,970	17,250	550			7,201	7,957
		CASSAVA	369 000	3,139,000	470,850	362 000	118	3,030,268			157	2,250,250	2,250,412
		S POTATO	460,000	1,958,000	234,950	47,625		1,770,665				1,440,160	1,440,244
		I.POTATO	40,000	320,000	32,000		148	288,148				160,218	160,218
		GNUTS	187,000	153 000	12,240	2,646		143,406	18,700			88,210	107,367
		SIMSIM	150,000	75,000	7,500			67,500	1,200			23,403	32,767
		SOYABEAN	65 000	67,000	3,350			63,850	1,950		355	10,801	16,406
		BANANA	1,488 000	8,222,000	739,980			7,482,020				3,726,414	3,726,414
		MILK		261,697				261,697			16	401,494	401,510
		BEEF		69,738				69,738				107,094	107,094
		GOAT MEAT		31,505				31,505				14,209	14,209
		MUTTON											
		PORK		12,441				12,441				9,901	9,901
		CHICKEN		11,591				11,591				30,309	30,309
		FISH		194,116				194,116			779	163,440	164,219
		EGGS		9,149				9,149				148,700	148,700
1994	18,432 000	BEANS	574 000	378 000	64 260	16,692	9,605	340,037	34 440			360,594	421,989
		F.PEAS	28,000	17,000	850			16,150	950			9,246	10,226
		P.PEAS	67,000	55,000	9,350			45,850	2,010			7,397	9,407
		C PEAS	53 000	45 000	4,500		16,165	56,665	1,060			18,492	19,552
		MAIZE	563 000	900,000	171,000	27,336	19,733	776,069	14,075	28,653	25,763	416,070	571,845
		F MILLET	412,000	610,000	36,600	61,000		634,400	3,298			301,420	305,002
		SORGHUM	260 000	390,000	39,000	14,363		365,363	2,600			162,730	169,234
		RICE	55,000	77,000	15,400		7,294	68,894	5,500		46	36,984	42,620
		WHEAT	5 000	9 000	720		10,423	18,703	550			7,397	8,708
		CASSAVA	380 000	3,100,000	465 000	392,375		3,027,375			195	2,311,500	2,311,695
		S POTATO	473 000	2,129 000	255,450	48,950		1,922,470				1,479,360	1,479,374
		I.POTATO	44 000	368 000	36,800		1,914	333,114				164,579	164,579
		GNUTS	198 000	142,000	11,360	2,754		133,394	19 500			90,611	110,770
		SIMSIM	158 000	70 000	7,000			63,000	1,254			24,040	29,548
		SOYABEAN	68 000	70 000	3 500			66,500	2 040		442	11,095	15,027
		BANANA	1 511,000	8 836 000	795,240			8,040,760				3,827,844	3,827,844
		MILK		271,392				271,392			19	412,422	412,442
		BEEF		71,920				71,920				110,009	110,009
		GOAT MEAT		34,655				34,655				14,596	14,596
		MUTTON											
		PORK		13 686				13,686				10,171	10,171
		CHICKEN		12 306				12,306				31,134	31,134
		FISH		197 998				197,998			971	167,689	168,660
		EGGS		9,957				9,957				152,748	152,748

Source: EPAU Food Status Framework, 1995

300

c) Progress on Food Exports

Since 1990, simsim, maize and beans have been the major food crop exports. Exports of simsim developed as Sudan was unable to fulfil the demand of its traditional markets in the Middle East. However, at the start of 1993, simsim from Sudan returned to the market, and forced Ugandan produce off the market. Exports of sesame have dropped dramatically and the local price has fallen.

Maize exports are increasing rapidly. It is estimated that food aid agencies (mostly but not exclusively, WFP) could purchase up to about 150,000 mt annually. The demand by the relief agencies is difficult to predict, because it is dependent on wars, famines and other people's misfortune. It is estimated that Kenya has an annual maize deficit of between 500,000 mt to 1,000,000 mt. Because of land pressure and the increasing population, it is expected that this deficit will increase. Due to its relatively reliable rainfall and availability of land, Uganda is in a good position to take advantage of Kenya's short fall.

Bean exports are mainly to the international food relief agencies, but there are some commercial trading companies who resell them to other countries in the region. The potential sales to the international relief agencies is probably in order of 30,000 mt annually. Formal sales into Kenya could easily be the same quantity. Uganda could also export unprocessed soyabean, groundnuts and peas.

The potential sales value of food crop exports is large. If the target of 150,000 mt of maize is supplied to the international relief agencies, it could have a sales value of about US $ 21 million. If 200,000 mt can be exported formally into Kenya, this is worth about US $ 28 million. Bean sales for the refugee market are worth almost US $ 9 million, while exports into Kenya could be worth another US $ 10 million.

According to official statistics, formal maize and beans exports increased from virtually zero in 1988 to substantial levels in 1991 and 1992. However, actual levels of exports which include informal as well as unrecorded or under-recorded cross-border trade to Kenya and other neighboring countries are difficult to determine.

Table 38: Uganda Food Exports 1990-94

Commodity	1990		1991		1992		1993		1994		Average (1990-1994)	
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
Beans	9,278	4,150	14,409	4,211	9,327	2,782	8,500	2,206	26,955	9,368	13,654	4,543
Maize	26,910	3,258	33,891	3,900	29,639	3,882	110,826	18,869	87,285	28,421	57,710	11,666
Finger Millet	115	24	1,285	189	710	116	0	0	286	128	479	91
Sorghum	91	70	21	5	962	304	1,778	422	3,904	659	1,351	292
Rice	2	2	100	24	113	13	89	23	90	65	79	25
Wheat	1	1	0	0	2,283	233	216	17	761	278	652	106
Cassava	60	6	183	16	10	1	5	3	0	0	52	5
S. Potato	0	0	1	1	23	1	84	64	14	9	24	15
G. Nuts	136	81	239	120	84	846	457	235	360	334	255	323
Simsim	9,207	5,234	17,805	10,517	12,863	6,478	8,184	2,751	4,245	1,555	10,461	5,307
Soyabean	41	18	2,382	468	1,104	270	3,300	836	1,449	689	1,655	456
TOTALS	-	12,844	-	19,451	-	14,926	-	25,426	-	41,506	-	22,830

Source: Ministry of Trade and Industry (MTI), and Uganda Revenue Authority (URA).

Q = Quantity (in metric tons)
V = Value (in thousand US dollars)

From Table above it can be observed that:

Only maize, beans and simsim were exported in sizeable quantities (i.e. over 10,000 mt per annum).

The exports of food commodities over the 5 year period have at least tripled for most commodities.

In terms of food groups, Uganda exported mainly cereals, pulses, oil and root crops between 1990 and 1994. Among these, cereals were the leading food exports (averaging over 60,000 mt per annum), followed by pulses (nearly 14,000 mt), oil crops (close to 12,500 mt) and lastly root crops (with less than 100 mt per annum)

Export data from Uganda for 1970 to 1991 show the dominant position of coffee exports. However, from 1991 exports of food crops have significantly increased. For instance 30,000 mt of maize were exported in 1992, and almost 90,000 mt in 1994. Bean exports in 1992 were about 10,000 mt, and increased to nearly 27,000 mt. Despite the inaccuracy in the data as a result of omissions, etc. the figures still indicate the upward trend in export of maize and beans.

IV.2 PROSPECTS FOR FOOD EXPORTS

Food exports should be considered as an essential component of the government and the international development agencies supported agricultural strategy. The Government's policy and programme initiatives, with support from the international development agencies, must be matched by equivalent or exceeding demand represented by cash purchases. Lack of demand and markets can become major disincentives to production. Yet, domestic consumption levels for the main food crops already fall below production levels. In the long term, commercial exports, in an expanding economy with trade liberalization and increased purchasing power in neighboring countries, can be expected to absorb an increasing amount of the food crop surplus, and therefore, provide more incentive to increasing food production, raising income of the farmer and contributing most effectively to meet the challenge of food security and poverty reduction.

a) Food Export Channels

Uganda's agricultural commodities are mainly exported through three channels. These are:- International Aid Agencies, Formal Cross-border Trade and Informal Cross Border Trade. The different export channels are highlighted below:-

International Aid Agencies: The most active international food aid agency in Uganda is WFP. Other international aid agencies include the European Union and the International Red Cross Committee. These agencies procure food, mostly maize and beans and to some extent groundnuts from Uganda and deliver to displaced persons and refugees outside Uganda. Data on food exports through this channel is not readily available.

However, WFP is believed to account for over 80 percent of food agencies. The agency has in the past three years exported Uganda's maize and beans to refugees in Sudan, Northern Zaire, and Rwanda. The recent trend in WFP food exports to neighboring countries is summarized in Table below.

Table 39: WFP Food Exports: 1991-94

Year	Maize		Beans	
	Quality (mt)	% Share	Quality (mt)	% Share
1991	11,700	35	2,750	19
1992	18,200	61	4,800	51
1993	64,000	58	6,800	80
1994	26,000	30	15,000	56
Average	30,000	32	7,350	54

Source: Dispatch Summary Reports, 1991-94, World Food Program

Note: % Share = Percentage of WFP export to total national exports.

From the above, it can be observed that WFP on average exported about 7,350 mt of beans and 30,000 mt of maize per annum between 1991 and 1994. In terms of the total national export, WFP has since 1992 been a major exporter of Uganda's maize and beans. The share of WFP in relation to the total exports ranged between 30 and 61 percent for maize; and 19 and 80 percent for beans.

Formal Border Trade

Food Exports through formal border trade (i.e. involving use of export license and certificates) and barter-trade agreements are recorded at point of exit by the customs department of URA. The major export items include maize, finger millet, sorghum, rice, wheat, cassava, sweet potato, groundnuts, simsim and soyabean, etc... Most of the exports through this channel go to Kenya, although a few go to Rwanda, Tanzania and Zaire. Studies conducted by EPAU on cross-border trade indicate that across the Kenya border, maize and beans account for between 60 and 80 percent of the NTAEs. In the case of the Zairean border, exports of raw agricultural commodities is not significant. On the Rwanda border beans and peas are the main NTAEs exported. In the case of the Tanzanian border maize and beans are exported but to a limited extent. Thus at present the main export point for Uganda's agricultural commodities is Kenya.

Informal Cross-Border Trade

No official statistics are readily available for informal trade. This type of trade usually involves small quantities of commodities (less than US $ 1,000 in value). Quite often the mode of transaction is the bicycle as well as the head for less bulky commodities.

On many occasions traders (importers) from neighboring countries come and purchase commodities in the Ugandan market. Although no official data is available, it is generally believed that during periods when the official borders are closed or restrictions imposed, most transactions occur through this channel.

The problems with the cross-border trade estimates of various researchers are fairly clear: it is exceedingly difficult to gauge the extent of such trade on the basis of one or a few short visits to the border. It is estimated that between 50,000 mt to 100,000 mt of Ugandan maize are exported to Kenya annually. What is required is a facility for continuous monitoring which will account for seasonal changes in the trade.

b) Projected Trend of Food Supply and Demand 1995-2000

While yields of most food crops are still low due to lack of improved seeds varieties, high costs of inputs such as fertilizers, chemicals; inadequate know-how of good crop husbandry practices by farmers due to poor extension services, lack of credit facilities, etc..., supply of food increases at a higher rate than demand for food due to low purchasing power of the population.

National Food Supply: 1995 - 2000

As can be observed, food supply in general, is projected to increase. In particular, supply of beans at the national level is anticipated to increase by about 30 percent the next six years giving an annual rate of 5 percent. In the case of maize, supply is projected to increase on average by about 5½ percent per annum. Similarly, the supply of cassava, groundnuts, bananas, milk and beef are projected to increase by between 20 and 40 percent over the six year period giving an annual rate of between 3 and 6.7 percent. The projected national food supply for selected commodities is given in the Table below. At the regional level, food supply on the average is projected to increase by between 5 and 7 percent per annum.

Table 40: Projected National Food Supply for Selected Commodities: 1995-2000 (thousand mt)

Year	Beans	Maize	Cassava	Groundnuts	Banana	Milk (million litres)	Beef
1995	323	854	2,137	128	8,485	374	94
1996	340	904	2,210	135	8,605	388	97
1997	359	957	2,381	143	8,727	402	100
1998	379	1,014	2,567	150	8,851	417	103
1999	400	1,074	2,768	159	8,976	433	106
2000	423	1,137	2,985	167	9,104	449	109

Source; Projection based on trends in EPAU Food Security Framework 1995

National Demand for Food: 1995-2000

Although population growth is estimated at about 2.5 percent per year, per capita human food consumption in the last five years has declined. Unless the trend in the per capita human food consumption is reversed, increase in food demand will be lower than increase in food supply.

The projected human food demand at national level is given in Table below.

Table 41: Projected Annual National Human Food Demand for Selected Commodities 1995-2000
(thousand mt)

Year	Beans	Maize	Cassava	G. Nuts	Banana	Milk (mill lts)	Beef
1995	342	354	2,185	81	3,322	446	119
1996	355	368	2,269	85	3,459	464	124
1997	370	382	2,358	88	3,602	483	129
1998	384	397	2,449	92	3,750	502	135
1999	400	400	2,545	96	3,905	522	140
2000	415	415	2,643	99	4,066	542	145

Source: EPAU Food Security Study (based on trends in EPAU Food Security Framework 1995).

Projected National Supply - Demand Gap 1995-2000

Based on recent trends in growth rates**, the projected supply-demand gap for the various food items over the next six years is summarized in the Table below. It can be observed that in general, there is food surplus at the national level rising steadily over the years. In particular, it is projected that by the end of 1998, Uganda will have surpluses in all food commodities, with the exception of milk and beef.

Table 42: Projected Food Balance for Selected Commodities: 1995 - 2000
(thousand mt)

Year	Beans	Maize	Cassava	Groundnuts	Banana	Milk (million litres)	Beef
1995	(19)	500	(49)	46	5,165	(74)	(26)
1996	(14)	537	(61)	51	5,149	(78)	(28)
1997	(10)	576	22	54	5,128	(82)	(30)
1998	(4)	616	117	59	5,103	(86)	(31)
1999	1	661	222	63	5,074	(91)	(34)
2000	8	708	340	68	5,040	(95)	(36)

Source:Projection based on trends in EPAU Food Security Framework 1995.

Note: Figures in parenthesis implies negative.

** *Background to the Budget: 1995-1996.*

National Projections for Surplus in Maize and Beans 1995-2000

The national projections for surplus in maize and beans is based on IDEA Project target have been set as follows:

Maize: area increase by 4 percent per annum.
yield increase by 6 percent per annum.

Beans: area increase by 1 percent per annum.
yield increase by 6.6 percent per annum.

The above target could be attained with appropriate reform measures and adequate policy support. It may be noted that acting on both increased areas and improved yield (through better spacing, reduction in crop losses as well as better seeds, etc...) the results would be much more significant.

Maize supply would increase by 1.04 x 1.06 = 10 percent per annum.
Beans supply would increase by 1.01 x 1.066 = 8 percent per annum.

Table 43: Projected Food balance for Maize and Beans 1995 - 2000 (thousand mt)

Year	Maize			Beans		
	Supply	Demand	Surplus	Supply	Demand	Surplus
1995	854	354	500	367	342	25
1996	939	368	571	396	355	41
1997	1,030	382	648	428	370	58
1998	1,333	397	736	460	384	76
1999	1,246	400	846	500	400	100
2000	1,370	415	955	540	415	125

Source: EPAU Food Status Framework, 1995.

Cautious projection would already show a high level of positive food balance, i.e. the rate of growth of food supply increases faster than the rate of food demand.

National food supply is projected to increase during the next six years by about 4 percent per annum. In particular, food crops will increase by about 5 percent per annum and livestock will grow by about 2.5 percent per annum. This is based on the recent trends in growth rates. National food demand based on the present consumption pattern and population growth rates is projected to increase by 2.5 percent per annum. Overall, therefore, supply of food crops will exceed demand by about 2.5 percent per annum. On food balance therefore, supply would be in excess of food demand.

307

Projected surplus in maize under this assumption would increase from 500,000 mt in 1995 to about 700,000 mt in the year 2000 and for beans from a shortage of 19,000 mt in 1995 to a surplus of 8,000 mt in the year 2000.

With appropriate reform measures and effective policy support, the food surplus would increase even at a faster rate. Under such circumstances, projected surplus in maize would be increased from 500,000 mt in 1995 to about 1,000,000 mt in the year 2000 where as projected surplus in beans would be increased from 25,000 mt in 1995 to 125,000 mt in the year 2000.

c) Targeting Potential Markets

International Aid Agencies

Currently, the major buyers of cereals and beans are the International Aid Agencies. The World Food Program, the European Union, The International Federation for the Red Cross and the International Committee for the Red Cross actively purchase in the Ugandan market for their emergency operations to provide food relief in Uganda as well in the region. WFP purchased 90,000 mt of maize in 1994 and planned to purchase up to 115,000 mt of commodities, mainly maize, in 1995/96.* The European Union's Regional Food Security Program (originally the Rwanda Food Security Program) also projected to purchase and store up to 50,000 mt of maize and beans in Uganda to meet the need for food emergencies in case of crisis.

Greater Horn of Africa

Drought and civil strife have caused suffering and shortage of food for millions of people in the Greater Horn of Africa. For Uganda, it can provide an opportunity for increasing income through food exports, mainly maize and beans, can be significantly increased. Ugandan food exports have the potential to increase dramatically over the next decade if well supported by an appropriate food security and exports policy.

---

* *FEWS Special Report, October 1995*

Table 44: **Food Deficit/Surplus in Inter-Governmental Authority on Drought and Development (IGADD) Cereal Availability by January 1994 (Thousand Metric Tonnes)**

Djibouti	0
Eritrea	- 305
Ethiopia	-1050
Kenya	-1300
Somalia	- 378
Sudan	- 700
Uganda	263
Regional Deficit excluding Uganda	-3733
Regional deficit including Uganda	-3470

Source: IGADD Food Situation Report.

COMESA Market

The main export markets for Uganda cereals are currently the regional market, i.e., Kenya, Rwanda and Sudan.

In 1992 and 1993, it was mentioned that drought and high prices in Kenya lead to an expansion in maize exports from Uganda. Also the precise volumes of Kenyan maize imports were difficult to estimate accurately but analysts estimate it may have reached 250,000 mt during the 1993/94 crop year. In 1994, Ugandan maize again flooded into Kenya despite the good harvest in the country to take advantage of high prices offered by the National Cereals and Produce Board (NCPB). On average, for the past three years Kenya has absorbed a substantial quantity of Uganda's exports.

The PTA market has potentially a large demand for food and other processed products from Uganda. Uganda has the potential to become a large and competitive supplier of food to PTA countries as well as the Non-PTA countries such as Zaire. The prospects of trading among member states are very promising, especially after consolidation of the PTA into COMESA.

Table 45

FOOD DEFICIT IN COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)
Estimated Import Requirements of Cereals for 1992/93 or 1993
(Thousand Metric Tonnes)

		1991/92 or 1992		1992/93 or 1993			
		Actual Imports		Total Import Require-ments 2/	Import Position		Total Commercial and aid (Deficit)
Country	Marketing Year	Total	of which food aid		Commercial purchases	Food aid allocated committed	
Angola	April/Mar	346.40	153.40	370.00	99.80	134.00	233.80
Botswana	April/Mar	160.60		230.00	191.10	10.40	201.50
Burundi	Jan/Dec.	12.60	1.60	12.00		0.50	0.50
Comoros	Jan/Dec.	38.80	4.10	40.00		2.50	2.50
Djibouti	Jan/Dec.	82.20	9.50	67.00	0.20	5.00	5.20
Ethiopia 3/	Jan/Dec.	1255.90	1225.20	870.00		310.00	310.20
Kenya	July/June	576.60	124.10	812.00	655.00	396.60	1051.60
Lesotho	July/June	233.70	18.20	274.00	116.50	42.00	158.50
Malawi	April/Mar	242.90	201.90	913.00	275.50	663.40	938.90
Mozambique	May/April	589.90	457.50	1218.00	77.80	1196.40	1274.20
Namibia	May/April	73.90	2.70	116.00	107.70	36.80	144.50
Rwanda	Jan./Dec	23.70	12.10	145.00		39.10	39.10
Somalia	July/June	170.40	82.50	520.00	13.30	471.80	485.10
Sudan	Nov./Oct.	494.70	339.90	210.00	12.00	87.00	99.00
Swaziland	May/April	33.70	1.20	137.00	54.40	36.10	90.50
Tanzania	June/May	159.50	5.50	318.00	70.00	28.70	98.70
Uganda	Jan./Dec.	30.50	8.50	31.00		16.80	16.80
Zaire	Jan./Dec.	250.00	33.50	320.00	8.40	1.10	9.50
Zambia	May/April	232.00	85.40	1067.00	368.40	781.60	1150.00
Total		5008.00	2766.80	7670.00	2050.10	4259.80	6310.10

SOURCE: FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS, APRIL 1993.

Southern Africa Development Community

More generally, the export markets for maize and beans will be predominantly to the countries in the region, where Uganda could export its excess surplus of food crops. In the Southern African Development Community (SADC), food shortage in 1992/93 reached about 7.8 million mt. In 1993/94, food deficit for cereals amounted to more than 2.5 million mt, of which maize alone required more than 1.6 million mt.

310

Table 46

FOOD SHORTFALL/SURPLUS IN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)
(Thousand Metric Tonnes)

Country	Maize	Rice	Wheat	Sorghum/ Millet	All Cereals
Angola (1993)	-461	-75	-115	0	-651
Botswana	-113	-12	-73	-35	-233
Lesotho	-157	0	-43	0	-200
Malawi	185	10	-45	7	157
Mozambique	-537	-92	-152	0	-781
Namibia	-82	0	-41	0	-123
Swaziland	-60	-5	-28	0	-93
Tanzania	-471	20	-51	0	-502
Zambia	25	-20	4	0	9
Zimbabwe	44	-11	-160	0	-127
Total	-1627	-185	-704	-28	-2544

Source: Food Security, Qualerly Bulletin 1993-1994.

In sum, the prospect for Uganda's food exports is vast. For Ugandan farmers and exporters, food export markets mean increased income opportunities through food production and food exports. It should be noted that Uganda's food exports, mainly maize and beans, have been growing rapidly over the past few years. Prospects for increasing food exports as a result of food crops production development should be enormous over the next decade. The food balance in Uganda has recorded an increasing trend in food surplus for export.

Looking toward the future, food exports will not only provide an effective response to the challenge of growth and poverty reduction in Uganda but also enhance food security in the Greater Horn of Africa and promote cooperation and stability in the region. Based on its far-reaching impact at home and abroad, food security and exports strategy ought to be of highest priority for the Government of Uganda as the country moves from rehabilitation to development.

PART II

A PROPOSED COMPREHENSIVE ACTION PLAN TO PROMOTE THE NATIONAL FOOD STRATEGY

Since 1987 the Government of Uganda has been implementing an economic reform program supported by the IMF, the World Bank and donors, particularly the U.S.A. through the United States Agency for International Development, to restore economic stability and accelerate growth of the economy. Considerable progress has been achieved in terms of stabilization and growth during the last five years. Inflation has been significantly reduced while economic growth rate has averaged about 5 percent. Uganda has reached a critical stage where short-term economic stabilization ought to be well-balanced with long-run sustainable growth. The transition from a policy primarily aimed at economy stabilization to a development-led strategy should be successfully undertaken.

For now and the foreseeable future, the development of the Ugandan economy will be heavily dependent on the growth of the agricultural sector. It is generally believed that within the group of developing economies, it is those with rather well-developed agriculture that have best succeeded. The record of economic growth and development in Asia and Africa over the last three decades convincingly demonstrated that countries which neglect agriculture grew much more slowly than those effectively promoting agriculture development. Besides conventional wisdom in economics shows that export-oriented countries are the ones which have scored better economic performance. Consistently, the Government has also been implementing an outward-looking growth strategy aiming at export development and diversification.

It is believed that within government's development policy framework an effective natural food promotion strategy will have far- reaching social, economic and political impacts. Through food production development it contributes to ensure food security, reduce poverty and foster political stability at home. Through food food production development, it can also promote food exports and enhance the participation of Uganda in alleviating the food shortage in Sub-Saharan African food deficit countries, strengthen the position of the country within the regional economic integration and reduce the burden of dependence of Uganda on foreign aid to move the country toward self-reliance.

312

I. GOVERNMENT COMMITMENT TO PROMOTE A NATIONAL FOOD STRATEGY

The formulation and implementation of a national food strategy should be at the heart of Government development strategy and export promotion policy. The central issue is not whether it is possible for Uganda to promote food security increase food production and develop food exports, but rather how to organize the economy to fully achieve these national strategic objectives.

I.1 GOVERNMENT RESPONSIBILITY IN DEVELOPMENT

While there have been differences in assertion and emphasis among development economists, in terms of policy no major theme has been as much subjected to controversy as the role of the state in the economy.

A familiar belief was that the state of under-development called for the deliberate, intensive, and guided effort of an economically active state. It was argued by development economists that neoclassical economics did not apply terribly well to under-developed countries. It was also argued that the role of the state and the need for planning and deliberate public action seemed stronger in under-developed countries, and the departure from the traditional neoclassical model was in many ways more radical.

In reality, these two extreme theoretical approaches to the role of government do differ more on the form than in the substance. They disagree on the mechanism of state intervention in the economy rather than denying the responsibility of Government in development. In most countries, the Government is always accountable for failure or success of economic policy and development strategy. market mechanism is just a means to and end which is development.

a) Balanced Policy Guidance

The proposition that contemporary Japan provides an outstanding example of "market economy" where private enterprise must be attributed all the credit for economic performance comes into collusion with the fact that the influence of the state on economic activities has been all-pervasive. The vital role of the state in the development process was first to ensure a self-directed development strategy for Japan through national political independence and domestic economic control. No one with any insight into the Japanese development model could also imagine that Japan's economic performance could be delivered without the general strategy of the state's intervention through its exercises in indicative economic planning. Finally, the Japanese system of economic administration affords wide scope for guidance through appropriate public policies, e.g., the tax system.

313

The high economic performance of South Korea, Taiwan, and Singapore based on markets and profits and trade has also been cited as a triumph of "unguided market" mechanism. In fact, all these countries have had an economic system in which private initiatives have been effectively guided by an active government in an indicative but planned way, at least in the early stage of economic growth. Aside from having a powerful influence over the direction of investment through financial institutions, the Government fostered an export-oriented growth on the secure foundation of more than a decade of intensive agricultural development and import substitution, based on appropriate trade protection measures to build a sound industrial basis and export oriented economy.

For Uganda, Government's appropriate policy guidance seemed to be a necessity in the early period of development. The strict application of state control could be harmful to economic progress because the participation of the individual in the development process would no longer be voluntary and effective. But the absence of well-conceived policy guidance and the application of an extreme free-market mechanism in an imperfect market structure could also hamper the economy due to structural obstacles peculiar to Uganda. Thus, a good understanding should differentiate between simple government guidance through effective policy orientation, implementation and direct control and take-over of the economy by the state.

In reality, the Japanese economic system is far from being an outstanding example of free market economy, nor is it an essentially state-directed economy. Similarly Korean economic success cannot be attributed either to state central planning or a laissez-faire economy without any state intervention. Instead, it is reasonable to qualify each one with its own merit as a model of "guided economy" within a nationally-set development strategy and a goal-oriented action system. In Uganda in the formulation and implementation of government economic policy as well as development strategy, Government guidance should be based on the strong foundation of an economy where the market mechanism is considered the rule for government action and the private sector has to be the preferred engine of growth. The objective of the guidance is to provide the individual with more organizational devices instead of undermining all individual creativity. In reality, a major objective of Uganda's pattern of development has already been to turn over to the private sector as large a share of responsibility as possible, and whenever possible, through a progressive process of liberalizing the economy. Such a desirable process, however, has to be adapted to the realities of the country through appropriate government policy guidance under a committed and enlightened leadership.

b) The Prerequisite of a Strong Government Commitment

The 1995 Constitution of the Republic of Uganda clearly defined the responsibility of the government in development as well as the importance of the participation of the private sector in the development process.

- The State shall be based on democratic principles which empower and encourage the active participation of all citizens at all levels in their own governance.

- The State shall take all necessary steps to involve the people in the formulation and implementation of development plans and programs which affect them.

- In order to facilitate rapid and equitable development, the State shall encourage private initiative and self-reliance.

- The State shall stimulate agricultural, industrial, technological and scientific development by adopting appropriate policies and the enactment of enabling legislation.

The degree of Government's commitment to economic development and export promotion policy has been reiterated in different statements by President Yoweri Kaguta Museveni. The President made it clear that for growth to continue the government will have to promote investment and reiterate the "strengths" of the Government's commitment to build a healthy and attractive environment for foreign investment." He also stressed that "the private sector will provide the central driving force for Uganda's sustained economic growth" and recognized that the "investment in Uganda has been governed by a scattering of laws and regulations, and there is a need to streamline bureaucratic procedures to promote investment and develop exports."

A strong commitment of the Government is required at the highest political level to show its determination to promote economic development and exports in general, particularly food security and exports as a high national priority objective, and to take any appropriate macro-economic reforms, sectoral policy and micro-economic support required to achieve this goal. A national food strategy to promote food security, food production and food exports will help generate confidence in the private sector to undertake long term investment to expand their activities and send such a message to Government agencies to cooperate with existing and potential food producers and exporters. A food development strategy with a focus on food security and exports should be proclaimed by the highest political level of the Government as an objective to guide Government decision-making in other related fields, especially agricultural and agro-based industrial development, productive and social infrastructure improvement, financial and monetary policy, foreign exchange and international trade, etc...

c) **Food Policy Formulation and Implementation**

Experience in most successful economies have shown the decisive role of the Government's political commitment not only in policy formulation, but more importantly in the effective implementation of development strategy. Thus, Government's determination should be considered as the key condition in assessing the performance of Uganda's food security and exports promotion strategy.

i) Government-Stated Food Policy

Uganda's economy is dominated by agriculture and remains highly dependent on the agricultural sector for food security and exports. Government agricultural development policy is pursuing three key objectives:

- *increasing agricultural productivity* to ensure food security and self sufficiency in raw materials for Agro-processing industries as well as cash crops for export.

- *diversify the country's exports* through the promotion of non-traditional exports crops.

- *increasing people's income and reducing poverty* at a faster pace through increased sales of their Agricultural surplus since about 90 percent of the population depend directly or indirectly on agriculture, 80 percent is employed in the agricultural sector which contribute about 50 percent of the country's GDP.

ii) The Need for a Well Coordinated National Food Strategy

Without political commitment at the highest level, the food strategy may not achieved satisfactory results as expected. The complexity of the strategic approach covering various aspects of food security, food production and food exports, is such that several ministries are involved, with their own planning and research units. Most food and nutrition activities of the various related ministries are carried out without effective coordination e.g., Prime Minister's Office, MAAIF (Early Warning Unit, NARO), MFEP, Agr. Secretariat, Ministry of Local Government (Refugee Section), Ministry of Labor and Social Affairs (Department of Relief), Ministry of Trade and Industry (Uganda Export Promotion Board), etc... In this context, it is also recommended that the Government approve appropriate funding, and donor agencies provide effective assistance in strengthening project formulation and implementation capacities of the policy and planning units of key Ministries.

Early in 1983 the National Food and Nutrition Council was established to integrate and coordinate activities in the field of food and nutrition. The Secretariat was located in the Ministry of Agriculture and Forestry. The impact of the Council, however, lagged behind expectation. It appears that a coordinated multi-sectoral approach to the formulation and implementation of a food strategy covering not only food security, food production and also food exports is required at a highest policy level. A task force, or Ad hoc Committee or a National Food Strategy Council under the authority of the President or his representative with a limited but highly qualified technical secretariat, and using existing specialized related units at different ministries should be created with the authority to coordinate all food strategy activities. The National Food Strategy Council will coordinate the preparation of project proposals and supervise program implementation by related technical Ministries, National Research Institutes, etc...

In reality, only top level interministerial coordination, e.g. the President's Office, will be able to ensure effective food strategy formulation and implementation and overcome institutional rigidity and inertia. At this high level, the strategy dialogue could be carried out, for it involves decisions about the transfer of resources from one section of the economy to another, and is concerned with delicate policy areas related to different Ministries or agencies. Thus only a strong policy coordinating body can enforce policy and implement program decisions as they relate to agriculture in general, and food security, food production and food exports in particular.

I.2 LEGAL FRAMEWORK FOR DEVELOPMENT STRATEGY WITH FOCUS ON FOOD SECURITY AND EXPORTS

Based on the principle of comparative advantage and the pattern of resource endowment, Uganda's agriculture through food production development, should be easily able to feed the population. With the food surplus, the country would even be strategically well-placed to alleviate the food shortage in the food deficit countries in the region. In order to achieve both these strategic objectives, Government's strong political commitment at the highest level to promote food security, food production and food exports should be considered as a prerequisite condition in determining Uganda's economic prospects.

With the formulation and implementation of an appropriate national food strategy, Uganda has the potential to produce more than enough food not only to assure food self-sufficiency for the country, but also to export food in large amounts to food deficit countries in the region. The success of such a strategy, however, requires a good understanding of the commitment and the responsibility of the Government in development.

More importantly, it should be consistently translated into its determination to fulfill its responsibility in development and through the setting of an effective legal framework to fully achieve the objective of the food strategy of ensuring food security, developing food production and promoting food exports.

a) Legal Status for Empowering Women in Development

Any food security strategy would not be fully carried out if it could not ensure a strong commitment of the Government to set an appropriate legal framework and to ensure the enactment of enabling legislation to alleviate poverty through food security and stimulate production by increasing food exports. More particularly, as women are the key to food production and food security, a first and necessary step would be to set an appropriate legal status to promote women in development.

The gender issue has a multi-dimensional negative impact, not just in the assessment of food security and poverty reduction, but furthermore in the achievement of agricultural policy and development strategy of the country. The situation in Uganda illustrates the "asymetry" in rights and obligations of men and women disproportionally with their contribution to the country's social and economic development. The fundamental asymetry in rights and obligations is translated into highly differential economic capacities as reflected in women's access to, use of, and control over, economically productive resources, particularly ownership of land access to credit, equal opportunities for education and participation in policy making decision process. These differences have implications not only for social equity but also impede nutrition security, food production efficiency and agricultural expansion. Gender and growth are directly connected in the wider economic development sphere. Gender equity, therefore, is not simply a social justice or cultural matter, it is an economic prerequisite and a political imperative for Uganda to move from a traditionally structured society to an advanced modern state.

In Uganda, the human development paradigm "putting people at the center of its concerns" would have little meaning if it were not fully gender sensitive. Any such attempts must achieve two fundamental principles:

- Equality of rights between women and men must be enshrined as a fundamental principle. Institutional barriers - legal, economic, political or cultural - that prevent the exercise of equal rights should be identified and removed through comprehensive policy reforms and strong affirmative action.

- Women must be regarded as beneficiaries and agents of change. Investing in women's capabilities and empowering them to exercise their choices is the surest way to contribute to economic growth and human development. Eliminating the prevailing disparities between men and women will create an enabling environment for maximizing the productive capacity, accelerating economic growth and fostering human development.

i) <u>Contribution of Women in Development</u>

One untapped source of agricultural growth to meet Uganda's food security needs and food exports development could lie in reducing the bias against women in economic sphere in general, and particularly in agriculture. Women in Uganda play a vital role in promoting food production, economic access to available food and nutrition security. In reality, women have been playing these roles in the face of enormous social, cultural and economic constraints.

Food Production

The sustainable production of food is the first pillar of food security and food exports. Women provide about 70 percent of the agricultural labor force in a predominantly agricultural country, are responsible for 70-80 percent of food crops and more than 50 percent of cash crop production, and for virtually all of food processing. Despite their large contribution, women face a number of gender specific constraints that limit their access to productive assets of (e.g. ownership of land), employment and services, and hinder their ability to gain control over crucial material and non-material resources. Gender inequities in the education system raise the need for providing women with basic education which would help raise agricultural productivity and incomes, for better educated farmers are more likely to adopt new technologies. Furthermore, their exclusion from participation in formal groups or decision-making compounds the difficulties they face in meeting their responsibilities.

Since income is a critical determinant of a household's ability to obtain food, poverty is a major threat to household food security. The combination of poverty and gender inequality poses an even greater threat because of the nutritional benefits associated with increasing women's incomes. The growing percentage of female-headed households around the world is a cause for concern, for past studies suggest an association between female headship and poverty.

Access to Available Food

The second pillar of food security is economic access to available food. Studies have shown that improvements in household welfare depend not only on the level of household income, but also on who earns that income. Furthermore, women's incomes are more strongly associated with improvements in children's health and nutritional status than are men's incomes. Societal and cultural norms may assign women the role of ensuring that household members, especially children, receive adequate share of available food. Women's contribution to the rural household does not end with crop cultivation. More than 70 percent of economically active rural women are involved actively in household duties. Women thus also have primary responsibility in household management, food preparation and family health and welfare. Women's contribution to the productive process as well as household duties is not matched by their control over the use of resources.

Nutrition Security

The third pillar of food security is the achievement of nutrition security - that is, adequate protein, energy, micro-nutrients, and minerals for all household members. Nutrition security depends not only on sufficient food at the household level but also on factors such as health and child care, access to clean water and sanitation, etc... Ensuring the nutrition security of the household through the combination of both food and other resources, is almost the exclusive domain of women. Nearly all non-food inputs into nutrition require time investments, and in general these investments are made by women. Women constantly have difficult choices in their time allocation decisions. Increased time spent in generating income can be translated into higher food expenditures and health and education facilities to improve child nutrition, but the loss of direct time spent in child care may offset this. In reality, increasing female employment outside the home may increase women's bargaining power within the household. Women's nutritional status may also be threatened when women act as shock absorbers for the household. In this respect, evidence suggests that a strong pro-male and pro-adult bias in the distribution of food and other resources within households may also reduce the health and nutrition of women.

In sum, assuming food production, ensuring food security as well as nutrition security is almost the exclusive domain of women. To enable women to fulfill their potential, the government must take legislative reforms and policy steps in three broad areas.

- First, they must increase women's physical and human capital. Women's ability to produce food can be enhanced by improving their access to resources, (mostly ownership of land), credit, technology, and information. Literacy training for women and education for girls will increase productivity both today and in the future.

- Second, they must protect women's health and nutritional status to allow women to fulfill their productive roles. Development or safety net programs for women should increase women's income-earning potential while reducing the energy or time intensity of their activities to take care of those who depend on them for food and nutrition security and at the same time take care of themselves.

- Third, policy makers must increase women's ability to generate income in order to maximize the benefits of women's incomes for household food security and nutrition. Strategies should aim at increasing women's productivity both in paid work and in domestic production, so that women can increase their incomes without sacrificing additional time for their children's welfare.

ii) The Reform of the Legal Status of Women

Although Uganda is a pace setter as far as promoting gender equality in the region, the picture fades as one descends the policy-making ladder and is confronted with women's family life in rural and poor areas. In reality, the Government has clearly recognized the importance of women's role in economic and social development and the need to raise the status of women in society. It has begun to take significant steps to promote women's participation in the political process, establish institutional mechanisms aimed at addressing women's issues in public policy and resource allocation, and begin to deal with systematic biases against women through legal reform, influencing areas such as marriage, divorce and separation, inheritance and rights to property, and education.

Guarantee of Women's Rights under the Constitution

To address the recognized biases against women in law and custom, Uganda is making a concerted effort to readjust its legal system, beginning with the constitutional reform. The rights of women have been enshrined in the 1995 Constitution of the Republic of Uganda. According to Article 33 of the Constitution:

- Women shall be accorded full and equal dignity of the person with men.

- The State shall provide the facilities and opportunities necessary to enhance the welfare of women to enable them to realize their full potential and advancement.

- The State shall protect women and their rights, taking into account their unique status and natural maternal functions in society.

- Women shall have the right to equal treatment with men and that right shall include equal opportunities in political, economic and social activities.

320

- Women shall have the right to affirmative action for the purpose of redressing the imbalances created by history, tradition or custom.

- Laws, cultures, customs or traditions which are against the dignity, welfare or interest of women or which undermine their status, are prohibited by this Constitution.

The Setting of Relevant Legal Status fo:· Women

Article 31 of the 1995 Constitution guarantees equal rights of men and women in marriage, during marriage and its dissolution.

- Marriage shall be entered into with the free consent of the man and woman intending to marry

- Men and women of the age of eighteen years and above, have the right to marry and to found a family and are entitled to equal rights in marriage, during marriage and at its dissolution;

- Parliament shall make appropriate laws for the protection of widows and widowers to inherit the property of their deceased spouses and to enjoy parental rights over their children.

It is fully acknowledged outright that abolition or amendment of laws on marriage, separation, divorce and property rights would not be readily accepted or could be faded out without resistance. But with the opening of the society to social, economic and political structural changes in a new and modern Uganda, the voice of reason and the exigence of progress inevitably should prevail overtime. For the sake of economic growth and human development, it is urgent that such an inevitable change occurs sooner than later. In fact, while the Constitution accords women rights equal to or comparable with those of men, customary and religious laws and traditional practices may generally continue to put women into a subordinate and vulnerable position in society.

Based on the provisions of the Constitution, the following recommendations by the Women of Uganda to the Constitutional Committee through the Ministry of Women in Development should provide a more decent legal status for women in Uganda.

- All discriminatory legislation should be repealed and replaced. The principal area of the law where women have suffered discrimination are: marriage, separation, divorce and property rights.

- All customary practices that deprive women of their constitutional rights to own and acquire properties (land, cows, and other fixed assets) should be outlawed. There should also be fair sharing of property of deceased husbands than 15 percent to 25-30 percent presently provided under the law.

- Last but not least, the customary practice of inheriting a woman by a brother or any other near relatives upon the death of the husband should be abolished.

In principle, all laws, customs and traditional practices, and usage existing before the coming into force of the Constitution should be taken to exist in accordance with the provisions of the Constitution. It is, therefore, the responsibility of the Government to enforce the Constitution which is the supreme law of the country, and remove discriminations against women, particularly in marriage, separation, divorce, inheritance and rights to property (particularly land) for the purpose of giving full respect to the rights of women guaranteed by the Constitution. The Government should give highest priority to the enactment of legislation establishing measures that protect and enhance the rights of women to equal opportunities in development.

In Uganda, it is clear that much more efforts still need to be done if women are to be empowered to fulfill their political, economic and social roles. Beyond legal reforms which are urgently required to ensure that women benefit from their own labor and have greater access to and control over productive resources, literacy and education programs are needed to overcome the cultural and social barriers which limit female access to information, technology, credit and extension services. Public expenditure programs generally need to take into consideration more explicitly the needs of women both as providers of family services as well as economic agents. Most importantly, the gender dimension has to be addressed explicitly within the overall context of the country's poverty reduction and economic development strategy.

b) Land Reform in Support of Agricultural Development

Uganda has a long history of diverse land tenure systems. While de jure a uniform system of land rights exists under the Land Reform Decree of 1975, de facto complex land tenure systems continue to prevail throughout the country. In order to meet the challenge of growth and poverty reduction, it is essential that the Government ought to achieve a unified land tenure system country wide both de jure and de facto, establish a progressive land reform legislation to support growth of the economy, and promote social advancement of the people.

i) <u>Evolution of Land Tenure in Uganda</u>

Land Tenure before 1900

It is difficult to identify a single land tenure pattern for Uganda as a whole for the period before 1900. The reference to the customary tenure system in Buganda may partially describe the situation. Aspects of the foregoing semi feudal structure of land rights in Buganda were replicated in other kingdom areas of pre-colonial Uganda namely Ankole, Bunyoro, Busoga and Toro. There were at least four categories of rights of control over land.

- Rights of clans over land. These rights accrued to heads of clans and sub-clans who might allocate usufruct and receive profit therefrom. After their death the land was not divided among their children but passed on to their successor.

- Rights of Kabaka and/or Chiefs. The Kabaka granted land to his great chiefs who have "usufruct" rights in the states attached to their chiefly offices.

- Individual hereditary rights. Individual hereditary rights over land resulted from long undisputed occupation or original grant from the Kabaka. They could be acquired by a chief or by an individual peasant.

- Peasant-rights of occupation. Ordinary people in pre-colonial Uganda got a piece of land for his undisturbed occupation under a chief, and rendered him some tribute and occasionally worked for him.

Customary tenure did not recognize individual ownership of land. It, however, recognized various rights of the individual to possess and use land subject to superintendency by his family, clan or community.

- The individual land holder had the right to utilize his holding as he thought best, sell land subject to the approval of the family, dispose of the land according to the customary laws of inheritance.

- The clan or family had the power to settle land disputes within the area of its control, exercise the right or option to buy land offered for sale by its members, and prohibit the sale of clan land to an undesirable person.

- The general community had various rights over land such as grazing communally free access to salt licks, watering of cattle at running waters, access to water from springs and other common rights.

The customary tenure which simultaneously recognized both individual and communal rights in land could work well under conditions of social homogeneity and cultural consensus. The requirements of a market economy in general and of a modern agriculture particularly, are unlikely to be met by a typical customary land tenure system.

Land Tenure in Colonial and Post-Colonial Uganda

The colonial regime adopted a mixed policy with regard to customary tenure. While preservation of customary tenure remained the official policy, in practice customary tenure was radically transformed by other colonial land policies which included freehold tenures, mailo tenure, and leasehold estates.

Free hold included some of the most ample estates an individual can hold in land. There are three types of freehold in Uganda principally outside Buganda.

- The Crown Lands Ordinance of 1903 gave the Crown the authority to grant land in freehold for limited, specific purposes such as churches, commercial ventures, but very little area was ever converted under this Ordinance.

- Freehold in Ankole and Toro were based on the 1900 and 1901 agreement respectively. Each of these agreements carried a land settlement which set out a distribution scheme. In particular, the chiefs who signed the agreement were to receive land. This land was subdivided by subsequent generations of chiefs. The allodial or radical title was vested in the colonial power. The land could be transferred only to a native of the kingdom. The terms of tenure between the native freeholder and any tenant were not freely negotiable.

- In 1958 special rules were adopted for adjudicated freeholds which were used extensively in certain areas, such as in Ankole, Kigezi and Bugisu, providing registration and title to those previously using the land.

Mailo tenure was introduced in Buganda by the 1900 Buganda Agreement. Land was divided between the Kabaka, other notables and the protectorate government. Mailo land was originally of two categories, private mailo and official mailo. The Busuulu and Envujjo Law of 1927 established the rights of mailo users (tenant) and mailo owners. Official mailo was transformed into public land in 1967.

Up to 1974, the principal feature of the mailo system was a modified and restricted freehold. Mailo estates were surveyed and the holders obtained certificates of title under the Registration of Titles Act 1964. In time, mailo land titles become quite easily transferable and marketable among individuals, to banks and credit institutions as security for loans, etc... A Lukiiko (Parliament of Buganda Kingdom) enactment, the Buganda Possession of Land Law 1908 prohibited a mailo owner from transferring to one not of Uganda origin without the prior consent of the Governor and the Lukiiko.

A leasehold estate is a result of an agreement between a lessor and lessee. The lessee will enjoy exclusive possession of the land of the lessor for a specified duration in consideration of a cash payment called rent. A lease- hold can be regarded as a tenure since the holder has the right to exclusive possession, use and occupation of the land. In Uganda, there are two principal types of leases: the private lease granted by an individual landowner to an individual or organization, and the public or statutory lease provided under Public Land Act 1969.

The Land Reform Decree 1975

The 1975 Land Reform Decree fundamentally changes the legal basis for land tenure in Uganda.

- The Decree declared that all land in Uganda was public land and would be administered by the Uganda Land Commission.

- Free-holds and individual mailo were transformed into leaseholds of 99 and 199 years for individual and public/religious bodies respectively.

- The system of customary tenure was not generally affected but it lift the basic legal protection enjoyed by customary tenants on public land which ensured that the controlling authority could not alienate in freehold or leasehold any public land occupied by customary tenants without their consent.

- Mailo and freehold tenants became customary tenants so their rights were likewise attenuated by the Decree.

The Decree was meant to move into the direction of a uniform nation-wide regime and to facilitate the use of land in Uganda for economic and social development. In reality, the Land Reform Decree of 1975 created far-reaching negative impacts:

- The Decree vests land in the state. The fact that the title is vested in the state is tantamount to state take-over of property without compensation

- The Decree hinders agricultural development because it interferes with the land market. It does not carry any provision to enable a mailo tenant to purchase his parcel from the mailo owner, and the mailo owner has no legal obligations to sell a parcel to a sitting tenant.

- The Decree violates the principle that a land tenure system should protect people from eviction if there are no other income-earnings alternatives available in the non-farm sector of the economy.

ii) <u>Toward a Progressive Land Reform Program</u>

While recognizing how traditional land tenure has evolved overtime, a successful land tenure reform should propose policy alternatives for constructive change based on legitimate set of goals. In order to carry out government's food strategy (i.e. promote food security, food production and food exports) it is essential that the land tenure system:

- Be uniform throughout the country and protected under a Government by law and guaranteed by the Constitution.

- Support agricultural development through the optimum use of land in terms of productivity and cultivable areas.

- Ensure the rights in land for those who are cultivating the land as well as those who own the land.

The Unified Land Tenure System

The issue of land was given high priority in the 1995 Constitution of the Republic of Uganda. A very significant positive step was the attempt to unify the various land tenure systems under a more uniform one. In Central Uganda, about 60 percent of the land is under mailo land, which is equivalent to freehold. About 20 per cent is under state reserves and leases. Freehold land in the western region hardly accounts for 2 percent, while land under leases is on the increase accounting for about 20 percent. The rest is not yet leased but customarily occupied. For Eastern region, there is hardly any freehold. About 10 percent of the land area has been leased. In Northern region, except for the state reserves such as game reserves, the land is almost under customary tenure.*

More specifically Chapter 15 of the Constitution provides general guidelines of a land tenure system for Uganda.

- Land in Uganda belongs to the citizens of Uganda and shall vest in them in accordance with the land tenure systems which include customary, freehold, mailo and leaseland.

- The Government or Local Government, however, may acquire land in the public interest, and the conditions governing such acquisition shall be as prescribed by Parliament.

- Non-citizen which shall be defined by laws prescribed by Parliament may acquire leases in land.

On the coming into force of the Constitution:

- All Uganda citizens owning land under customary tenure may acquire certificate of ownership in a manner prescribed by Parliament.

- Land under customary tenure may be converted to freehold land ownership by registration

- Any lease which was granted to a Ugandan citizen out of public land may be converted into freehold in accordance with a law which shall be made by Parliament.

- Within two years after the sitting of Parliament elected under this Constitution, Parliament shall enact a law regulating the relationship between the lawful or bona fide occupants of mailo land, freehold or

**Land Tenure and Agricultural Development in Uganda, prepared by Makerere Institute of Social Research, Makerere University and Land Tenure Center, University of Wisconsin. Madison, USA, June 1989.*

leasehold land and the registered owners of those lands. Until Parliament enacts this law, the lawful or bona fide occupants of mailo land, freehold or leasehold land shall enjoy security of occupancy on the land.

It should be recalled that under the Land Reform Decree 1975 all former mailo and freehold land is deemed to be held in leasehold out of public land. The conversion of existing titles into and the alienation of land in freehold is the most significant progress. The freehold tenure has the following advantages:

- Freehold tenure recognizes the de facto land tenure system in the former mailo/freehold areas for many decades. Even former mailo/freehold tenants and customary tenants have virtual freehold in the past.

- Freehold tenure gives farmers the greatest degree of security in their land and offers maximum protection for their rights.

- Freehold provides individuals with maximum flexibility for the transferability of land through the market between the buyer and the seller.

Land Legislation to Support Agriculture-led Development

Increasing agricultural output and food production development is central to the process of economic growth in Uganda. It is widely recognized that a land tenure system can promote or constrain agricultural development. It can also facilitate or hinder the process of development in the non-agricultural sector of the economy as well. To support and promote agricultural development in general, and food production particularly, a modern land tenure system must ensure the full rights in land of the major stake holders, i.e, women-food producers, rural farmers, landowners and foreign investors, within the framework of a modern agriculture and a market-economy.

In Uganda, even though access to land is not a major issue, no land stakeholders have been enjoying full rights in land. The full rights in land include not just access to land but also security, ownership and transferability of land. Only full rights in land can provide to the stake- holders the whole economic benefit and maximize the impact of land on agricultural productivity and production. Particularly, ownership of land would result in increased credit for agriculture and effectively promote the creation of an appropriate land market.

If the land tenure system restricts farmers from getting increased access to land, agricultural development and food crops production will be constrained. Alternatively if the land tenure system does not provide the farmer with security in his or her holding, investment in improving productivity of land may be discouraged. Besides, the ownership of land should be ensured in a private property appropriation society to prevent the arbitrary take over of the holding by the state without compensation. Finally, as a negotiable asset, land should be freely transferable through acquisition and sale within the framework of a modern agriculture and market economy.

The Rights of Women in Land:A World Bank Report on the status of women in Uganda* places rural women at the center of agriculture. In Uganda women provide about 70 percent of the labor for food crops and 53 percent of the labor for cash crops. More than 90 percent of women give their main occupation as agriculture. Women's contribution to the productive process as well as household duties is not matched by their control over the use of the resource. Empowering women's productive capacity by providing them with access and ownership of land is a prerequisite to promote women in development, meet the challenge of food and nutrition security, as well as increase food production and exports.

For most women, particularly rural women, customary laws are the only laws that they know. In principle, where customary practices contradict law or the Constitution, the latter should prevail. In actual practice, although the Succession Act entitles a widow to a 15 percent share in her deceased husbands estate, under most customary laws she is denied of such a right. Similarly, the law does not distinguish between female and male children in inheritance of a deceased parent's property. But under many customary laws, a daughter does not inherit land or other valuable property like cattle.

Although not forbidden by legal statutes, property and land ownership is usually denied to women and girls. The situation of widows is even worse as they are often chased away and denied any share in the husband's property. Besides, property acquired during marriage usually belongs to the husband. Because women lack control and ownership of production resources, they have little control over the sale of the produce and income from their produce. The situation of women in development may not be radically changed if the current laws are not appropriately updated and the 1995 Constitution effectively enforced by the Government.

Acquisition of Land by the Peasant Farmer: The peasant farmers are generally on small parcels of land for subsistence cultivation. What may be of concern at this stage is to provide them with full rights in land. Peasants on mailo land are mainly mailo tenants while those on customary land are customary tenants. Upon the coming into force of the 1995 Constitution, and until Parliament enacts appropriate laws, the lawful occupant of mailo land, freehold or lease land shall enjoy security of occupancy on the land. However, the best secure guarantee would still be to entrust him not only with access to land but also with ownership of land which is for most of the rural farmers the exclusive means of production, therefore, effectively contributing to poverty alleviation and production increase. Similarly, despite high labor force participation rate of the rural farmers in agriculture in general and in food production particularly, only a few have access to credit facilities because of lack of assets (usually land title) for collateral.

---

* *Women in Development: Current Issues and Agenda for Further Research. The World Bank, June 1991.*

328

Finally, the productivity of land should be increased through improvements or investments, both conditioned by the security to tenure would increase productivity and production.

Full Exploitation of Land by the Landowner: For the rich landlord, the ownership of land should provide political influence, social prestige but also economic power. In the final analysis the economic function is the most decisive factor. Until now, however, landowners have not yet maximizes returns of their land. Land put under tenancy has not encouraged investment for improvement. Unused land has added to the under-utilization of land resource whereas efficient commercial farming is still negligible in Uganda. The transfer of land to the tenant will provide available resources for investment in new and more profitable undertakings or joint ventures, therefore, contribute to maximize returns on land for the landowner.

Land and the Foreign Investor: Finally, agricultural development in Uganda relies and will continue to rely on small holders. But the development of a modern agriculture would need the creation of large commercial farming. In this field of specialty, the contribution of foreign investors is essential. The constitutional provision that only Ugandan citizens can own land in Uganda has discouraged foreign investment. In modern agriculture, within the functioning of a market economy, the full rights in land are required (i.e. access, security, ownership and transferability). The limitation to the access to land under lease condition will seriously have negative impacts for it will not encourage new investment for improvement of land. It will undermine any form of joint ventures, business mergers or other form of modern commercial contracts based on negotiated joint assets and stock markets. Investment opportunities, however, may not be lost. President Museveni, already, favored calling for an amendment even at the promulgation ceremony. It is hoped that the new elected Parliament which is entrusted with the power will also have the wisdom to amend the Constitution's article 237 related to access to and ownership of land for foreign investors for development purposes.

The "Land to the Tiller" Program to Overcome the Challenge of Growth and Poverty Reduction

The issue of land was given high priority in the 1995 Constitution. About the role of the state in development, the Preamble of the Constitution stresses:

- The State shall give the highest priority to the enactment of legislation establishing measures that protect and enhance the right of the people to equal opportunities in development.

- In furtherance of social justice, the State may regulate the acquisition, ownership, use and disposition of land and other property, in accordance with the Constitution.

The Private Ownership of Land: Uganda is organized under the regime of private appropriation of means of production. Misapplication of the right to private property may hamper the process of development. The principle of private ownership thus does not mean that in an economy of scarcity the government does not have the responsibility of providing guidance and incentives to promote optimum use of the means of production for maximum economic efficiency. Access to ownership of land for the "have not" and increasing productivity of land for the "have" will be the most challenging task of any developing country to effectively promote agricultural development successfully achieve the green revolution. In a country like Uganda where the majority of the people are poor rural farmers who have no other alternatives than tilling the land, a land reform program providing land to the tiller ("The Land to the Tiller") will effectively contribute to raising people's income and meeting the challenge of poverty reduction. It would have far-reaching political, economic as well as social impacts.

Components of the "Land to the Tiller" Program: An adequate land reform program under private appropriation of means of production should protect the interests of the tenant farmer but also safeguard the rights of the landowner, based on the principle of consensus and according to the fair market-value for compensation. A progressive land tenure system should not force the rural poor off the land but should also promote access of the farmer to ownership of land. This means that the land reform program "Land to the Tiller" should be designed and implemented to entrust all the tillers with full rights in land (i.e. not only with access to land but also ownership of land) so that individuals are offered maximum protection. Neither government nor landowners can interfere with their property rights in land.

Giving tenant freehold, mailo or leasehold rights in the land, the farmer would simply be confirming a situation that has existed as tenants have not been subject to easy eviction (Except under the terms of the 1975 land Reform Decree which has already been repealed by the 1995 Constitution). However, between 20 to 40 percent of individuals still extremely worried and worried respectively about tenure security which can be defined as the individual's estimate of the probability of loosing land.* The tenant farmers and the rural poor, therefore, will be given the possibility to acquire land under the "Land to the Tiller" program for a minimum acreage of land (e.g. 2 hectares) on a concessional loan advanced by the Government to compensate directly the landowners based on a voluntary basis and fair market prices. The tenant farmer will have to pay back the concessional loan to the government in 10 years.

---

* *Study on Land Tenure and the Statues of the Land Registry by the University of Wisconsin and Makerere Institute for Social Research (MISR), June 1989.*

330

To promote direct and full exploitation of land, land owners will have to pay a graduated tax on all land not directly exploited. The tax rate will be lower for land under tenancy and higher for unused land. Such tax reform should have stimulative effects. It would also promote the sale of land by the "absentee" landlords and the acquisition of land by the progressive farmers, which should be based on a voluntary and mutually agreed basis and under fair market value. It would also incite the big land owners to seek for high return of their land through better form of exploitation such as commercial farming or joint ventures with foreign investors.

The Funding the of "Land to the Tiller" Program: A complete and detailed plan has to be worked out. In general terms, however, the financing of the land reform program through land acquisition credit should be supported and shared by the farmer, the Government and the donor community through an autonomous development funded project.

The tiller who cannot pay for the acquisition of land will receive a concessional loan from the government reimbursable in ten years to directly compensate the landowner.

For the Government, mobilization of resource could be obtained from government budget saving, new revenue from tax on land, and through negotiated new grant or concessional loans with the donor community. The burden on the Government will be heavy in the short run. In the long run, however, government benefit will outweigh the initial cost through the reimbursement of loans by the farmers, the tax on non-self exploited and unused land, and a later stage with increase in income of the farmer a general law on land property will contribute to widen tax base more than could any other fiscal reforms.

As for the donor community, the support of the "Land to the Tiller" program** would be the real test of the commitment of International Development Agencies and Multilateral Financial Institutions, particularly the World Bank, to meet the challenge of growth and poverty reduction.

More specifically, a World Bank Task Force established in early 1994 to review the World Bank's progress on poverty reduction in Sub-Saharan Africa has found that the absence of land reform is a basic cause of poverty.* The World Bank has been reiterating since 1991 following a Board Policy Paper "Assistance Strategy to Reduce Poverty" that poverty reduction is the "overarching objective" of the World Bank. A reassessment and evaluation of the World Bank's various programs in

---

***As a precedent, the U.S.A had successfully financed such a land reform program in the Republic of Vietnam in 1969.*

**Poverty Task Force Report Executive Summary, The World bank, 1994 p.ix*

331

terms of cost-effectiveness will certainly save significant amount of funds. Some other credit line could be relocated to the land reform program. Finally, the "Land to the Tiller" should be considered by the World Bank as the highest priority for any new funding through concessional loans to assist Uganda meet the challenge of growth and poverty reduction. The final impact, indeed, will be an increase of savings, investment and productivity. The cumulative effect of agriculture-led growth, industrial development and exports expansion will not only promote income increase in the rural sector but also in the non-rural economy as well.

The Organizational Implementing Structure: The appropriate organizational structure to implement the "Land to Tiller" program has been already established under the Constitution.

There shall be a commission to be known as the Uganda Land Commission appointed by the President with the approval of the Parliament to hold and manage any land in Uganda vested in or required by the Government of Uganda in accordance with the provisions of the Constitution.

There shall also be a District Land Board for each district

- to hold and allocate land in the district which is not owned by any person or authority.

- to facilitate the registration and transfer of interests in land

- to deal with all other matters connected with land in the district in accordance with laws made by Parliament.

Parliament shall by law provide for the establishment of land tribunal. The jurisdiction of land tribunals shall include:

- the determination of disputes relating to the grant, lease, repossession, transfer or acquisition of land by individuals, the Uganda Land Commission or other authority with responsibility relating to land.

- the determination of any disputes relating to the amount of compensation to be paid for land acquired.

The Government may, under laws made by Parliament and policies made from time to time, regulate the use of land.

In sum, it must be stressed that the land reform will bring about radical change in the life of the people and the modernization of the country. It is essential, therefore, that the goals and methods be widely shared by them. Only under a resourceful and enlightened leadership will the proposed "Land to the Tiller" be motivatedly accepted by the people and fully supported by the donor community. The land reform is a "silent" revolutionary step to move Uganda from a traditionally-structured society, disrupted by the long legacy of colonial regime to a democratically-built modern and sovereign nation.

c) **An Export-Oriented Investment Code**

Although the Investment Code 1991 has been very instrumental to the success so far achieved by the Government investment promotion policy, there is still room for improvement. Beginning in 1993 and continuing in 1994, there have been a number of consulting studies on investment promotion. The main objective of any Investment Code is to make provisions in law relating to investment by providing more favorable conditions for investment. However, the major underlying issue raised in all the studies and surveys on investment promotion is Uganda's lack of competitive advantage in promoting investment. More particularly, Uganda is under a comparative disadvantage concerning the investment incentive system if compared with Kenya, its most competitive neighbor.

Many African countries, have recently reformed the Code on Investment in a much more liberal and export-oriented direction. In 1990, Tanzania enacted a National Investment Promotion and Export Protection Law that encourages export-oriented investment. In the implementation of the incentive system, Kenya has clearly adopted a more positive export bias to promote expansion of exports. Furthermore, many others have adopted policy measures to improve on the implementation of the incentive system. Malawi has adopted a new Investment Policy to streamline related administrations, abolish industrial licensing, etc... The Investment Codes of Zambia and Burundi have also been revised to effectively establish "one stop-service" for new investors and streamline the duty-drawback scheme for exporters. In Uganda, while significant progress has been made, major issues will remain to be solved to promote the urgently needed competitiveness of the incentive system and the effectiveness of its implementation for export-oriented activities.

i) The Need for Amendments to the Investment Code 1991

While it is encouraging to note the significant accomplishment made by Uganda in improving its investment climate in recent years, the implementation of the Investment Code 1991 has brought to the fore three unintended "adverse" impacts going against the Government's proclaimed policy on investment promotion and export development and diversification with focus on non-traditional agricultural exports.

Investment Competitiveness

The main purpose of incentives is to promote investment and export development and diversification, when the policy context is not favorable enough for the private sector to operate business in a neutral economic environment. Since most countries offer various incentive packages to promote investment and attract foreign investors, it becomes evident that a necessary condition for an investment incentive system to be attractive is to be more competitive. In reality, a comparative study may show the comparative disadvantage of the Ugandan incentive package as compared to Kenya.

With regard to incentives provided to export-oriented investments, Kenya offers a more attractive incentives package.

Table 47: Export-Oriented Investment Benefits in Uganda and in Kenya

Subsidy to Start-up Costs	
Uganda	Kenya
Holders of certificate of incentives are exempted from import duties and sales tax on imported plant, machinery or construction material.	Manufactures under bond (MUB) 100% investment allowance on plant, machinery equipment and buildings. Exemptions from duty and VAT on imported plant, machinery and equipment. Export Processing Zone (EPZ) Exemptions from import duties on machinery, equipment and buildings. Exemptions from VAT.
Subsidy on Imported Inputs to alleviate production costs for exporters	
Uganda	Kenya
Draw back of duties and sales tax payable on imported inputs used in production for export.	Manufactures under bond (MUB): exemptions from import duties and VAT on imported raw material and other inputs. Export Processing Zone (EPZ): exemptions from import duties and VAT on raw material and intermediate inputs.
Tax Holidays	
Uganda	Kenya
Holder of a certificate of incentives is entitled to exemption from corporate tax, withholding tax and tax dividends for 3 years for investment between US \$ 50,000 and US \$ 300,000, and 5 years for investment more than US \$ 300,000 and an additional 1 year respectively for priority sectors. Thereafter corporate tax rate 30%.	Enterprises operating in EPZ are entitled to exemption of corporate tax for 10 years of tax holiday and a flat 25% tax for the next ten years. Exemption from withholding taxes on dividends and other payments to non-residents during the first 10 years.
Externalization of funds.	No restriction on foreign exchange repatriation.
Loss carried forward for the purpose of tax allowances.	Loss carried forward to be offset against future tax profit.

Anti-Export Bias

Uganda's policy approach in general, is more liberal. The incentive system provides a set of investment benefits, indiscriminately given to all types of activities. In Uganda, the Government's investment promotion policy has been to encourage private sector development of both import-substituting and export-oriented activities. This policy approach, though apparently neutral, does create an "unintended" anti-export bias at home, and has far-reaching impacts on the competitiveness of Uganda abroad when facing the challenge of Kenya which clearly adopts an export-oriented policy. The trade regime of Kenya is much less restrictive. Tax holidays in Kenya are more substantial and biased in favor of exports.

Besides, Kenya has a variety of schemes including manufacturers under bond, small firms incentives, regional investment allowances, and an export compensating scheme. Furthermore, the performance of the current protection system in Uganda rather promotes production for the domestic market on one hand while on the other hand export-oriented activities have not been provided in parallel with enough incentive under the present Investment Code. The cumulative result of both effects implies an anti-export bias, which not only affects the structure of investment but also has far-reaching implications for long-term economic growth.

Lack of Focus on Non-Traditional Agricultural Exports (NTAEs)

In the challenging task of promoting non-traditional agricultural exports (NTAEs) in general, unless the Government is determined to implement an effective NTAEs promotion strategy, any policy stands little chance to fully achieve the highly expected performance. In order to be competitive, producers and exporters of NTAEs need to be on equal footing with their export competitors. NTAEs suffer cumulative disadvantage not only due to the non-competitiveness of the incentives system, but also because of serious constraints resulting from the anti-export bias of the protection system in favor of import-substituting activities. Besides, NTAEs have to overcome serious constraints due to the specific nature of these exports. Finally, the current investment and export promotion policy has no specific focus on non-traditional agricultural export promotion. NTAEs suffer cumulative disadvantages from investment incentive disadvantages with respect to neighboring export competitors abroad.

ii) A Reassessment of the Investment Code Policy Framework

There is a need for reassessment and amendment of the Investment Code 1991, particularly concerning the Investment Code policy framework, the incentives system as well as the implementation of the Code itself, based on the key criteria of (a) credibility with respect to the incentive system, (b) competitiveness as compared to Uganda's neighbor competitors, (c) concern for Government revenue mobilization and (d) consistency with Government's outward-looking growth strategy in promoting investment, developing exports and expanding non-traditional agricultural exports with focus on food exports .

Legal Protection of the Investment Code

Investors require a consistent and stable business environment to develop plans and commitments for investment in Uganda. Above all, they expect that not only the should Investment Code provide an appropriate package of fiscal incentives but the Investment Code itself should be legally protected from repeated changes in Government's tax structure. Subject to the provisions of the Constitution, where the provisions of the Code conflict with the provisions of any other law relative to investment promotion, the provisions of the Code should prevail.

335

In most Investment Codes, inflow of foreign direct investment has been encouraged with generous incentives and facilities. It is believed that foreign investment not only provides additional capital but also managerial skills, technological know-how and potential export markets. If the Investment Code has to create a basis for protection for foreign investors, it should be equally extended to Ugandan investors. Furthermore, there is also a tendency for investment promotion agencies to pay more attention to large capital at the expense of the smaller investors. The experience of East Asia, however, shows that one of the key factors of successful industrial development in East Asia was not only through the participation of foreign investors and large local corporations, but also the active role of small and medium sized enterprises (SMEs). Tax holidays and incentives should be uniformly provided to large firms as well as small and medium enterprises.

An Outward-Looking Strategy

The commitment of Government to investment promotion and export development with focus on non-traditional agricultural exports should be reflected in the Investment Code. While Kenya adopts a more export-oriented policy, Uganda's policy approach is more liberal. In Uganda the government's investment promotion policy has been to encourage private sector development of both import-substituting and export-oriented activities. In Kenya, the incentives system is substantial and biased in favor of exports. The Ugandan policy approach, though apparently neutral, does have an adverse impact on the competitiveness of Uganda when facing the challenge of Kenya.

iii) The Proposed Investment Incentive System

In a totally neutral economic environment, any incentives system would not be advisable and needed. It is only because of the existence of distortions and the competitiveness of neighboring countries that offsetting compensation is required. The proposed investment system attempts to strike an appropriate balance between administrative simplicity, investment promotion and revenue mobilization.

Eligibility Conditions for Investment Incentives

The Investment Code 1991 established appropriate criteria for investment licenses and incentives. In order to qualify, the proposed investors must contribute to promoting non-traditional agricultural exports, enhancing net earnings or savings of foreign currency, utilization of local materials, employment creation, technology transfer or upgrading of indigenous technology and balanced regional development.

Realistically however, the complexity of related administrative difficulties to obtain investment benefits both in terms of approval and operation of the incentive system should be seen as a serious obstacle to attract investors. In order to further promote administrative simplicity the recommendation to move away from investment licensing to certification should help stimulate investment development.

336

Furthermore, concerning the threshold, there is a need to further extend the benefits of investment incentives to both foreign and national investors, large corporations as well as SMEs, and NTAEs exporters. It is suggested to lower the US $ 500,000 threshold for foreign investors to US $ 300,000 and to maintain US $ 50,000 for Ugandan investors for investment in general. As for export-oriented investments, the capital threshold could be US $ 200,000 for foreign investors and US $ 30,000 for Ugandan investors. In order to promote non-traditional agricultural exports, the threshold could be reduced to US $ 20,000 for Ugandan investors and US $ 100,000 for foreign investors.

Tax Benefits

A central objective of the Amendment to the Investment Code 1991 should be to make the incentive system in general, and the tax benefits particularly reflect more effectively the government's investment promotion and export development with focus on non-traditional agricultural exports (NTAEs). The proposed amendment of the tax incentives would be to promote a credible, competitive and export-oriented Investment Code.

Tax Incentives to Start-up Costs: Subsidy to start-up costs through exemptions from import duties and sales tax on imported plant, machinery provided in the Investment Code 1991 should continue to be granted to attract new investors, mostly when investment conditions in Uganda are not yet significantly better than those of a competitive neighboring country such as Kenya.

Tax Exemptions to Alleviate Production Costs: Duty exemptions on imported inputs to alleviate production costs for exporters have been provided to exporters in both Uganda and Kenya. The Investment Code 1991 provides for a draw-back of duties and tax on imported inputs used in production for export.

Depreciation allowances in Uganda are 4 percent for industrial buildings, 20 percent for plant and machinery, 20 percent for furniture and fittings, 40 percent for light motor vehicle, and 50 percent for heavy and machinery equipment. Uganda is more liberal than Kenya concerning depreciation allowances. But in general, since the incentives package available in Uganda is not as competitive as in Kenya, investors in Uganda should continue to have the benefits of the current depreciation allowances.

Tax Allowances on Profit: Tax deduction on costs incurred in training Ugandans and in installing non-existent infrastructure (roads, water and sewerage, electricity, telecommunications) should be granted to licensed investors to compensate for the lack of infrastructure facilities if compared to Kenya. Besides, in addition to other incentives benefits, investment projects outside Kampala and Jinja may be granted a 50 percent corporate tax credit due to their contribution to balanced regional development.

Furthermore, investors should be allowed to carry loss forward to be offset against future tax profit. It should be mentioned that Kenya has already awarded such tax

337

incentives to enterprises operating in export processing zones (EPZ).

Finally, the proposed tax holidays while providing tax privilege to all investment should particularly focus on NTAEs.

- For investment in general, 5 years of tax holiday should be provided to all holders of a license of incentives, with an addition of 1 year for priority sectors. Thereafter, the corporate tax rate applied should be 30 percent. To maintain the credibility of the Investment Code, investors in Uganda should continue to enjoy their competitive corporate tax incentive compared with investors in Kenya where under the general investment regime there is no tax holiday, and the corporate tax rate is 35 percent.

- For export-oriented investment, 5 years of tax holiday should be provided to all holders of a license of incentives (based on US $ 50,000 for Ugandan investors or US $ 300,000 for foreign investors) and an additional 1 year respectively for priority sectors. As for the corporation tax, after expiration of the tax holiday period it should be established at an appropriate level to set Ugandan exporters on "equal footing" with Kenyan exporters, i.e., at a corporation tax rate of 15 percent.

- Similar to 10 years of tax holiday for Kenyan exports, non-traditional export-oriented investors should be provided with 10 years of tax holiday, i.e., exemptions from corporation tax, withholding tax and tax dividends. The corporate tax rate of 15 percent will be applied for the next 10 years. In addition, a corporate tax credit should be granted to NTAEs exporters based on export performance.

Other Investment Incentives

The Investment Code 1991 provides a number of investment benefits to investors which should continue to be granted if not further extended and reinforced.

Investment Protection: The Investment Code 1991 provides protection to foreign investors against compulsory acquisition of their projects. The Code should also ensure for all investors a fair settlement of disputes through negotiations and in accordance with the procedure for arbitration of the International Center for the Settlement of Investment Disputes (ICSID).

The Investment Protection may be reinforced by the adhesion of the Government of Uganda to the World Bank affiliated Multi-lateral Investment Guarantee Agency (MIGA) which guarantees against non commercial risk to enterprises investing in signatory countries.

Finally, Uganda can conclude more Bilateral Investment Protection Agreements and Tax Treaties with investors' originating countries to provide maximum investment protection and incentives benefits to investors in Uganda.

338

Financial Incentives: Externalization of funds is granted to investors for repayment of foreign loans and interests, payment of dividends of shareholders, payment of royalties or fees in respect of an agreement for the transfer of technology or expertise, payment of emoluments to expatriate staff, and externalization of profits or proceeds on disposal of assets.

The Investment Code 1991 also provides conditions in agreement for the transfer of foreign technology or expertise related to royalties or fees charged, liability to pay royalties or fees, technical assistance required as well as restrictions to the use of these technologies and expertise. Appropriate reform would help ensure consistency and automaticity in the administration of facilities and incentive to approved investors.

An investment licensed foreign investor may obtain credit facilities from domestic financial institutions up to the limit established by the Bank of Uganda in consultation with UIA for the purpose of carrying out the activities specified in the investment license. Residents should be able to borrow from abroad to finance investment in Uganda including working capital. In fact, it has become a common practice for Ugandan exporters and importers to have pre-finance coffee campaign or supplier credits from outside resources. Furthermore, non-traditional exporters have the benefit of the Export Finance Credit Program (EFCP). The line of credit is meant to fund exporters' expenses associated with pre- and post-shipment activities. The existing Export Refinance loans administered through the Bank of Uganda need to be activated to provide more benefit to a large number of non-traditional exporters.

In sum, the EPAU Proposal for Amendments to the Investment Code 1991 attempts to recommend the most conducive investment package in the region as a basis for competitive advantage in investment promotion. More specifically, it strives to achieve the following objectives:

- To create a most credible investment incentive system to help generate confidence in the private sector if it is to be the engine of growth of the economy.

- To confer a comparative competitiveness of Uganda over neighboring countries while striking an appropriate balance between administrative simplicity, investment promotion and revenue mobilization.

- To effectively support government outward-looking growth strategy through investment promotion, export development of non-traditional agricultural exports with focus on food exports.

Ultimately, it is the determination of the Government of Uganda to provide the most competitive Investment Code that will generate confidence in the private sector to undertake long-term investments and export-oriented activities, and successfully achieve an accelerated and sustained economic growth for the country.

Table 48: Summary of EPAU Proposed Investment Incentive System

	INVESTMENT	I General Regime	II Export-Oriented	III NTAEs
I	INVESTMENT PROTECTION			
	- Investment Code Legal Protection	Yes	Yes	Yes
	- Equal Treatment for Foreign as well as National Investors, big cooperations as well as	Yes	Yes	Yes
	Small and Medium Business (SMB)	Yes	Yes	Yes
	- World Bank Multilateral Investment Guarantee Agency (MIGA)			
	- Bilateral Investment Protection Treaties			
II	ELIGIBILITY			
	Investment Certification instead of License	Yes	Yes	Yes
	Capital Threshold (in US$)			
	- Foreigner	300,000	200,000	100,000
	- Ugandan	50,000	30,000	20,000
III	TAX INCENTIVES			
	Subsidy to Start up Costs			
	- Exemption from import duties and sales tax on imported plant, machinery or construction material	Yes	Yes	Yes
	Subsidy to Alleviate Production Costs			
	- Drawback of duties and sales tax on imported inputs used in production for export	Yes	Yes	Yes
	- Accelerated depreciation allowances	No	Yes	Yes
	Tax Allowances on Profit			
	Tax deduction on approved costs incurred in training Ugandans, and in installing non-existent infrastructure (roads, water sewerage, electricity, telecommunications).	Yes	Yes	Yes
	- Loss carried forward for the purpose of Tax allowances.	No	No	Yes
	- Corporate tax credit based on performance	Yes	Yes	Yes
	- Exemptions from corporate tax, withholding tax and tax dividends.	5 Years	5 years	10 Years
	- Corporate tax after tax holidays.	30%	15%	15%
	Note: In addition to other incentive benefits, investment projects outside Kampala and Jinja may be granted a 50% corporate tax credit due to their contribution to balanced regional development.			
IV	OTHER INCENTIVE BENEFITS			
	Financial Incentives			
	- Externalization of funds	Yes	Yes	Yes
	- Repatriation of royalties, fees related to transfer of technologies and expertise	Yes	Yes	Yes
	- Credit facilities from domestic institutions and financing from abroad.	Yes	Yes	Yes
	- Export Finance Scheme	No	No	Yes
	Institution Building Capacities			
	- Re-focusing UIA's activities on Investment Promotion			
	- Restructuring UIA as a Business-Oriented Organization			
	- Strengthening UIA as a "One Stop Shop" Investment Promotion Center.			

340

In conclusion, the 1995 Constitution of the Republic of Uganda sets the general framework for a nationally development strategy. It aims at moving the country from a traditionally structured society, disrupted by the long legacy of colonial regime into a democratically built modern and sovereign nation. Growth of the economy will be based on agriculture-led development as the foundation for industrialization and exports with focus on NTAEs. Such economic growth has to meet the rising food requirements of a growing population and improve the living standard of the people. In reality, it is the strong commitment of Government to enforce the provisions of the Constitution that is fundamental for the attainment of the nationally set goals of development.

More particularly, to successfully achieve the objectives of the food security and exports, it is a prerequisite that the Government at highest political levels strongly commit itself through the setting and enforcement of basic legislations to promote a legal status for women in development, support a land reform program and amend the Investment Code 1991. More specifically, reforms to ensure an appropriate legal status for women will contribute to strengthen food and nutrition security. The implementation of the "Land to the Tiller" program will increase production of food not only to satisfy domestic demand but also for export. Finally, the amendment of the Investment Code 1991 will promote Ugandan exports, with focus NTAEs particularly food exports. For Uganda, the success of the food security and export promotion strategy will contribute decisively to meet the challenge of growth and poverty reduction.

I.3 INSTITUTIONAL CAPACITY BUILDING

Due to limited budget funding, the need to maximize the impact of government's national food strategy is more than ever necessary, and requires an effective institutional capacity building of related ministries and various organizations.

The 1994/95 budget funding to the rural sector, has been constrained by the need to sustain macro-economic stability and the imperative of balancing the budget. A functional classification of Government recurrent expenditure as well as development expenditure shows that the shares of Government expenditure for priority sectors of rural areas, education and health have been continuously declining during the past three years. Similarly, when recurrent expenditure and development expenditure are combined, the analysis of the functional classification of total government expenditures also indicates that the shares of education, health and rural areas have been declined during the last three years (1992/93 - 1994/95).

Table 49: Functional Classification of Government Expenditure

	Recurrent Expenditure			Development Expenditure			Total Expenditure		
	1992/93	1993/94	1994/95	1992/93	1993/94	1994/95	1992/93	1993/94	1994/95
Administration and Social	66.7%	82.7%	83.2%	74.5%	78.5%	72.9%	67.4%	82.3%	82.3%
General public service	22.5%	41.2%	39.9%	49.4%	44.5%	44.9%	25.1%	41.5%	40.4%
Security	23.8%	22.9%	26.9%	7.0%	13..%	8.0%	22.1%	22.0%	25.1%
Education 1/	14.1%	12.0%	10.8%	9.0%	7.8%	9.4%	13.6%	11.5%	10.6%
Health 2/	5.1%	4.8%	4.2%	8.0%	10.8%	9.7%	5.4%	5.4%	4.8%
Other social services	1.2%	1.8%	1.4%	1.0%	1.7%	0.9%	1.2%	1.8%	1.4%
Economic Functions of which:	6.4%	6.0%	4.8%	25.5%	21.5%	27.1%	8.3%	7.6%	6.9%
Rural areas 3/	2.5%	1.8%	1.8%	11.3%	5.7%	8.4%	3.4%	2.2%	2.4%
Others	3.9%	4.2%	3.0%	14.2%	15.8%	18.7%	4.9%	5.4%	4.4%
Unallocated items	5.5%	0.0%	0.4%	0.0%	0.0%	0.0%	5.0%	0.0%	0.4%
Interest payments (Net)	21.5%	11.3%	11.6%	-	-	-	19.3%	10.1%	10.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Ministry of Finance and Economic Planning.

1/ Comprises Education, Makerere, and Uganda Management Institute, Teaching Service Commission.
2/ Health Ministry, Mulago hospital.
3/ Agriculture, Trade and Industry, National Agricultural Research Organization.

The complexity of the issues covering various aspects of food security, is such that many Ministries and their implementing units are involved (e.g., Prime Minister's Office, MAAIF, Ministry of Labor and Social Affairs, Ministry of Local Government, Ministry of Trade and Industry and MFEP. Only at high political level of the Government could the food security strategy be carried out for it involves decisions in related areas of competence of different ministries or agencies. It appears that a coordinated multi-sectoral approach to the formulation and implementation of a food security strategy will be needed. A simple but effective organizational structure could be set under the form of a Task Force, or Ad-hoc Committee or a National Food Security Council under the high authority of the President or the Prime Minister. It will have the authority to coordinate all food security activities, and be supported by limited but highly qualified technical secretariat, and relying on existing specialized related implementing units at different Ministries which should be strengthened to become more effective.

a) Restoring the Prominence of MAAIF in Food Production Development Strategy

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) has a very specific mandate. MAAIF is indeed, responsible for formulation of Government policies in the agricultural sector, development of national plans and strategies to achieve set goals within the policy guidelines, and monitoring the performance of local authorities and the private sector.

The basic roles of MAAIF in the agricultural sector are policy analysis and formulation, monitoring the sector, advising and regulating the actors in the sector. MAAIF has to identify factors inhibiting sector growth and development, and work toward reducing or

342

removing these constraints through promotion of social, economic and environmental policies compatible with the broad concepts of increased productivity, sustainability and quality production systems.*

(i) Collaboration at Policy Level

The Ministries, Government bodies and Development projects involved in the agricultural sector development are the Ministry of Agriculture, Animal Industries and Fisheries, Ministry of Trade and Industry, Ministry of Land and Survey for Land Policy, Ministry of Finance and Economic Planning, Local Government for administration, Gender and Community Development for integration of women in agriculture, Labor and Social Affairs for food relief, etc...

Besides, various agricultural development projects with their implementing units such as Agricultural Secretariat, EPAU for policy analysis and IDEA for production development and marketing should provide effective support to MAAIF.

In reality, MAAIF has a strong organizations network up to the grass root, at least sub-county level. No other organizations, therefore, could substitute MAAIF in its function of policy formulation and implementation within the framework of the Government's agriculture-led development strategy with focus on exports, particularly NTAEs. There is, therefore, an urgent need for better collaboration in terms of policy formulation and implementation.

(ii) Inter-Departmental Coordination

Even in high priority rating of the agriculture sector in general by the Government, financial resource allocation to MAAIF is still disproportional with its responsibilities. Besides, despite reasonable facilitation from the Government and support of the international donors, MAAIF only receives irregular flow of funds and inappropriate technical assistance. In general, budgetary ceiling and imposed national policies like civil service reforms has undermined the effectiveness of MAAIF. Within the MAAIF, the allocation of human resource also is not consistent with the importance of each department.

The Department of Crop Production and Marketing has a total established staff of 29 as compared to the Department of Fisheries with a total established staff of 58. It is to be noted that food crops totaled 68 percent of the agricultural GDP as compared to 5 percent of fisheries sub-sector. This does not imply that human resource allocated to fisheries should be reduced but rather points out the need to increase human resources for food crops development.

---

* *MAAIF, Ministry Corporate Plan 1995/96 - 1997/98, July 1995, p.8.*

The Department of Agricultural Planning should also be strongly supported and assisted to fulfil its important functions in improving policy analysis, formulating of strategic planning and, project implementation at all levels. In terms of monitoring institutional building capacity, the Department of Agricultural Planning should be given the highest priority from the part of the donor community, particularly the World Bank.

(iii) Supervision of Agricultural Development Project

Several projects and programs are being implemented in or attached to the Ministry of Agriculture, Animal Industry and Fisheries which aim at improving agricultural productivity and strengthening food security both at household and national levels. These include:-

- Agricultural Extension Project
- Uganda Seed Project
- Prevention of Post-harvest Losses
- Farming System Support Program
- Horticultural Development Program
- National Root Crops Development Program
- Rice Development Scheme
- Agricultural Research and Extension Training
- National Early Warning and Food Information System

These projects and programs if well-implemented may provide excellent results. For the time being, their performance so far achieved lags behind expectation.

In fact, diversification in the crop, livestock and fisheries sub-sectors can further strengthen food security. The Ministry is encouraging farmers to increase the production of non-traditional cash crops such as maize, beans, simsim, groundnuts and soyabeans and also the farmers are encouraged to produce high value horticultural crops such as pineapples, chillies, passion fruits, citrus and bananas. The diversification policy is aiming at increasing the export base of the economy as well as improving the nutritional status of the people. There is an increasing number of income generating activities associated with competitive systems of production, processing and marketing. The on-going Agricultural competitions can enable farmers to acquire better farming practices in the crop, livestock and fisheries sub-sectors of the economy. The agricultural competitions should contribute significantly to increased food, livestock and fisheries production strengthening both household and national level food security.

(iv) Strengthening the Food Planning and Monitoring Functions

The Ministry of Agriculture, Animal Industry and Fisheries has established different departments and units responsible for planning and monitoring of the food situation, its accessibility, availability and demand.

The Crop Production and Marketing Department

The Department of Crop Production and Marketing is mandated to support, promote and guide all crop production and marketing activities and aims at achieving and maintaining food self-sufficiency at all times for the people. It also ensures that there are adequate and efficient extension services rendered to the farmers. Crop diversification to expand the export base of the country is also promoted. Increased production of both cash and food crops for internal and external markets is encouraged. Within the Department, there are two Units with distinct roles and functions. These are the National Early Warning and Food Information Unit and the Statistics Unit. The two units play an important role in data collection, its analysis and compilation, publication and dissemination to the public.

The National Early Warning and Food Information Unit

The National Early Warning and Food Information Unit is charged with the responsibility of collecting agro-meteorological, nutritional, socio-economic and remotely sensed data which are used to assess the food situation in the country. The agro-meteorological data is derived from the National Meteorological centre which receives weather data from up-country stations using radio calls. The remotely sensed data is currently obtained from the regional project in Djibouti and includes Cold Cloud Duration (CCD) and Normalized Difference Vegetation Index (NDVI). The nutritional data is obtained from nutritional surveillance which is periodically carried out to assess the nutritional status of the people in a given locality. The socio-economic data is obtained from the monthly reports as well as the market news service reports derived from the Ministry of Trade and Industry. More specifically, the National Early Warning and Food Information Unit carries out food assessment surveys, yield estimations, monitors seasonal crop areas, inputs, weather conditions and provides socio-economic data and nutritional data. Meanwhile, the Statistics Unit collects crop and livestock data, compiles the data, processes it and documents the information for public consumption.

Despite the well-intentions of the National Early Warning Unit, results lag far behind expectation due to a number of reasons such as under-funding, lack of effectively integrated system involving village, sub-counties and districts, inappropriate coordination with various projects and NGO's to tracking nutrition insecurity. Among these reasons, the most serious one is still the under-funding of the Unit which might explain why performance lags far behind expectation.

In reality, accurate and reliable agricultural data is necessary in assessing food availability and requirements and can be a reliable tool for monitoring both food availability and requirements. Improving data collection would require adequate staffing as well as renumeration of the staff. At county level, monitoring and evaluation officers should be trained in statistical methods and analysis including report writing. Adequate provision of materials necessary for data collection, analysis and agricultural reports preparation should be effected both at district and county level. Crop cutting experiments to determine yield of specific crops and or on-farm trails can improve the accuracy of yield data. Timely and regular agricultural monthly reports both at district and county level can facilitate the monitoring of the food situation.

Accurate Information on population data per district and county is necessary in order to determine seasonal food requirements. Household budget surveys are important for food consumption patterns of major crops.

Nutritional surveillance determines seasonal food requirements. Household budget surveys are important for food consumption patterns of major crops.

Nutritional surveillance determines the nutritional requirements providing information on food availability. The Ministry of Labor and Social Affairs in liaison with the Ministry of Agriculture, Animal Industry and Fisheries monitor needs in areas affected by food shortages due to unfavorable weather conditions or socio-economic factors. Determining the quantity of food needed in a particular area requires careful assessment of the number of people affected by food shortage, their daily food requirements by type of food and the period over which such assistance may be provided.

b) **Support to MOLSA in Relief and Disaster Management**

After the restructuring of the Civil Service, the Department of Relief at the Ministry of Labor and Social Affairs (MOLSA), was renamed the Department of Disaster Management, which includes the Relief and Resettlement Services.

The Department of Disaster Management is charged with assisting Ugandans who have been struck by a disaster or calamity. In case of disaster, the department is expected to provide relief and rehabilitation assistance to bring the affected population back to their normal productive status. The department also resettles internally displaced communities of Ugandan origin or those returning from exile. Lastly, the department gives assistance to ex-rebels surrendering under the Amnesty Statute of 1987. This assistance mainly involves rehabilitation and resettlement.

According to MOLSA on average 400,000 people need relief assistance of one kind or the other and about 50,000 families would need resettlement. They normally require resettlement kits which include food and non-food items. For example, in 1991 there were 400,000 persons in Soroti displaced and in need of food and agricultural implements and about 150,000 in Karamoja were affected by the drought. In 1992 the Government assisted 100,000 persons from Kibale Forest with relief, and resettled 30,000 persons in Rukiga county and 15,000 persons in Kisoro.

346

Based on the department's estimates in view of the above, where 450,000 persons are affected almost every year. The food required to assist that population for at least 3 months would be about 18,000 mt of posho, 9000 mt of beans, at the rate of 400 gms of posho per person per day and 250 gms of beans per person per day. This would require U Shs 12,513,611,110 for the three months, at the present cost of U Shs 420 per kg of posho and U Shs 550 per kg of beans. An additional amount of U Shs 12,513,611,100 would be needed to provide non-food items such as hoes, pangas, seeds, etc...

The source of funding comes from monthly releases and supplementary releases from Minister of Finance and Economic Planning.

Table 50: Food Relief Assistance by District: 1991-94 (mt)

	1991		1992		1993		1994		Average	
District	M	B	M	B	M	B	M	B	M	B
Kamuli							377	22	377	22
Tororo							421	34	421	34
Mbale			31	6	13	3	79	2	41	4
Kapchorwa	15	5			20	4	113	14	49	8
Kumi	7,433	1,271					558	35	653	3,996
Soroti	3,170	135			42	8	643	35	1,285	59
Moroto	7,092	639			1282	18	430	13	2,935	223
Kotido	13,252	1,093					458	15	6,855	554
Apac	8	2					205	22	107	12
Lira	13	3					320	22	167	13
Kitgum	91	8					275	19	183	14
Gulu	91	12					355	8	223	10
Moyo	29	6					63	4	46	5
Masindi	15	4			16	3	89	2	40	3
Kabarole			324	9	838	33	263	27	475	23
Kasese	30	4	34	4			47	1	37	3
Kabale	894	375	130	36	95	23	155	1	319	109
Rukungiri			60	-	29	8			45	8
Mbarara	19	5	51	6	71	18	9	1	38	8
Rakai			216	-	1,816	-	-	-	1,016	-
Masaka			97	-	1,058	2	89	12	415	7
Mpigi			27	-	386	-	-	-	207	-
Mukono							91	8	91	8
Luwero			34	-	32	6	186	4	84	5

Source: MOLSA, (Department of Relief) World Food Program 1995.

Note: M = Maize B = Beans

347

The government on most occasions depends on foreign assistance to deal with disasters. This had made it very difficult for the department to answer to disaster promptly as expected or to be well prepared in time. The recurrent budgetary allocation in 1995/96 is Shs 421 million. This is considered inadequate to meet the operations of the Department.

c) Assistance to Refugees at the Ministry of Local Government

The Ministry of Local Government is responsible for the provision of land needed to resettle the refugees and provision of security in the Resettlement Camps. The maintenance of the refugees such as provision of food and logistics, however, is catered for by the UNHCR.

The refugee population increased from 297,829 in 1993 to 308,548 in 1994 (an increase of about 4 percent). In 1995, the number of refugees fell to about 265,094. With the continuing civil war in Southern Sudan, there has been a steady flow of refugees into Northern Uganda, with between 3,000 and 10,000 at the end of 1994.

In coordination with the United Nations High Commission for Refugees (UNHCR), the World Food Program (WFP) has been providing food assistance for refugees from Sudan, Rwanda, Zaire and Somalia in Uganda since the first influx of 1988. In 1994, WFP food assistance will continue during a nineteen months period for approximately 150,000 Sudanese refugees located in Moyo, 117,000 in Arua, 9,000 in Masindi and 16,200 in Kitgum districts. Distribution is handled by Non-government Organizations (NGOs) such as Uganda Red Cross, Interaid, Oxfood Famine Relief (OXFAM), Italian Cooperation for Development (AVSI), International Commission of the Red Cross (ICRC) and UNHCR. Due to unavailability of land in the area only 17 percent of the refugees are in settlement camps. Some 14,856 refugees are now self-sufficient and no longer require WFP food aid. In addition to food, WFP has obtained through a number of donors, non-food assistance commitment which includes mobile warehouse, trucks and trailers, grinding mills and weighing scales. Basic health care, sanitation and nutrition services are being provided by several NGOs, including MSF Switzerland, Interaid, AVSI, Jesuit Relief Services, Agency for Cooperation in Research and Development (ACORD) and Medecin sans Frontiere (MSF) Netherlands. OXFAM with Water Development Department has helped in providing water.

Though the Ministry of Local Government has an increasing responsibility with the influx of refugees, the Department of Refugees budget allocation has remained small and inadequate. For example, in 1994/95 recurrent expenditures for refugee department was limited to a budget only Shs 37 million despite the high refugee population of over 300,000 in 1994. The 1995/96 budget allocation of Shs 63 million is still considered too low. Based on the Department needs, financial support should be increased to meet the recurrent budget of U Shs 212.4 million requested by the refugee section.

348

Table 51: Refugee Population in Uganda

District	Refugee Center	1995	1994	1993
			Year	
Kigtum	Acholi Pii	9,717*	16,194	-
Kabarole	Kahunge	48	203	11,667
	Ramwasa	84	200	9,065
	Kyaka I	2,611	2,672	10,259
	Kyaka II	13,015	1,419	13,367
	Sub-total	15,758	4,494	44,368
Arua	Koboko	118,786	89,999	65,959
	Rigbo Rhino	16,240	15,000	25,000
	Sub-total	135,026	104,999	90,959
Mbarara	Nakivale	3,174	6,004	21,153
	Oruchinga	5,520	4,017	10,750
	Sub-total	8,694	10,021	31,903
Kasese	Ibuga	1,015*	1,000	9,500
Kibale	Kyangwali	20	20	8,907
Masindi	Kiryandongo	9,209	8,828	7,848
Moyo	Magburu/Ajumani	85,194	160,343	102,138
Urban Refugees		461	2,649	2,206
	Total	265,094	308,548	297,829

Source: Ministry of Local Government (MOLG)

* Estimate

349

d) **Strengthening the Role of MTI in Food Export Promotion and Trade Negotiation**

It has been widely recognized that the strategic role of government in successful export-oriented countries of East Asia is vital in actively guiding investment in the direction of exports, and gaining foreign markets for their export products.

(i) <u>Government Role in Exports Promotion</u>

A common feature of the East Asia export development strategy is the priority and total commitment these Governments, through their Ministries of Trade and Export Promotion Agencies, attach to the promotion and development of exports.

Instruments used to promote exports include, among others, preferential short-term and long term financing to export-oriented enterprises with export performance as the criterion of credit worthiness, tax incentives and export promotion facilities, subsidized infrastructure and utilities, foreign investment incentives specifically targeted to production for export.

Macro-economic policy in support of exports development policy is also fundamental. Most importantly a "realistic" foreign exchange rate is a most useful and effective policy tool to promote exports. An over-valued currency will discourage exports while encouraging imports. To boost exports, many countries even deliberately under-valued the exchange rates of their currency.

Above all, however, trade negotiations to capitalize on the comparative advantage of the country for food exports should be most decisive. Ugandan food exports is essential in promoting food production and food security at home.

If Uganda levels its imports at the reasonable level of US $ 600-700 million, and considering its exports at about US $ 500 million in 1994/95, with an export of 500,000 - 1,000,000 mt of maize and beans, Uganda should be able to bridge the gap in its balance of trade. But with a national food strategy focusing on food exports, Uganda can even have the means to bridge the gap in the balance of trade, moving the country toward self-reliance while adopting a "food for progress" strategy in the region, contributing to enhance food security in the food deficit countries in the EAC, IGADD and COMESA.

Food deficit countries in the EAC as well as in the IGADD and COMESA, which amounts to millions of metric tons of cereals could provide huge potential markets for Ugandan food exports, and an effective opportunity for Uganda to participate in the common effort to overcome the challenge of food shortage in the region.

(ii) Capacity Building of UEPC

In order to effectively promote the diversification and growth of exports, it is also most desirable to strengthen institutions established to promote and facilitate foreign trade. The restructuring of the Uganda Export Promotion Council (UEPC) aimed at making it more efficient and more responsive to the needs of exporters has been initiated.

The effectiveness of the new institution, however, will depend to a great extent on the financial resources that Government will be able to provide. The Cabinet and Parliament have approved a levy of 1 percent on imports to be shared by institutions supporting the development of exports. When this decision is implemented, UEPC will be in a better position to fulfill its promotional role of exports development. In the meantime, to promote food exports, with particular emphasis on maize and beans exports which contribute for about half of NTAEs, UEPC can usefully rely on the ANEPP and IDEA programs under USAID funding. The Export Policy Analysis Unit (EPAU) can appropriately provide policy support at macro, sectoral and micro levels. The Agri-Business Development Center (ADC) can offer adequate services in production development and marketing.

The restructuring plan for UEPC would require a recurrent budget of Shs 955,000,000 as the bare minimum for UEPC to deliver satisfactory services to exporters. UEPC would require also Shs 353,470,000 for capital expenditure. By comparison actual funding of UEPC for the years 1994/95 to 1995/96 were as follows:

1992/93	U Shs 251,326,951
1993/94	U Shs 309,210,180
1994/95	U Shs 331,918,000
1995/96	U Shs 310,941,000

The World Bank which had been very supportive of the restructuring of UEPC, seems to have lost interest now and is focusing more on other competing projects. The general feeling at the Ministry of Trade and Industry is that while support was extended to private sector enterprises under the Private Competitiveness Project*, resources should have been directed to the most important but also the weakest sector, which is the export sector. The need to address the capacity building requirements of export trade promotion agencies is crucial to the success of the overall export drive.

The tentative financing plan of the Private Sector Competitiveness Project amounts to US$ 20.2 million.

351

II. MACROECONOMIC POLICY IN SUPPORT OF AGRICULTURE-LED DEVELOPMENT

There is now a plethora of economic theories relying either on demand side or supply side economics. However, these models all have common threads that allow to distill common essence. All of them recognize that stabilization is a prerequisite for sustained growth and that growth is important as a matter of welfare . The key question is as compared to short term stabilization and long term growth, which one is more important? Structural adjustment programs give priority to stabilization. This has far-reaching impact on development strategy.

In developing countries in general and particularly in Uganda two key issues for economic policy makers are not just inflation but also unemployment. A successful anti-inflationary policy will contribute to economic stabilization whereas an effective job creation policy will help promote growth of the economy, and it is believed that there is a trade off between inflation and unemployment.* A balanced approach in policy formulation and implementation, therefore, should be preferred. Though legitimate, the overarching concern for inflation has led to the neglect of the design and implementation of an effective labor policy which should better support the workers, the majority of them living in rural areas or depending on agricultural development.

If Uganda is to meet the challenge of growth and poverty reduction, modernization of agriculture in general and particularly development of food production to promote food security and food exports have to be at the core of its development strategy. Achievement of such a strategy, depends basically on policies and reforms in key various areas of interest such as macro-economics, sectoral policies for agriculture and trade, and policy support at micro level, etc... These policy reform programs have to be consistently designed and implemented to achieve significant progress as expected. In Uganda, if structural adjustment programs have been considered as essential to move the country from rehabilitation to development, the assessment about their performance often are mixed.

**The Phillips Curve provides an insight in applied economics. There appear to be a trade-off between inflation and unemployment: The more Government has of the one, the less it has of the other.*

II.1 DIMENSIONS OF MONETARY POLICY IN DEVELOPMENT STRATEGY

The choices of monetary policy are often divided between quantity rule and price rule. In the *quantity rule* the monetary authority aims at a target path of a monetary aggregate, such as the monetary base M1, or a still broader concept of money. Friedman's proposal for a constant-growth rate rule for M2 falls into this category. Under a *price rule* the monetary authority uses its direct instruments, which might be open market operations, the discount rate, a pegged exchange rate to achieve a desired path for some target price. The target could be a general index of prices, the prices of specific commodities, an interest rate, or the exchange rate itself.

In reality, policy makers are more concerned about a variety of current and future prices rather than about the quantity of monetary aggregates per se. Therefore, the case for a quantity rule must rely on ease of implementation and adjustment after verification. By relying too much on the quantity rule based on monetary aggregates without consistently double checking with appropriate target prices, the monetary authority in Uganda has been "unintentionally" conducting a monetary policy counter to Government development strategy. Investment should be promoted but the real savings interest rate is still negative contributing to discourage savings. Agriculture-led development should be at the core of development strategy but the distribution of credit to the agricultural sector, particularly to food crops production is the lowest, if not insignificant. Exports promotion with focus on NTAEs (among them maize and beans) is stated government policy but the unrealistic exchange rate does not help Ugandan exports to be competitive. These are some perverted impact of a monetary policy stick to a general monetary framework rather than effectively support government development strategy.

a) Magnitude of the Impact of Money Supply on Price Stabilization

In fact, if there is a growing consensus that to achieve maximum sustainable economic growth the main objective of monetary policy should be price stability, considerable debate remains, however, about how monetary policy affects the price level of the economy.

Traditional studies of monetary policy's impact on the real economy have focused on its aggregate effects. Beginning with Friedman and Schwartz (1963) modern empirical research in monetary economics emphasizes the ability of a money supply target approach to stabilize the macro-economics. The focus of policy oriented macro-economics is to try to stabilize the monetary aggregates. According to their view of money, changes in policy are taken into consideration in so far as they affect monetary aggregate outcomes.

There have been reactions to the fact that monetary aggregates provide little insight into policy actions for policy makers. This might partially be true in the case of Uganda, a country relying on subsistence and informal economic activity with a dual economic structure, dominated by a large non-monetary sector (about 30 percent of GDP) as well as an information system and statistics accuracy which leaves much to be desired. Casual observation suggests that money supply manipulation alone could not contribute to price stability. At least key factors such as foreign aid, commercial import programs (or as a

353

proxy international prices), and food production (more specifically food prices) do also have distributional implications on stabilization policies.

i) Theoretical Background

The monetarist thesis asserts that inflation is always and everywhere a monetary phenomenon. As a consequence, the rate of inflation is expected to vary ceteris paribus (other things being equal) positively in relation to the rate of change of money supply, and negatively in relation to real income.

The IMF and the World Bank rely on the most commonly used simple monetarist model of the determinants of inflation which assumes a one-to-one correlation between change in money supply and change in price level.

$$P_t = M_t - Y_t$$

where P_t, M_t and Y_t are the percentage of change of the aggregate price level, the money supply and the real income.

The relationship between inflation and money supply has been the subject of many studies in the economic literature. An early and now widely known attempt to study the dynamics of inflation and develop a model to explain the inflationary process was made by Arnold Harberger.* In its simplest form, the model suggests that the current inflation rate of change of the money (M_t), varies negatively with the current rate of change of real income (Y_t), and varies positively with the expected cost of holding money (C_t). Consistent with the quantity theory approach, the model seems to support the monetarist thesis that inflation is always and everywhere a monetary phenomenon.

$$P_t = M_t - Y_t + C_t \qquad (1)$$

W.A. Bromberger and G.E. Makinen made some further tests of the Harberger inflation model using quarterly data for South Vietnam.** Based on the econometric results, the study provides evidence that the price level responds to change in the money supply. However, the empirical evidence suggests that the one-year lagged monetarist growth variable is a more powerful explanatory variable. The effects of monetary growth become mostly significant after one year.

* *Arnold Harberger, "The Dynamics of Inflation in Chile," in Measurement in Economics and Econometrics in Memory of Yehuda Grunfeld, ed. Carl F. Christ (Stanford University Press, 1963).*

** *W.A.Bromberger and G.E. Makinen, "Some Further Tests of the Harberger Inflation Model Using Quarterly Data, "Economic Development and Cultural Change 27, No. 4(1979): 629-644.*

354

Since equation(1) assumes instantaneous adjustment of the economic system to changes in the money stock, the most common formulation to take account of the lagged adjustments would be:

$$P_t = C_o + a_1M_t + a_2M_{t-1} + a_3M_{t-2} + a_4M_{t-3} + a_5M_{t-4} + bY_t + cC_t \qquad (2)$$

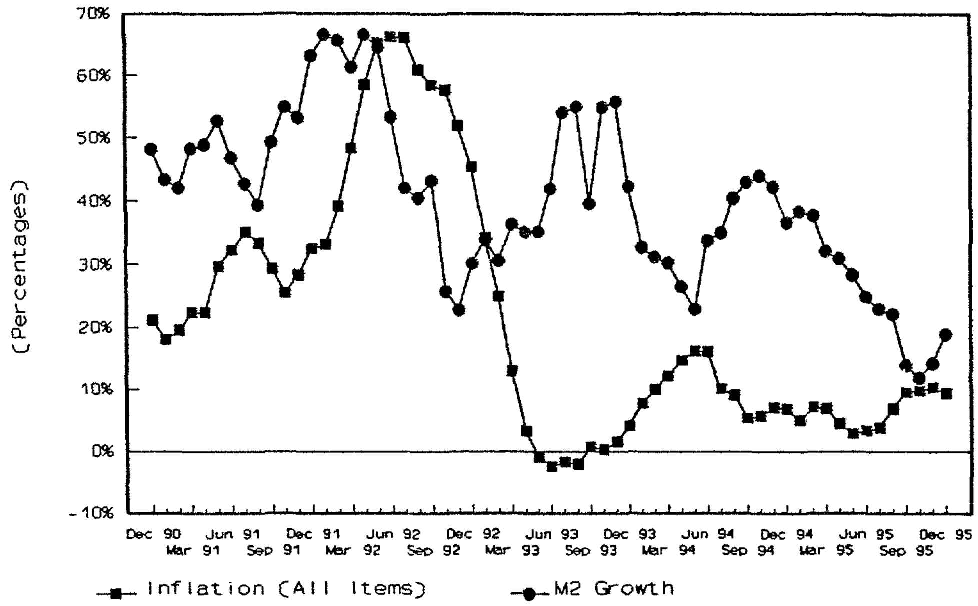
ii) An Empirical Finding

A combined insight from monetary theory with close observations of data and empirically based macro-economic analysis would show that

- in 1991 and 1992 money supply and inflation moved in the same direction;
- in 1993 and 1994 money supply and inflation moved in the opposite direction, and during this period inflation was lowest and even negative, while money supply reached the highest level.

Chart VI: INFLATION & M2 GROWTH

(Year-over-year)



Source: Statistics Department, MFEP and Research Dept, Bank of Uganda.

In a country like Uganda between the two extreme positions, money is all that matters and on the other hand, money does not matter. For policy makers, money does matter but money alone cannot explain all the changes in prices in the economy.In addition to money supply, other economic variables such as foreign aid, import programs or food production should not be neglected, but taken into consideration.

The empirical results raise a serious concern about the performance of monetary policy. If taking into account a one-year gap of the money supply, the above graph shows that monetary policy has been consistent through 1993. Thereafter, the opposite trends between money supply and inflation raise the need for the monetary authority to reason its policy related to monetary, interest rates and foreign exchange rates issues.

b) **Foreign Aid and Inflationary Gap**

Table 52: Inflationary Gap

Monetary Injection		Monetary Absorption	
Budgeted Expenditures	A	Budgeted Revenues	E
Exports	B	Imports	F
Increase of Loans etc..	C	Financial Transfers etc...	G
Foreign Expenditures	D	Excess Liquidity	H
	--		--
Total	X	Total	X

Foreign aid is an integral part of Government stabilization and development policy. External assistance to the 1994/95 budget as compared to the previous year is summarized in the following table.

Table 53: External Resource Mobilization (UShs bn)

Donor Support	Outturn 1993/94	Budget 1994/95	Outturn 1994/95	Deficit/ Surplus	Performance ratio
Total External Resources	501.01	490.69	509.93	19.24	103.9%
Import support	115.64	161.88	196.67	34.79	121.5%
Grants	89.80	27.75	70.33	42.58	253.4%
Loans	25.84	134.13	126.34	-7.78	94.2%
Project Aid	385.37	328.81	313.26	-15.55	95.3%
Grants	192.68	164.41	156.63	-7.78	95.3%
Loans	192.68	164.41	156.63	-7.78	95.3%

Source: Ministry of Finance and Economic Planning, Background to the Budget 1995/96

Foreign aid contributes to bridge the inflationary gap in two ways.

- Through project aid, it increases government revenue to finance development expenditures.

- Through import support to finance the budget deficit.

356

c) Import Prices as Explanatory Variable of Inflation

In Uganda, the gap in the balance of trade keeps increasing. More importantly, the huge import program which was estimated at about US$ 981 million in 1994/95 must have a far-reaching impact on the economy in general, and particularly, import prices must have a direct effect on the general price. In fact, further interesting evidence of an empirical study of six Asian countries made by Krishan G. Saini* suggests that the augmented monetarist model (i.e., the inflation equation which includes the behavior of import prices as a supplementary explanatory variable) would more adequately represent the inflation process. The specification of the estimation equation thus becomes:

$$P_t = C_o + a_1M_t + a_2M_{t-1} + a_3M_{t-2} + a_4M_{t-3} + a_5M_{t-4} + bY_t + cC_t + dP_m \quad (3)$$

where P_m is the growth rate of import prices. The consumer price inflation is expected to vary, ceteris paribus, positively with respect to growth of import prices. The traditional monetarist model is an over simplification, of course, but the insight obtained from such reasoning is not altogether without merit.

Table 54: Balance of Trade

	Exports	Imports	Trade Balance
1989	277.7	740.0	-462.3
1989/90	217.5	591.2	-373.7
1990	117.0	617.6	-500.6
1990/91	175.4	545.0	-369.6
1991	173.7	474.8	-301.1
1991/92	172.1	450.0	-277.9
1992	151.2	513.3	-362.1
1992/93	169.3	530.0	-360.7
1993	196.7	597.1	-400.4
1993/94	253.9	726.6	-463.7
1994	417.9	726.6	-308.7
1994/95	539.8	981.0	-441.2
1995	497.7	1,172.0	-674.3

Source: Key Economic Indicators, November 1994 Quarterly Economic Report Volume 02/94, and Background to the Budget 1995/96.

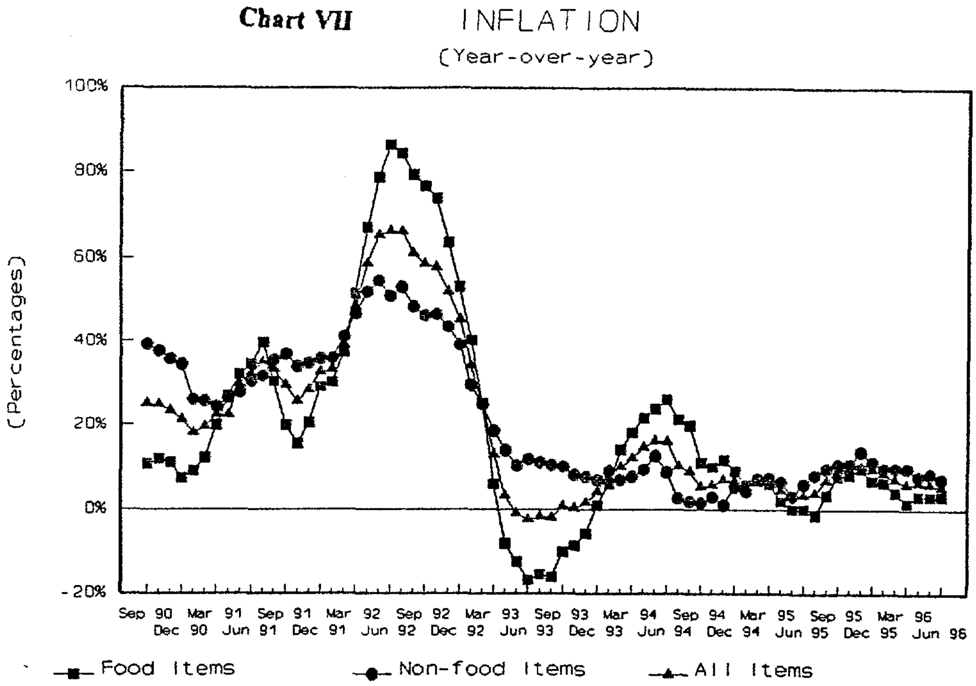
* *Krishan G. Saini, "The Monetarist Explanation of Inflation: The Experience of Six Asian Countries," World Development 10, No.10(1982): 871-884.*

359

d) **Impact of Food Prices on the General Price Level.**

Food prices do have a direct impact on the general price level as can be shown in Chart below:

Chart VII



Source: Statistics Department, MFEP.

A regression analysis using monthly prices from June 92 to December 95 shows that inflation for food items does have an impact of more than 30 percent on the general price level.

$$Y = -0.0017 + 0.3110X1 + 0.6606X2$$

Regression Output

Constant		-0.0017
Standard of Y Estimate		0.0061
R Squared		0.9991
No. of Observations		43
Degrees of Freedom		40
	X1	X2
X Coefficient(s)	0.3110	0.6606
Standard error of coefficient	0.0051	0.0160

X1 - Inflation for food items*
X2 - Inflation for non-food items
Y - All items inflation

*Refer to Composite CPI for Uganda: Breakdown by major groups.

358

In Uganda, the agriculture section in general, and food crops in particular, are strong determinants of growth of the economy, demand for domestic output and the stability of price levels.

In sum, the "quantity" money supply view, though useful, by focusing on aggregate does not offer enough analysis of distributional or cross-section responses to policy action, nor of aggregate implications on the economy. For decades macro-economists have been criticized for applying macro-economics in absence of micro-foundations. It may be time for developing countries particularly Uganda, to question whether this now widely used approach to establish a good macro policy built on a strong micro-foundation, is likely to be followed. For policy makers, therefore policy formulation and implementation not only have to rely on the monetary aggregate approach and be concerned with monetary fundamentals, but more importantly go beyond and appropriately redress the real impacts of monetary policy on the economy in order to fully achieve government development strategy.

The over emphasis on monetary approach in policy formulation of the IMF and the World Bank has mobilized all government efforts and overshadowed distributional implications of such key issues as foreign aid, import/exports policies, as well as food production and food prices. More particularly, while impacts of money supply on the life of about 90 percent of the population living in the rural areas or depending on agriculture are relatively weak but largely publicized, the implication of food production, marketing and exports which are far-reaching to meet the challenge of food security and poverty reduction have received a much lower official attention. It is true that structural adjustment economists have the responsibility to create an appropriate macro-economic policy framework as a prerequisite for growth. Policy makers however should make necessary adjustment in order to ensure that it will effectively support and not go counter to the Government development strategy.

II.2 MAXIMIZING IMPACT OF FISCAL POLICY

A major objective of structural adjustment is focused on the prerequisite to stabilize the economy through the restoration of fiscal discipline. A common fallacy, however, would be to reduce government finance strategy to the simple management of budget deficit, as the IMF often seems to believe.

Persistent budget deficits have increased economists' interest in theories and evidence about fiscal policy. In recent years there has been much discussion about budget deficits. Many economists and other observers have viewed these deficits as harmful to the

359

economy. The supposed negative effects include high risk of inflation, low growth of the economy, crowding out effect on private sector economic activities, low saving, etc...*

Common economic wisdom dictates that a well-balanced budget management should look at the effects of government expenditures themselves, and consistently think about how government spending should be financed. More explicitly stated, the government budget has two equally important functions: a development function which should be used to promote growth of the economy in support of government development strategy, and a stabilization function which should ensure that mobilization of resource to finance government spending does not undermine government stabilization efforts. The performance of budget management should be focused on how to maximize the impact of government expenditure as well as mobilization of revenue.

a) A Budget Management Strategic Approach

According to the World Bank "Uganda can expect to benefit from continued aid inflows in the future because of its good economic performance, low level per capita income, high external debt service". Nevertheless, it is important and high time for Uganda to reduce budgetary dependence on external finance.

In spite of the remarkable effort of the Government to double the share of tax revenue in GDP in the last five years, it remains at about 10 percent as compared to an average of 18 percent of GDP in Sub-Saharan Africa. Public expenditures (current and capital) was about 18 percent, of GDP in 1993/94 as compared to a Sub-Saharan average of 28 percent.

One of the most critical issues for long term macro-economic stability, therefore, is public revenue mobilization. The fiscal deficit increased from 4.2 percent of GDP in 1985/86 to 11.3 percent in 1993/94. External aid has helped bridge the gap. Budgetary grants increased from 1.1 per cent of GDP in 1985/86 to 7.0 percent in 1993/94 whereas net foreign borrowing increased from 1.0 percent of GDP in 1985/86 percent of GDP to 6.0 percent of GDP.

---

*Robert H. Barro, Among the economists, based on empirical evidence of the U.S. economy, has responded that the crisis scenario has been hard to maintain along with the robust performance of the U.S. economy since late 1982. This performance features high average growth rate of real GDP, declining unemployment, much lower inflation, a sharp decrease in nominal interest rates, high values of real investment expenditures, and a dramatic boom in the stock market. In Macro-economic Policy, Robert J. Barro, 1990 P. 213.

360

Table 55: Key Public Finance Indicators

Indicator	In Fiscal Years					
	1986	1990	1991	1992	1993	1994
	(as % of GDP at current Market prices)					
Current revenue	6.4	6.8	7.4	6.7	7.1	9.7
Current expenditures	7.9	7.1	7.1	11.6	8.2	10.3
Capital expenditures	2.7	5.5	7.3	9.0	10.0	10.6
Overall Deficit	-4.2	-6.5	-7.8	-14.1	-12.1	-11.3
Budgetary Grants	1.1	1.5	3.8	7.0	7.0	7.0
Foreign borrowing, net	1.0	6.6	3.5	5.1	5.1	6.0
Domestic borrowing	2.1	-1.6	0.5	2.0	2.0	-0.7

Source: Ministry of Finance and Economic Planning.

In reality, even though Uganda has achieved significant performance in terms of growth and stabilization, it is unrealistic to expect that the Government can balance the budget without support from foreign aid. However, it would also be as unrealistic to expect that foreign aid to Uganda will not be reduced and can last for ever. For Uganda, the challenge to move from economic dependence toward self reliant economy is great.

A most effective way, for the Government would be to effectively use not only the potential resource of the country but also the abundant foreign aid still available through a well devised budget management strategy. In the short-term while foreign aid is still abundant, the best budget management approach would focus on financing development projects which in turn will contribute in the long term to increase resource mobilization through the widening of the tax base, if foreign aid is to be reduced or come to an end. In the short-run (like it is still now the case), budget deficit can be balanced by budget support fund from foreign aid. In the long-run, the Government should be able to mobilize its own resources finance government spending possibly and preferably based on a widening of the tax base.

More simply stated, maximizing impact of government expenditures in development will effectively help maximizing impact of government mobilization of resource for stabilization.

b) Efficiency of Government Expenditure Management

The Government has recognized that public expenditure policy incentives have to meet the basic conditions for growth and development. Prioritized activities should receive appropriate funding and institutional funding.

(i) Public Expenditure Prioritization

It should be recognized that in limiting expenditures, the Government nonetheless has strived to protect high priority areas which include agriculture, primary health care, education, etc... From a functional budget management, the funding of key ministries as well as department and unit related to food security is disproportionally under-funded comparatively to their economic importance.

In 1994/95, however, recurrent expenditures for key ministries related to food security, food production and food exports are still and even very below the level of funding required.

Table 56: Recurrent Expenditure by Ministry 1993/94-1995/96 (Million shillings)

	1993/94	1994/95	1995/96*
Agriculture, Animal Industry and Fisheries	5,064	7,582	4,936
Trade and Industry	1,706	2,344	2,125
Labor and Social Welfare	3,885	2,918	1,857
Women in Development, Youth and Culture	1,921	1,981	1,098
As compared to:			
Uganda Police	15,203	19,081	33,074
Uganda Prisons	5,944	7,093	7,550

Source: Background to the Budget 1995/96, June 1995
* Draft Estimates of Revenue and Expenditure (Recurrent and Development) 1995/96, MFEP.

It is noted that although the Uganda Police and Uganda Prisons are already under-funded, the above-mentioned key Ministries are even worse off.

The under funding of the key ministries related to food security and exports is even more serious when considering the recurrent expenditure by percentage of the total budget.

Table 57: Recurrent Expenditures by Ministry 1993/94 - 1995/96 (by percentage of total)

	1993/94	1994/95	1995/96*
Agriculture, Animal Industry and Fisheries	1.5	1.5	1.0
Trade and Industry	0.5	0.4	0.4
Labor and Social Welfare	1.2	0.6	0.4
Women in Development Youth and Culture	0.2	0.5	0.2

Source: Background to the Budget 1995/96, June 1995.

* Draft Estimates of Revenue and Expenditure (Recurrent and Development) 1995/96, MFEP.

Not only all of the above-mentioned Ministries do share an insignificant percentage of the budget, but their percentage of the total budget has been drastically reduced. An in-depth analysis of the budget of specialized departments or units more directly involved in food security, shows an even more discouraging picture.

Unless the funding of these Ministries and specialized departments and units is at an appropriate level, it would be unrealistic to expect them to effectively achieve high performance to support government's food security and export promotion strategy.

(ii) Tax Exemption for Agricultural Inputs

The progress in tax yield should enable the Government to provide incentives for development purposes or, priority areas, related to the implementation of government strategy of agriculture-led developments with focus on food production and particularly food exports.

Agricultural Input Constraints

Government taxation on agricultural inputs has been very supportive. However, there is still room for more improvement.

Seeds

- Whereas import of maize seeds for planting is tax-free, imported seeds for beans still have to support 30 percent import duty and 15 percent sales tax.

- Other seeds for planting such as rice, soyabeans, groundnuts, sunflower, cotton, sesame and castor oil have to suffer an imposition of 20 percent import duty plus a 15 percent sales tax.

363

Agricultural Machinery and Implements

- Hoes, picks, mattocks, rakes, etc... still have to support import duty (10 percent) plus sales tax (15 percent).

- Spare parts for dairy machinery, poultry keeping machinery have to pay a 10 percent sales tax.

- Agricultural tractors as well as spare parts also has to support a 10 percent import duty.

(iii) Tax Incentive for NTAEs

The Government investment and export promotion should not only aim at ensuring political stability and conducive macro-economic environment, but also setting Ugandan producers and exporters on equal footing with their neighboring competitors. However, the commitment of the Government to investment and export promotion with focus on non-traditional agricultural exports have not achieved as successful a performance as expected if compared to Kenya, Uganda's toughest competitor. In Kenya, the incentive system is significantly biased in favor of the exports and is substantially more attractive than in Uganda.

In Kenya

Enterprises operating in EPZ are entitled to exemption of corporate tax for 10 years of tax holiday and a flat 25 percent tax for the next ten years. Exemption from withholding taxes on dividends and other payments to non-residents during the first 10 years.

In Uganda

Holders of a certificate of incentives are entitled to exemption from corporate tax, withholding tax and tax on dividends for 3 years for investment between US$ 50,000 and US $ 300,000, and 5 years for investment more than US$ 300,000 and an additional 1 year respectively for priority sectors. Thereafter corporate tax rate is 30 percent.

To encourage NTAEs and particularly food exports, Uganda may provide a corporate tax exemption for food crop exporters to set Ugandans on an equal footing with their Kenyan competitors. Uganda with a more impressive macro-economic performance, certainly can rival Kenya with a more modest macro-economic record in terms of export incentives.

c) **Maximizing Resource Mobilization for Budget Revenue**

Since the beginning of the Economic Recovery Program in 1987, monetary aggregates have been influenced by both excessive net credit to the Government and to the public enterprises which not only caused high monetary growth and consequently inflation, but also crowded out the private sector and commercial banks with tight liquidity constraint. Until 1991/92, expanded net credit to Government had substantially contributed to increase the inflationary pressure.

Table 58: Bank of Uganda Net Claims on Government

	Jan/95	Feb/95	Mar/95	Apr/95	May/95	Jun/95	Jul/95	Aug/95	Sept/95
BOU net claims on Government	(34.10)	(69.60)	(56.50)	(62.60)	(58.10)	(63.20)	(105.30)	(91.70)	(91.3)

Monetary Survey, Research Department - BOU, 1st January 1996.

A tight fiscal policy was implemented in 1992/93 in which period the Government repaid U.Shs 17 billion to the banking system. The trend that began in 1992/93 continued in 1993/94 with the Government continuing to repay the banking system, and becoming net creditor vis-a-vis of the banking system in 1993/94 and up to now.

Such budget savings performance should enable the Government to finance development projects and high priority sectors such as agriculture which in the long run will contribute to effectively widen the tax base and increase the capacity of the budget to mobilize resources in the future.

(i) The Short Term Budget Resource Mobilization

Higher government revenue implies that the Government's share of GDP has to increase unless foreign aid increasingly finances the budget. Since 1987, the Government has introduced various tax reform measures.

The establishment of the URA

Improved tax administration has been recognized as a crucial part of the tax reform process. The establishment of the Uganda Revenue Authority (URA) in 1991, achieved significant progress in terms of improving tax administration and increasing tax collection.

Fiscal Decentralization

Fiscal decentralization will increase revenue efforts but also tax responsibilities of local government. By international standard, the share of central government of total expenditures in Uganda is rather high (76 percent in 1992/93), but the percentage of revenue collected by the central government is even higher. Only 5 percent of public expenditure was covered by local revenue.

Removal of Tax Exemptions

There is also an attempt to widen the tax base by reducing widespread tax exemptions from duties, sales tax and excise tax (granted on three different categories: the Second Schedule of the Tariff Code, the Investment Code and Statutory Instrument).

The Values-Add Tax Reform

The Implementation of Valued Added Tax (VAT) is expected to be effective in July 1996. The imposition of VAT which is a tax on final consumption will replace the existing sales tax on domestic and imported foods and commercial transaction levy on services. The potential of an invoice-based VAT to minimize the loss of tax through avoidance and evasion is its decisive and fundamental advantage in terms of increase in revenue collection.

(ii) The Widening of the Tax Base in the Long Run

Notwithstanding Government efforts to implement tax reforms, the revenue level will remain low for, among others, two major reasons: first, the Ugandan economy still relies on subsistence and informal economic activity; and second, income levels are low and direct taxation of the large agriculture sector is limited.

The Prerequisite of a widened Tax Base

The composition of budget revenue shows an urgent need for the Government to effectively widen the tax base.

Table 59: Government Revenue 1993/94 and 1994/95

	Outturn 1993/94	Estimate 1994/95	Outturn 1994/95
% of total Revenue	100	100	100
Income Tax	14.5	15.2	14.7
Good and Services	25.9	22.5	25.0
International trade	52.2	54.1	52.4
Non-tax revenue	6.7	7.8	7.3

Source: Background to the Budget 1995/96, MFEP, June 1995.

- Revenue from international trade shares more than 50 percent of budget revenue. If foreign aid is to be reduced and import programs have to be curtailed, customs duty and sales tax on imports will be substantially lower.

- As revenue mobilization has been concentrated on a restricted tax base, it therefore becomes difficult to raise additional revenue on the present highly taxed base.

366

- The breakdown of GDP indicates that a high proportion of about 31 percent of GDP comes from the non-monetary economy, and originated in the hard-to-tax agricultural sector where income per capita is very low.

The appropriate policy approach to widen the tax base should focus on promoting "modernization" of the agricultural sector, increasing per capita income in the rural areas, expanding domestic markets to manufacturers and promoting expansion of exports with focus on NTAES, particularly, food crops exports. As a consequence, the tax base for the purpose of maximizing revenue mobilization could be effectively widened. And the most effective way to promote agricultural development would be through the implementation of a land reform program to provide land to the tillers and increase income of the rural farmers.

The Funding of the Land Reform Program

Economic wisdom dictates that while foreign aid is still abundant, there is opportunity for the Government to fund development projects which will contribute most to widen the tax base for future resource mobilization. The "Land to the Tiller" program should be set at highest priority.

Table 60: Central Government Budget (in U Shs Billions)

	1993/94 (Realized)	1994/95 (Outturn)
Current Revenues	394.696	525.517
Current Expenditure	416.767	486.033
Capital Expenditures	431.878	368.81
Overall Deficit	-456.749	-341.036
Budget Grants	282.487	226.954
Foreign Borrowing (Net)	243.227	233.839
Domestic Borrowing	-26.962	-99.402

Source: Ministry of Finance and Economic Planning.

In the 1993/94, counterpart funds generated by quick-disbursing aid were worth U Shs 244 billion and covered more than 40 percent of total nonproject outflows - current expenditure, debt service, and settlement of arrears - while 90 percent of the development budget was externally funded.

It is estimated that in 1994/95 counterpart funds were more than 30 percent of the total non-developmental outflow, while 84 percent of public investment is donor-funded. At the same time, the Government accumulated deposits vis-a-vis the domestic banking sector worth U Shs 27 billion in 1993/94. By 1994/95, budget grant was about U Shs 227 billion while net foreign borrowing was about U Shs 234 billion. Budgeted government savings was projected at U Shs 46 billion, but the World Bank had estimated at U Shs 99 billion.

367

The funding of the Land Reform program can be done through Government budget savings. In addition, reassessment of foreign development projects and the elimination of non-effective ones should save additional funds. Besides, the Government may negotiate new grants or concessional loans with the donor community. The mobilization of all these potential resources should enable the Government to achieve a land reform program within a time frame between 3 to 5 years.

Prospects for Increased Revenue Mobilization of the "Land to the Tiller" Program

In the short term, the Government has to bear the burden of the funding of the "land to the tiller" program through the provision of concessional loan to the farmers, reimbursable in 10 years, which will be paid to the landlords for the purchase of land.

In the medium term, the government can impose a tax on non-directly exploited land and a graduated tax on unused land to create incentives for the landlord to sell their land or look for higher return for their land alone or in collaboration with foreign investors, through commercial farming which naturally can generate a substantial source of tax revenue for the budget.

In the long run, the full benefit of the "Land to the Tiller" will be most important. As (and only if) income of the farmers is substantially increased and commercial farming developed, it will be possible to tax the "hard-to-tax" agricultural sector. Besides, the increase in income in the agricultural sector will in turn contribute to higher income in the non-agriculture sector. Findings from research on consumption linkage associated with higher income generation in the rural areas in several African and Asian countries indicated that for each additional dollar of income in the agriculture sector, the non-agriculture sector income increased by .50 to 1.00 dollar. As a result of the cumulative increase in income in both agriculture and non-agriculture sectors, the tax base of the budget will be effectively widened, and the capacity of the Government to mobilize resources decisively strengthened.

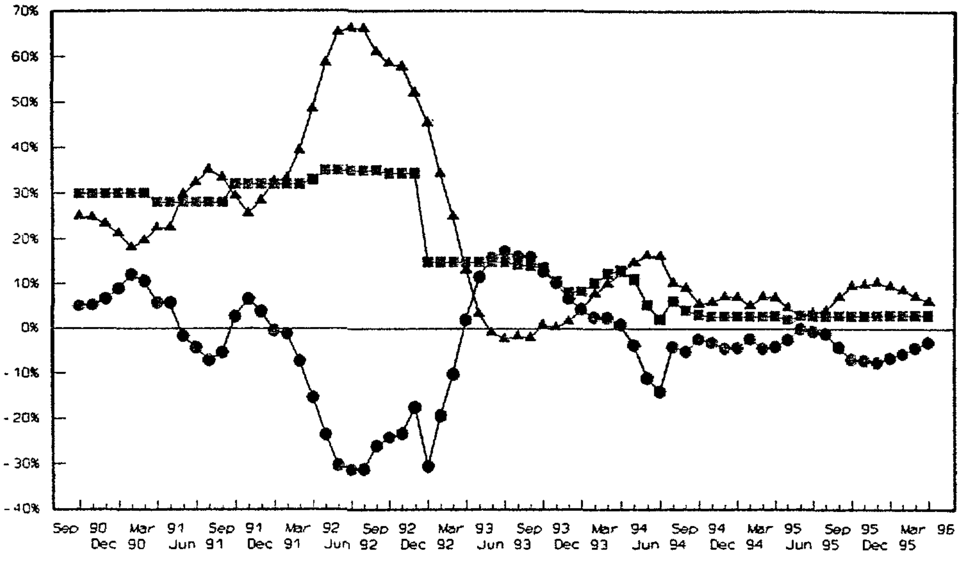
II.3 CREDIT POLICY IN SUPPORT OF AGRICULTURE AND FOOD PRODUCTION

If fiscal policy has scored good performance, in the area of credit the monetary authority has not been successful enough to formulate and implement an appropriate credit policy to support government investment and export promotion strategy. Responsibility for monetary policy formulation and implementation has now been completely transferred from the MFEP to the BOU. With the liberalization of interest rate in 1992, most interest rates are market determined and the authority to determine other rates is now wholly with the BOU.

a) Impact of Interest Rate on Savings

Since 1992 the BOU has been managing credit policy through indirect monetary instruments with the Treasury Bill as a Key interest. The erratic fluctuations of real interest on savings in general, and more particularly negative real savings interest rate, has not much helped promoting savings and investment.

Chart VIII SAVINGS INTEREST RATES & INFLATION



Source of Data Research Dept, Bank of Uganda.

Though it cannot be denied that the rate of investment is one of the most important prerequisites for economic growth, a common belief is that not enough capital is available in Uganda. To increase the share of investment in the GDP, the first step in this direction would be to limit consumption so that resources could be released and devoted to capital formation.

369

A major constraints to the mobilization of savings include the inaccessibility of banks to the majority of the population in rural areas, the low confidence in the financial sector and generally the lack of performance of the banking system in mobilizing savings. For the last three years, total savings and time deposits in banks totalled less than 2 percent of GDP. To improve savings, effective reforms in the financial sector need to be effectively implemented.

Table 61: Time and Savings Deposits as Percentage of GDP

	Time & Savings 1/	GDP at Current Deposits Prices (in U Shs Bn)	% of Time & Savings to GDP
1990/91	24.5	1,702.0	1.44%
1991/92	46.2	2,562.2	1.80%
1992/93	80.0	3,650.1	2.19%

Source: Bank of Uganda, Ministry of Finance & Economic Planning.
1/ As at end of fiscal year

The key factor contributing to discourage savings, however, is the adverse impact of credit policy on interest rate. Real interest rate on savings was negative in 1991 and 1992, and has been negative again since January 1993. Excluding grants gross national savings was 3.6 percent of GDP in 1991/92, 5.9 percent in 1992/93, and 7.8 percent in 1993/94.* In most developing countries, gross domestic savings as a proportion of GDP varies between 10 to 20 percent. Given the low level of savings, the rate of investment in Uganda is one of the lowest even in the developing world.

Based on the Survey of Licensed Investors 1994 sponsored by EPAU, BOU and UIA the total reported actual investment for 405 projects for all sectors is US $ 220.576 million (compared to total proposed investment of US $ 587.290 million). Agriculture with an actual investment of US $ 8,696 only shared 5 percent of the total.

Table 62: Planned and Actual Investment by Sector (US$'000)

Sector	Proposed	Actual	% Actual/Proposed	% Actual
Manufacturing	374,736	157,850	42%	71%
Trade	13,681	5,404	40%	2%
Service	134,777	38,609	29%	18%
Agriculture	8,793	10,017	114%	5%
Others	55,303	8,696	16%	4%
Totals	587,290	220,576	38%	100%

Source: Survey of Licensed Investors 1994 sponsored by EPAU, BOU and UIA P. 20.

**Source: PFP 1994/95 - 1996/97, August 10, 1994. P.30*

370

Another weakness is the relatively small share of export-oriented agriculture projects. As indicated in the available data, the majority of the newly approved projects are oriented to the domestic market. Only 11 percent of these are export market oriented and also less than 1 percent in agriculture, forestry and fishing.

Table 63: Market Orientation of Newly Approved Projects

Industrial Sector	Number of Projects: Export Oriented	Domestic Market Oriented Import Competing	Others
Agriculture, Forestry & Fishing	4		19
Mining and Quarrying	3	2	
Trade, Hotel and Restaurants			35
Insurance and Business Services			40
Construction			28
Transport and Storage			11
Manufacturing	23	171	
Total (336)	(11%)	(51%)	(40%)

Source: Compiled from the UIA Database by Maxwell Stamp PLC, 1993.

Based on the survey of Investors 1994, sponsored by UIA, EPAU and BOU, only 38 out of 405 responding projects reported verifiable exports and although the volumes and variety of products exported show increasing trends, this is from a very modest base. Interest in exploring new markets or increasing the level exported is modest. Most exports which mainly comprise of food items or horticultural products are destined for the European or US markets. Export values within the PTA region are very small but they are increasing, especially maize and beans.

b) Distribution of Credit to Agriculture and Food Crops Production

The neglect for the agricultural sector is also obvious in the credit policy to the private sector by economic activities. Commercial banks advance to the private sector show a continuing declining trend in percent of total share since 1988. In the last three years the average percentage share of loans to the agriculture sector for production purposes was about 4.5 percent, manufacturing share was around 15 percent on average whereas trade and services average share was more than 65 percent. Not only was the share of the agricultural sector very low (4.5 percent), but the non-productive sector of trade and services received (more than 65 percent) largely outweighing the productive sector of agriculture and manufacturing altogether (less than 25 percent).

More specifically the gap between demand and supply of credit for agriculture production is huge. The major productive sector of the Ugandan economy is Agriculture which receives hardly 5 percent of total bank credit, while it accounts for more than 50 percent of GDP, employs approximately 80 percent of the population, and contributes 90 percent of the total foreign exchange earnings. Small farmers who form the backbone of the agricultural sector virtually have no access to bank credit. Based on cost of production survey carried out by Agricultural Secretariat in 1993, the total potential production credit requirements of the agricultural sector was estimated at U Shs 239 billion during the 1991/92 crop season and projected to increase to U Shs 332.8 billion by 1995/96 consisting of the following components:

* 264 billion for short-term production loans (for seeds, fertilizers, chemicals, cash expenditures and hire services).

* U Shs 37.8 billion for investment credit (for land development, irrigation, farm machinery and equipment, oxen etc).

* U Shs 25 billion for livestock

* U Shs 6 billion for fisheries

In the calendar year 1993, the total credit supplied by the banking system to the economy was only U Shs 175.4 billion representing only 52.6 percent of the potential demand of the agriculture sector. The total credit resources in the banking system was only U Shs 149.57 billion by June 1994, and yet there is growing demand from all other sectors. Even if these credit resources were earmarked entirely for the agriculture sector, it would still be inadequate. The gap between credit demand and supply, and also resource availability clearly shows the magnitude of the problem of inadequate credit supply which is being over stressed by a large demand for agriculture credit in Uganda.

Table 64: Commercial Bank's Advances to the Private Sector by Economic Activity (In percent of total)

End of Period	Dec87	Dec88	Dec89	Dec90	Dec91	Dec92	Dec93	Dec94	Jun95
Agriculture (Production)	11.1	15.0	11.8	13.9	4.4	4.5	4.2	1.6	1.6
Manufacturing	15.3	12.7	14.2	11.9	13.9	14.4	16.7	20.9	22.5
Trade & Other Services	66.4	61.9	55.1	58.6	66.2	66.7	65.9	64.8	65.8
Transport,Electricity&Water	4.4	7.3	11.8	8.2	6.4	5.8	5.9	4.2	3.5
Building and Construction	2.5	3.2	7.1	7.2	8.8	8.4	7.1	8.3	6.5
Others (Including balancing items)	0.2	0.0	0.0	0.2	0.3	0.1	0.2	0.2	0.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

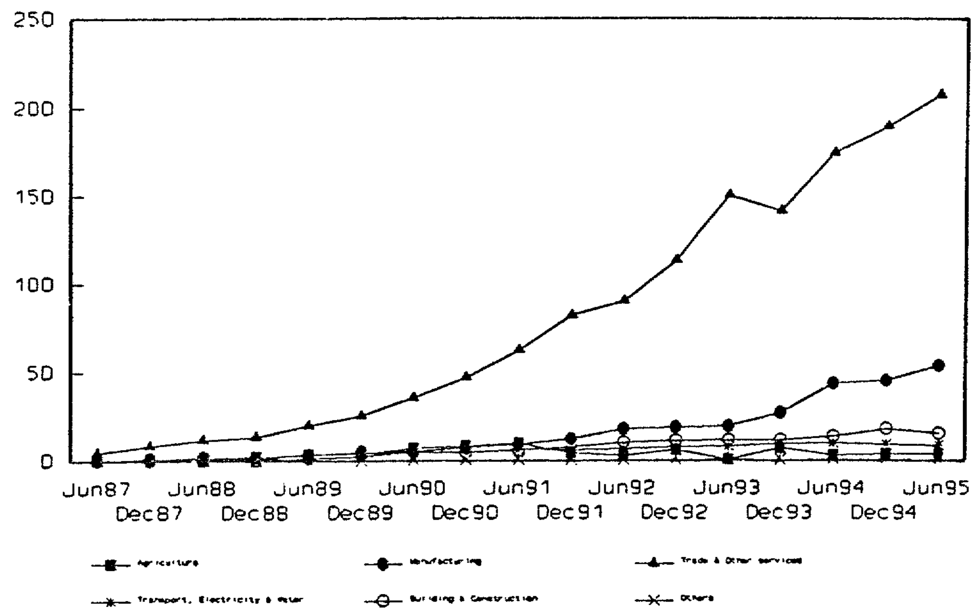
Source: Bank of Uganda, Research Department.

The access of women to credit is most difficult. Despite high labor force participation rate of women in agriculture, only few women have access to credit facilities. Utilization of credit is limited first of all, by high interest rates even with the Uganda Women's Finance and Credit Trust Fund. The interest rate is as high as 28 percent. Secondly, because of lack of assets to collateral, women are not able to tap the usual credit facilities. Various NGOs and co-operatives have also established credit funds or revolving fund schemes. However, those most in need for credit, the poor women in general are not in a position to come up with convincing proposals because of their low social, educational and economic status and endowments.

In reality, it would be difficult to convince the Banks of the credit-worthiness of women, unless the pilot schemes and the revolving fund schemes are able to demonstrate it through their programs. A related problem is that some of the agricultural credit targeted for women has ended up in men's bank accounts or in their pockets, as women traditionally are not supposed to handle cash. Similarly, traditional lack of assets by women often results in husbands claiming their assets whether animals or technology. Only the establishment of strong grassroot organizations to support collective credit and savings management by women could remediate this situation.

A number of specific credit oriented projects are being implemented in the country, in which women through established quotas are also to benefit. One of them is the West Nile Credit project run by the Ministry of Gender and Community Development with UNCDF and CARE (USA) funding. The Co-operative Credit Schemes also provide short-term production credit to women farmer co-operatives. IFAD also supports a number of projects in the country by providing loans to rural women. The time has now come to move from small or medium size credit schemes to a national credit fund for women of which the very poor could also benefit. The African Women's Bank, now under planning, will hopefully also target the poor rural women and not just women entrepreneurs.

Chart IX: Commercial Banks's Advances to Private Sector by Economic Activity
(In Billion Sillings)



Source of Data: Research Dept, Bank of Uganda

II.4 EXCHANGE RATE POLICY CONSTRAINT TO EXPORTS WITH FOCUS ON NTAES, PARTICULARLY FOOD EXPORTS

As the country moves from rehabilitation to development, the Government has consistently adopted an outward-looking growth strategy, through export promotion and diversification, with focus on non-traditional agricultural exports (NTAEs). Within this context, one of the major focus of the Government has been the adoption of a liberalized foreign exchange policy and the progressive move toward a market-determined foreign exchange rate. An interbank market in foreign exchange was introduced in November 1993, together with the elimination of all restrictions on current international transactions. It was expected that "a market-determined" exchange rate will improve investment climate for exports and enable the economy to compete in the international markets.

a) Impact of Exchange Rates on the Competitiveness of Ugandan Exports

The economic policy of the Government of Uganda has unequivocally been aimed at promoting investment and developing exports. Within this economic policy context, an effective foreign exchange rate policy is crucial to the success of the Government export-oriented growth strategy. In reality, the unfavorable exchange rate of the shilling has been detrimental to Ugandan export competitiveness. Since November 1993 the foreign exchange market in Uganda has been fully liberalized with the elimination of all restrictions on current international transactions. It was expected that the implementation of such a desirable liberalization of the foreign exchange policy would improve investment climate, promote exports and enable the economy to compete in the international markets.

(i) <u>At Exchange Rate of Shs 950 per US Dollar</u>

Traditional Agricultural Exports: Coffee and tobacco exports are profitable with less than 10 percent profit margin. Cotton exporters can break-even while tea exports are under break-even.

Non-traditional Agricultural Exports: Most of NTAEs are profitable with more than 10 percent profit margin, except for Ginger, Cashewnuts, Simsim, Sorghum, Millet and Fish with less than 10 percent profit margin. Rice and Soyabeans are not profitable. Thus, this exchange rate doesn't support the promotion and diversification of agricultural exports.

(ii) <u>At Exchange Rate of Shs 1,000 per US Dollar</u>

Traditional Agricultural Exports: Coffee exporters have more than 10 percent profit margin; while cotton and tobacco exporters have around 10 percent profit margin. Tea is still below break-even.

Non-Traditional Agricultural Exports: Most of NTAEs are profitable with more than 10 percent profit margin; except rice and soyabeans which are still not profitable.

In the short run from the findings of the Study, an exchange rate of about Shs 1,000 per US dollar appeared to be required for increasing the competitiveness and :romotion of agricultural commodities under the present circumstances.

(iii) <u>At Exchange Rate of Shs 1,100 per US Dollar</u>

Only tea, soyabeans, rice, apple banana (dry) and pineapples (dry) have less than 10 percent profit margin, whereas at exchange rate of Shs 1,200 per US dollar even tea is exportable but with less than 10 percent profit margin.

In order to promote exports the recommended lower level of exchange rate should be Shs 1,000 per US dollar and the upper level of exchange rate should be Shs 1,200 per US dollar. A stabilization of the exchange rate around Shs 1,100 per US dollar would be a "realistic" approach to promote Uganda exports. In parallel with a "realistic" exchange rate, and an improvement in productivity, Ugandan exports should be effectively competitive.

The following table shows the impact of exchange rates on Ugandan export competitiveness at 10 percent Profit Margin, based on EPAU Policy Paper No.2 "Toward a Realistic and Stable Foreign Exchange Rate for Uganda" (June 1994 - January 1995).

Table 65: Impact of Exchange Rates on Exports at 10% Profit Margin

Exchange Rate (Shs/US dollar)	Exports which have less than 10% Profit Margin		% of Total No. of Products	Annual Foreign Earnings Foregone based on 1993 exports (US $ million)	Foreign Earnings Foregone as % of 1993 Agricultural Export Earnings
	Type of Product	Number of Products			
1,200	Tea, Soyabeans, Rice, Apple bananas (dry), Pineapples (dry)	5	11%	12.00	6.7%
1,100	Tea, Soyabeans, Rice, Apple bananas (dry), Pineapples (dry)	5	11%	12.00	6.7%
1,000	Tea, Cotton, Tobacco flue), Soyabeans, Rice, Fish fillets (frozen), Fish fillet (fresh), apple banana (dry) Pineapple (dry), Pineapples (fresh)	10	23%	25.05	14.1%
950	Tea, Cotton, Tobacco (flue & fire), Soyabeans, Rice, simsim, sorghum, millet, Ginger, cashewnuts (processed), Fish fillets (frozen & fresh), Apple dry (dry), Pineapple (fresh & dry)	18	41%	138.58	77.7%
920	Coffee (robusta & arabica), Apple bananas (dry), Chillies, Pineapples (fresh & dry), Tea, Cotton, Tobacco (Flue & fire), Ginger, Pyrethrum (crude & dry), Cashewnuts (processed), Soyabeans, Rice, Simsim, Maize grain, Sorghum, Beans, Millet, Fish fillets (fresh & frozen), Hides (dry)	24	55%	164.07	92%
900	Tea, Cotton, Tobacco (Flue & Fire), Soya Beans, Rice, Simsim, Sorghum, Millet, Ginger, Pyrethrum (Crude & dried), Cashew nuts (Processed), Maize grain, Beans, Fish fillets (Frozen & Fresh), Horn tips, Hides (dry), Coffee (Arabica & robusta), Apple bananas (dry), Chillies, Pineapples (Fresh & dry)	25	57%	164 24	92.1%
850	Tea, Cotton, Tobacco (flue & Fire), Soyabeans, Rice, Simsim, Sorghum, Millet, Ginger, Pyrethrum (Crude & dried), Cashewnuts (processed), Maize grain, Beans, Fish fillets (frozen & fresh), Horn tips, Hides (dry), Silk Cocoon), Chilies (Birds eye), pineapples, Roses (Cutflowers), Groundnuts, Coffee (arabica & robusta), Apple Bananas (dry), Chillies, Pineapples (fresh & dry)	29	66%	164.78	92.4%

Findings on appropriate levels of exchange rate for the shilling from quantitative analysis of the impact of foreign exchange rates on exports, with focus on NTAEs* were confirmed by the Exporter's Survey 1995 conducted by EPAU.

Table 66: Exchange Rates and Profitability of Maize and Beans

Items	World Market Price per Kg		Foreign Cost U Shs	Domestic Cost U Shs	Total Cost U Shs	Foreign Cost and % of Total Cost	Exchange Rates
	US$ (1)	U Shs	(2)	(3)	(4)	(5)	(6)
				Break-even Exchange Rates			
Maize Grain	0.135	122.85	10.50	104.73	115.23	9.1%	848.28
Beans	0.455	414.05	8.28	374.83	383.11	2.2%	847.33
				Exchange Rates based on 10% Profit Margin			
Maize Grain	0.135	122.85	10.50	104.73	115.23	9.1%	941.91
Beans	0.455	414.05	8.28	374.83	383.11	2.2%	934.73
				Exchange Rates Based on 20% Profit Margin			
Maize Grain	0.135	122.85	10.50	104.73	115.23	9.1%	1037.33
Beans	0.455	414.05	8.28	374.83	383.11	2.2%	1022.63

EPAU Policy Paper No.2. Toward a Stable and Realistic Foreign Exchange Rate for Uganda, 1995.

Note: Exchange rate of U Shs 910 per US $ was used.

The Exporters were asked to propose a realistic exchange rate to promote exports, and their responses were as follows:

Table 67 Realistic Exchange Rate to Promote Exports

Exchange Rate	Percentage of Exporters
Less than 1,000	19.8
1,000	63.4
1,050	68.4
1,100	83.2
1,150	86.2
1,200	98.6
Greater than 1,200	100.0

Source: EPAU Exporters' Survey, December 1995.

**EPAU Policy Paper No. 2: Toward a Realistic and Stable Foreign Exchange Rate for Uganda, June 1994 - January 1995.*

376

b) **Foreign Exchange Rate Policy Constraint to Exports**

The process of liberalization of the foreign exchange rate is not simple for the variables are many and the casual factors are broad. A realistic and stable exchange rate however, is a prerequisite to promote Ugandan exports.

(i) The Unrealistic Stabilization Level of the Exchange Rate of the Shilling

Following November 1993, the exchange rate followed a downward trend. Among others, the major causes of the pressure on the exchange rate were accounted for by the over supply of foreign exchange originating directly from coffee sub-sector, abundant donor foreign inflows, substantial private transfers, increasing provisions of pre-export finance and availability of supplier credit. The persistence of these factors contributed to the continuing fall of the exchange rate and the steady appreciation of the shilling which, all things equal elsewhere, should adversely impact on Uganda exports. There was, therefore, a growing concern among exporters and policy-makers that an appreciated shilling would constrain investment, discourage exports and undermine the Government outward-looking growth strategy.

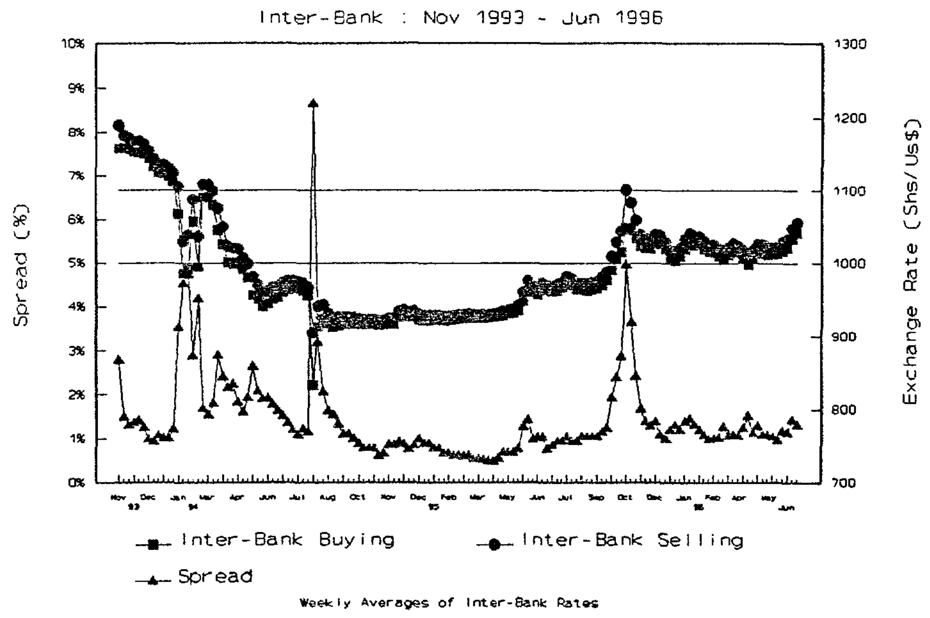
The appreciation of the shilling has indeed adversely affected Ugandan productions and exports. The Bank of Uganda, however, was "slow" to intervene and "timid" in its purchase of dollars in excess to stabilize the exchange rate in the foreign exchange market, allowing the exchange rate to fluctuate erratically from Shs 1,170 per US dollar in November 1993, to the lowest level of about Shs 850 per US dollar in August 1994. The Ugandan shilling had been finally stabilized at the level of Shs 920 per US dollar. It should be noted that at the BOU stabilized exchange rate of Shs 920 per US dollar, most Ugandan manufacturers were operating at a loss and unable to compete with cheap imported goods. Except coffee, the prospects for non-coffee traditional exports such as tobacco, tea and cotton were dim. And more than 50 percent of non-traditional agricultural exports (NTAEs) were loosing their comparative advantage.

(ii) Toward a Realistic Foreign Exchange Rate

The move of the shilling toward a more realistic exchange rate with the dollar started in the second quarter of 1995 due to increased import demand. There was no serious reason, however, to be concerned with the exchange rate to move toward a realistic level of U Shs 1,100 per US dollar. As a matter of fact, in the second quarter of 1995, the interbank experienced a decline in the volume of foreign exchange purchase in July 1995 from US $ 99.36 million in June 1995 to US $ 93.92 million in July 1995. This decline was due mainly to a reduction of inflows from coffee exports caused by lower international prices. But in August 1995, gross purchase of foreign exchange increased from US $ 93.92 million in July 1995 to US $ 122.75. The increase in volumes was mainly a result of increased inflows in form of coffee prefinance as the major coffee season draws near.

The trend toward a depreciation of the shilling should have normally been stabilized as a result of high inflows of dollars in the fourth quarter of 1995 in the form of coffee pre-finance, with October 1995 marking the beginning of Uganda's major coffee season.

Chart X: Average Exchange Rates



The move of the BOU to stabilize the exchange rate to a realistic level between Shs 1,000 and 1,100 per dollar should be supported. In fact, BOU should have done it much more earlier in January 1994 to avoid the negative impact of an overvalued shilling on govenment's export promotion.

c) Impact of Foreign Exchange Policy on the Economy

The impact of an unrealistic foreign exchange rate policy has undermined government development strategy. An appreciated shilling discourages foreign investment, and weakens the competitiveness of Ugandan producers facing cheap imported products. Exports are penalized to the benefit of imports. The gap in the balance of trade keeps widening and foreign debt far from reduced, continues to skyrocket.

An unrealistic foreign exchange rate policy has been undermining Government investment promotion and export development strategy. An overvalued and appreciated shilling would discourage foreign investment, and weaken the competitiveness of Ugandan producers facing cheap imported products. Furthermore, exports would be penalized to the benefit of imports. In the last five years, the gap in the balance of trade kept widening from US$ 301.1 million in 1991 to US$ 674.3 million in 1995. While exports just totalled US$ 497.7 million, imports reached the record level of US$ 1,172.0 million in 1995 based on official statistics from MFEP and BOU. More than ever, a consistent foreign exchange rate policy in support of Government investment promotion and export development strategy is required.

Table 67 Bis: Balance of Payments
(US Dollars, Million)

	1987	1988	1989	1990	1991	1992	1993	1994	1995
Current Account	-112.2	-194.9	-259.5	-263.3	-170.3	-119.4	-107.4	-57.6	-154.5
Trade Balance	-264.7	-391.9	-462.3	-439.8	-301.1	-362.1	-400.5	-437.5	-674.3
Exports f.o.b.	333.6	266.3	277.7	177.8	173.7	151.2	196.7	437.8	497.7
Imports c.i.f.	-598.3	-658.2	-740.0	-617.6	-474.8	-513.3	-597.1	-875.3	-1172.0
Services (net)	-113.5	-125.4	-108.8	-116.5	-197.6	-189.6	-131.9	-216.8	-289.8
(interest charges) 1/	-18.3	-25.2	-24.4	-47.8	-73.8	-74.9	-58.3	-47.9	-37.0
Unrequited Transfers	266.0	322.4	311.6	293.0	328.4	432.3	425.0	596.8	809.6
Capital Account	121.2	45.7	317.5	177.5	34.9	-70.7	-53.6	178.6	263.5
Medium and Long Term (net)	188.7	203.4	298.6	217.6	65.8	-36.6	-29.8	214.2	259.2
Official inflows	275.5	269.2	461.1	314.0	183.3	202.9	275.8	315.8	342.3
New Drawings	241.9	259.5	368.1	314.0	183.3	202.9	275.8	315.8	342.3
Resheduled maturities 2/	9.7	9.7	8.0	-	-	-	-	-	
Resheduled arrears 2/	23.9	-	85.0	-	-	-	-	-	
Other Inflows (Direct Investiment)		-		-	1.0	3.0	3.4	4.5	-2.2
Official Outflows	-86.8	-65.8	-162.5	-96.4	-118.6	-242.5	-308.9	-106.1	-80.9
Scheduled Repayments	-53.2	-56.1	-69.5	-96.4	-116.1	-115.6	-95.3	-106.1	-80.9
Principal Resheduled	-9.7	-9.7	-8.0	-	-	-	-	-	
Principal Canceled		-		-	-	-	-	-	
Arrears Cancl'd and Resch'd 2/	-23.9	-	-85.0	-	-2.5	-126.9	-213.6	-	
Short Term (net)	-67.5	-157.7	18.9	-40.1	-30.8	-34.1	-23.9	-97.3	-44.0
Commercial Banks (net)		-	40.6	-26.3	-9.6	-22.8	-24.5	-40.1	9.3
Other (net)	-48.4	-29.9	-41.4	-19.5	-21.2	-11.3	0.6	-57.2	-53.3
Barter Trade Balance (net)		14.3	-21.8	5.7	-	-	-	-	
Arrears not incl. elsewhere	-19.1	-142.1	41.5	-	-	-	-	-	
Net change in Arrears 3/	19.1	142.1	-41.5	-	-	-	-	-	
Overall Balance	28.1	-7.1	16.5	-85.8	-135.4	-190.2	-161.0	121.0	109.0
Financing	-28.1	7.1	-16.6	85.8	135.4	190.2	161.0	-121.0	-109.0
Change in Gross Reserves 4/	-24.8	2.3	2.3	13.3	-9.4	-54.4	-57.4	-167.7	-140.1
I.M.F. (net)	-3.2	5.6	-18.8	40.0	45.1	28.4	-10.1	27.1	23.3
(Purchases)	58.4	72.6	55.0	80.8	78.5	56.2	0.0	52.0	56.3
(Repurchases)	-61.6	-67.0	-73.8	-40.8	-33.4	-27.8	-10.1	-24.9	33.0
Exceptional Financing	-	-	-	34.2	103.3	220.5	223.2	-19.4	-21.0
Other (net) 5/	-0.1	-0.8	-0.1	-1.7	-3.6	-4.3	5.3	0.2	-13.2

Notes:
1/ Some interest payments may be recorded under repayment of principal
2/ Matching items for resheduled maturities and arrears appear as capital inflows and outflows. The treatment changed effective H2 1990 & resheduling, cancellation and change in arrears are treated as financing items below the line
3/ Arrears included in overall (+) increase in net arrears, (-) decrease
4/ (+) decrease in gross reserves, (-) increase
5/ Includes errors and ommissions
"-" Means data not available

Source : Ministry of Finance and Economic Planning and Bank of Uganda

379

The macro-economic projections of the World Bank* on the state of Uganda's economic future is bleak but very revealing:

- The overall budget deficit will increase from U Shs 80 billion in 1990 to U Shs 768 billion in 2003.

- Imports will increase from US $ 676 million in 1990 to US $ 1,786 million in 2003.

- Exports will increase from US $ 246 million in 1990 to US $ 699 in 2003.

- Gap in the Resource Balance will increase from US $ 430 million in 1990 to US $ 1,086.8 million in 2003.

- Foreign Debt will increase from US $ 2,097 billion in 1990 to US $ 4,886 billion in 2003.

As long foreign aid continues, Uganda can rely on the present macro-economic policy approach to enjoy a relatively stable economy and rather satisfactory growth of the economy. However, should foreign aid be reduced or come to an end, Uganda would need a more realistic and dynamic approach to keep the management of macro-economic policy consistent with and not counter to its development strategy to survive and prosper.

Table 68: Selected Key Macro-economic Indicators (in US$ million)

Year	Budget(1) Deficit	Imports(2)	Exports(2)	Resource Balance	External Debt
1990	80	676	246	-430	2097.0
1991	132	671	199	-472	2257.0
1992	396	576	195	-381	2273.0
1993	437	718	206	-512	2328.0
1994	502	903	301	-602	2560.7
1995	371	1130	609	-521	2821.6
1996	373	1171	632	-540	3124.7
1997	374	1176	590	-586	3307.3
1998	520	1221	540	-681	3544.1
1999	521	1310	559	-752	3867.3
2003	768	1786	699	-1087	4886.0

(1) in U Shs billion
(2) Include goods and non-factor services

Source: "Uganda: The Challenge of Growth and Poverty Reduction", Annex II: Macro-Economic Projections, The World Bank, June 1995.

---

* *Uganda: The Challe·ge of Growth and Poverty Reduction Annex II: Macro Economic Projections, CI Page 1.*

380

In sum, there is now little debate over the importance of sound macro-economic policies to promote structural adjustment that should help promote stabilization and accelerate growth of the economy. But it is commonly-raised fallacy to believe that structural adjustment can substitute development strategy, and be implemented without due regard to the nationally set development objectives.

For Uganda, the system-goal of development strategy basically aims at moving the country from a traditionally-structured society, disrupted by the long legacy of colonial regime, into a democratically-built modern and sovereign nation; accelerating growth of the economy through agriculture-led development with focus on exports, particularly NTAEs; and primarily ensuring food security to a growing population to improve the standard of living of the people.

Within such a development strategy framework, agricultural development, food crop production and food exports should remain at highest government's priorities. The determination of the government to make sure that the implementation of macro-economic policy be consistent with government development strategy, therefore, is a prerequisite if these development objectives are to be successfully achieved.

III. SECTORAL POLICIES TO PROMOTE A NATIONAL FOOD STRATEGY

The challenge of promoting a national food strategy, lies at the heart of the wider complexities of articulating the broader process of agriculture-led growth and economic development. In fact, appropriate sectoral policy support is essential to successfully achieve three key objectives of a national food strategy i.e., to ensure food security, to increase food production, and to promote food exports. It is essential to understand that food security, food production and food exports are the three-pronged of the national food security. They are inter-related and complementary. Owing to relatively low demand compared with higher supply in the local market, food security should be improved with an increase in food production which can successfully be promoted if there is an export market for food exports. Food exports, by providing incentives for food production, in turn will contribute to increase income of the farmer who not only will produce more food for consumption but will also benefit from higher income resulting from sale of additional food surplus.

In reality, reform measures, programs, as well as policy designs to promote a national food strategy should distinguish such three different but complementary concepts of food insecurity alleviation, food insecurity reduction and food insecurity eradication.

Food insecurity alleviation denotes a range of short term palliative measures to "ease" the emergency hardships of the poor population as in the cases of natural and man-made disaster. It can be done through relief for drought-affected famine, humanitarian assistance to refugees, or for victims of wars and other conflicts.

Food insecurity reduction, while involving palliative measures, is intended to raise the quality of life beyond the necessity for mere survival and livelihood of the "absolute poor", not only through the provision of emergency food but also wider interventions in food development and distribution to ensure not only food security but also promote income security for the poor.

Food insecurity eradication, though embracing programs and policies to alleviate and reduce food insecurity, is to attack and root-out the cause of food and nutrition insecurity by creating an enabling environment that engenders a sustained level of increased income generation and social progress whereby a minimum standard of living can be ensured for the individual by governments. Such a successful food security strategy would bring about the graduation of absolute poor, and the poor to the non-poor who can enjoy quantitatively as well as qualitatively food security as a result of their increased income generation.

For Uganda, therefore, a national food strategy should not only promote reforms and programs to alleviate and reduce food insecurity, but also aim at eradicating food insecurity to achieve a decent standard of living for the whole population.

382

III.1 ALLEVIATING FOOD INSECURITY IN CHRONIC FOOD DEFICIT DISTRICTS

Uganda has an adequate supply of most food commodities with sizeable surpluses. In normal years, Uganda has surplus in all commodities with the exception of livestock products and wheat. Cautious production projections, also show a high level of positive food balance, i.e. the rate of growth of food supply increases faster than the rate of food demand. National food supply is projected to increase by about 4 percent per annum compared with a rate of population growth of about 2.5 percent.

Despite the relative self-sufficiency in food and an overall positive food balance the country is still not safe from food insecurity. The fundamental issues of food insecurity in Uganda is not due to lack of resources but rather to under-utilization of resources. With appropriate national food strategy and effective disaster management strategy, Uganda should be able to eradicate food insecurity.

a) Overall Food Balance Situation at National Level

In terms of quantity of food, Uganda has surpluses in almost all crops (except for beans and livestock products). Even then, the severity of the shortage is generally low (under 25,000 mt) and is transitional in nature. Besides, surpluses in other food substitutes can supplement the related food shortage. As for nutritional value of food, although the level of protein and fat intake are 13 and 6 percent below the minimum recommended level, close to 100 percent of calorie requirement is consumed in the country. The problem of nutritional insecurity is often caused by inadequate nutritional knowledge and cultural beliefs which tend to discourage women and children from consuming certain foods (e.g. poultry products, liver etc).

383

Table 69: Average National Food Balance per Annum (Based on 1990-94 Period) (thousand mt)

Food Item	Status*	Average	Range
Beans	D	(10)	(5)-(20)
F.Peas	S	5	5 - 10
P. Peas	S	23	20 - 35
C. Peas	S	20	15 - 30
Maize	S	125	50 - 200
Finger millet	S	350	200 - 450
Sorghum	S	150	100 - 220
Rice	S	5	(5)- 10
Wheat	S	(0)	(10)- 10
Cassava	S	550	400 - 900
S. Potato	S	330	250 - 450
I. Potato	S	75	60 - 150
G. Nuts	S	20	10 - 35
Simsim	S	18	10 - 25
Soyabean	S	30	25 - 60
Matoke	S	4,250	2,800 - 5,000
Milk (million lts)	D	(80)	(150) - (50)
Beef	D	(30)	(40)- (25)
Goat Meat/ Mutton	S	10	5 - 20
Pork	S	1	(2)- 3
Poultry	D	(13)	(20)- (10)
Fish	S	30	15 - 35
Eggs	D	(150)	(180)-(100)

Source: EPAU Food Security Framework 1995 (National Food Balance).

* D = Deficit S = Surplus

Parenthesis implies negative values

b) **Food Security at Regional Level**

(i) Eastern and Northern Regions:

These regions have surpluses in most food commodities with the exception of livestock products. The main issues which tend to compromise this positive food balance include the following:-

Food Accessibility The per capita food availability in Eastern and Northern regions are comparatively higher than in the other two regions. Despite the overall food surplus, these regions have the highest share of food relief in several districts. In particular, Moroto, Kotido, Soroti and Kumi districts have food deficits in basic foodstuffs and have depended on food relief quite often. This situation is caused by the generally low levels of incomes and poor economic infrastructure.

Nutrition Security

In terms of calories, Eastern and Northern regions have daily per capita intake of 2608 and 2495 calories respectively which are 108 and 103 percent of the calorie requirement in Sub-Saharan African countries of 2419 calories. In the case of proteins, the per capita daily intake level in Eastern and Northern regions are about 80 and 79 percent of the FAO minimum level of 57.69 g. Per capita daily intake of fats are 79 and 82 percent of the FAO minimum of 20.3g.

Productivity: The regions have one of the highest food losses and one of the lowest yields for most commodities. This is caused by the low rates of input utilization and poor storage infrastructure.

Production: The regions which used to depend on ox-cultivation were badly affected following the cattle rustling and insecurity which characterized most parts of the two regions.

ii) <u>Western and Central Regions</u>

These regions are generally characterized by relatively low per capita food availability and low consumption intake levels of calories. The main issues concerned with food insecurity in these regions include:-

Accessibility: The two regions have comparatively higher household incomes. This is attributed to the farming system which is characterized by perennial crops such as coffee, tea, bananas, pineapples and other horticultural products whose marketing are spread throughout the year. In addition, the proximity to major urban and industrial centers tends to guarantee food demand for farmers in these regions.

Nutrition Security

In terms of calories, Western and Central regions have daily per capita intake of 2178 and 2353 calories respectively which are 90 and 97 percent of the calorie requirements in Sub-Saharan Africa countries of 2419. In case of protein, the per capita intake levels in Western and Central regions respectively are 92 and 87 percent of the FAO minimum level of 57.6g. The per capita daily fats intake levels in Western and Central regions are 105 and 111 percent of the FAO minimum of 20.3 g.

Productivity: Low levels of yields are due to soil exhaustion, over population, and soil erosion. In addition, there is the issue of high crop losses arising from poor handling and storage.

Distribution: The two regions are fairly well served with road network. However, some parts of the regions have poor road network, and less developed market system. In addition, adequate storage infrastructure is only located in major centers.

c) **Coping with Food Insecurity at District Level**

In Uganda, despite the overall food surplus, a number of districts which have the highest share of food relief are also the ones with the lowest level of income of the rural households.

It can be argued that in the area of food crops, per capita production has rather remained unchanged in the sector of cash crops such as coffee farmers who used to get a mere U. Shs 300 per kilo now get more than double for the same quantity. Similarly, farm-gate prices for agricultural commodities as well as livestock products have also increased over the years.

Perhaps what is generally ignored is that cost of production has increased due to the rising labor costs as well as input costs including seeds and chemicals. In addition, costs of education, health, transport and other socio-economic activities have increased a great deal. As a result, increase in real incomes has hardly kept pace with expenditures. Net incomes have either remained stagnant or declined. Field observation showed that the rural population were generally worse off and were unable to acquire basic household requirements. The incidence of poverty appears to be high in those regions which depended mainly on seasonal crops, particularly the districts in the North-East, Northern, West Nile and parts of Central region. In these areas, crop marketing is seasonal covering in total about 4 months in a year; moreover, during harvest time prices tend to be low.

(i) Chronic Food Deficit Districts

Nearly half a dozen districts are faced with what can be termed as chronic food deficits in most food items which are also regarded as food security commodities by the local population. Due to the disturbances, the population cannot settle down to engage in economic activities which includes agricultural production. The ability of the population to feed itself in such a circumstance is severely constrained.

The districts with chronic food deficits include Moroto, Kotido, Moyo, Bundibugyo and Luwero.

In the case of districts with chronic food deficits, the key issues therefore, include food distribution, food aid and relief, income levels and provision of both social and economic infrastructure.

(ii) Transitory Food Deficit Districts

All districts suffer from one kind of deficit or another. For instance, the districts in the northern parts of the country have deficits in livestock products. In the case of districts in the central part, the food commodities in deficits include beans, maize, groundnuts and other cereals and oil crops. In the eastern part, the main commodities which are in deficit are livestock products. The western parts of the country are deficit in beans and root crops.

The main districts with transitory food deficits are: Soroti, Kumi and Kabarole.

The key issues involved include food distribution, incomes and provision of economic and social infrastructure.

387

Table 70: National, Regional and District Summary of Food Status and Related Issues

Level	Particular	Food Status	Main Issues/Causes
National	Uganda	Surplus in all food commodities except beans and livestock products.	- Distribution - Storage - Productivity
Regional	Eastern	Surplus in all food commodities except livestock products	- crop losses - storage - income - means of cultivation - economic and social infrastructure
	Northern	Surplus in all food commodities except livestock products	- income - crop losses - insecurity - storage - economic and social infrastructure
	Western	Surplus in maize, finger millet, cassava, potato, g.nuts, banana, livestock products, Deficits in beans, cassava, sorghum, other oil crops	- land pressure - social exhaustion - heavy reliance on banana - too much focus on cash crop with high returns - crop losses - storage - nutrition
	Central	Deficits in all food commodities except banana and livestock products	- soil exhaustion - labor - concentration on cash crops - reliance on banana - nutrition - storage
District	**Chronic cases** [Moroto, Kotido, Moyo, Bundibugyo, Luwero]	Deficits in all staple foods as well as major food stuffs e.g. beans, maize, finger millet, cassava, potatoes, groundnuts, soyabeans etc.	- incomes - soils - distribution - poor marketing - economic and social infrastructure
	Transitory cases [Soroti, Kumi, Tororo]	Deficits in basic food stuffs, - maize, beans, g.nuts, cassava	- incomes - means of production - crop losses - cattle rustling - storage - economic and social infrastructure
	[Nebbi]	Deficits in one or four staples, particularly during bad years- e.g. beans, sorghum, groundnuts, livestock products	- incomes - distribution - storage - economic and social infrastructure - crop losses
	[Kabarole, Kasese, Bushenyi]	Deficits in four or ten food items- e.g. beans, maize, finger millet, cassava, potatoes, groundnuts, simsim, soyabeans.	- storage - land pressure - crop losses - dependence on banana - transport
	[Masaka, Mpigi, Mubende]	Deficits in four or ten major food-stuffs - e.g. beans, maize, finger millet, cassava, potatoes, groundnuts, simsim, soyabeans.	- reliance on banana, livestock - nutrition - land problem - labour shortage - soil exhaustion
	Surplus cases [Iganga, Kamuli, Mbale, Kapchorwa, Lira, Apac, Kitgum, Gulu, Arua, Masindi, Hoima, Kabale, Rukungiri, Mbarara, Kiboga]	Surplus in all food items except in two to three food items, particularly during bad years - e.g. beans, cassava, livestock products.	- income

Source: EPAU Food Security Framework 1995 and EPAU Food Security Survey 1995.

388

d) **Emergency Food Aid**

Given the constraint in which the Government is operating under Structural Adjustment and following tight budget funding, the ability of the government to meet the burden of emergency relief and assistance to refugees due to high costs of food transportation, storage and handling, is very difficult to guarantee if it is not to be supported and assisted by International Aid Organizations. Consequently, innovative ways of conducting food aid and food relief are required, given the issue of emergency food aid is a major concern for the Government.

(i) Coordination of Government efforts

Government's efforts to increase expenditure needs to be encouraged. There is, however, a need for better coordination. Achieving emergency food assistance through food relief or food aid to refugees requires an integrative approach involving many agencies of Government, the donor community and the NGOs. Coping with food insecurity is not entirely the responsibility of MAAIF or any one Ministry. It requires collaboration and financing from the donor community and can be greatly assisted by active involvement of the NGOs.

- Presently, there is no organized effort in Government to identify and monitor household food insecurity.

- There is also inadequate tracking of food insecurity in Uganda. Until now, emphasis has been placed on crop monitoring which is even seriously hampered by the lack of reliable and accurate data gathering. Not enough is known about food insecurity in Uganda. No full food security assessment has been undertaken to identify the location and magnitude of food insecurity and the grouping in the population most subject to it.

- PAPSCA Food Balance Sheet is a useful starting point. But it was not given broad exposure among those in Government. "The sense that one derives is that PAPSCA has become a bit of an *ivory tower* poverty think tank as such was not felt to be relevant to work with the operating units of Government".*

- More particularly, concerning emergency food aid, there is a need to put in place a national framework for monitoring food security at national and community levels particularly in case of emergency food aid. This would include market information system, viable disaster preparedness, mitigation and prevention system.

---

* *Food Security in Uganda by Barny Riley, August 1994, p. 48*

An effective interministerial food emergency and relief committee using existing resources and facilities of government and international food aid organization should be established to coordinate and supervise food relief and emergency food aid programs.

(ii) An Innovative Approach to Food Aid

With the exception of Karamoja, which is particularly susceptible to periodic drought, Uganda is not normally prone to severe climatic disorder. Localized food crises have arisen in relation to insecurity, locust and pest infestation, plant and animal disease, which have resulted during 1979-1992 in many food and interventions in Northern and North East of Uganda. Such outbreaks need to be monitored.

- Karamoja should be particularly targeted as a chronically food insecure area and could establish food reserves for quick movement of food distribution and relief.

- While direct provision of food is recommended for the vulnerable groups which include children, the elderly and lactating mothers, food for work schemes on public works should be applied to the able.

- Provision of food, and productive inputs such as seeds, cassava stems, potato vines, hoes and ox-ploughs, as well as improvement of the infrastructure, should receive high priorities.

- Food insecurity alleviation in the long term lies largely in enhancing the identified target groups productive capacity. In fact, once farmer's productivity has picked up it would be easier to reduce food distribution.

It should be noted that while emergency aid relief due to drought and national disaster could be dealt with in the short-term through emergency food aid, the more general problem of food insecurity due to poverty should be addressed in a more general context of social and economic development policy.

III.2 PROMOTING FOOD PRODUCTION DEVELOPMENT

Almost 80 percent of the population is employed in agriculture and almost 90 percent depend directly or indirectly on agriculture. Among them, nearly 50 percent live in absolute poverty. The potential contribution of agriculture-led development to meet the challenge of growth and poverty reduction should start with food crops development which shares about 70 percent of agricultural GDP.

Promoting food crop production should be at the heart of Uganda's agricultural-led development has the potential to feed the country and to supply food to the regional market. To maximize the socio-economic impact of the food system, any desirable food crop production development plan should target in priority high nutritional value staple crops having at the same time great potential for exports such as maize and beans:

The development concept is that production can be managed to promote not only food security but also income security of the poor. Through food production development not only can the poor have more nutritious food to consume, they can also secure an increase in their income.

In reality, a development of food production would fulfill three main roles: to help people feed themselves, to generate increased income of the agricultural sector, and stimulate non-agricultural growth.

Despite the relatively good prospect for food crop production development, Uganda has to effectively deal with various key issues in order not only to promote food security but also food production and food exports. These key constraints occur at the production level, post-harvest, marketing and distribution and income earning level.

a) Production Level

Promoting food crops development is the appropriate starting point to address the root cause of poverty. The most appropriate approach would be to act on the proximate determinants of the growth rate of food crops GDP which can be represented by the following aggregate formula

$$GDP = P \text{ fn } (L, N, X) = Pry\ L\ N\ X$$

Where P is the price of food crops output, L is land employed in food production, N is labor employed in food crops, and X is an aggregate of purchased capital and current impact into food production.

r and y are technological parameters, r represents the effect of technical change that makes the process of transforming inputs into output more efficient, and y represents institutional innovations and improvements in the transmission of raw and intermediate impacts through the commodity sub-sectors to the final consumer.

391

(i) Area Under Production

Uganda is endowed with good soils and climate in most parts of the country. The total land area is 214,000 Sq Km. Of this 167,600 Sq Km (78 percent) is classified as Arable/Cultivated land.

At national level, about 30 percent of the cultivable land* is under crop. This low rate is due to the use of hand hoe as the main means of opening land. Even in areas like the North-east and parts of Northern region where ox-cultivation used to be the main means for opening land, the farmers now use the hand hoe following the cattle rustling which affected that part of the country.

At regional level, arable land covers 68,241 Sq. Km in Northern region where only 25 percent was utilized for cultivation in 1991. The region has the greatest potential in land expansion. Eastern region has 26,636 Sq. Km of arable land with 48 percent cultivated in 1991. Like in Northern region, there is potential for increasing area under cultivation if farmers productive ability is enhanced. Of the 38,261 Sq. Km of arable land in Western region only 43 percent was cultivated in 1991. In terms of cultivable land therefore, the region has great potential for expansion. Finally, out of the 34,458 Sq. Km arable land in Central region only 36 percent was cultivated in 1991. Central region has the second greatest potential in land expansion after the Northern region.

Table 71: Land Utilization: 1991

Region	Cultivable Land Area (Sq Km)	Percent Cultivated
Northern	68,241	25
Eastern	26,636	48
Western	38,261	43
Central	34,458	36
Uganda	167,596	30

Source: Compiled from 1991 National Census and Land Use Figures

* *Cultivable land is arable excluding forests, game reserves and permanent pasture.*

Besides, in a number of cases, without adequate security, farmers ability to produce is greatly curtailed. Thus for instance, whereas in the early 1980s Teso and Northern Uganda used to be self reliant in food and even have excess to supply other areas, the people in these areas now find it difficult to meet their food needs. In particular, Northern Uganda and Teso used to have surpluses in livestock products. This situation, is a result of the cattle rustling by the Karamojong which resulted into loss of both means of opening land and source of income as well as the displacement of the population. Another cause is the frequent rebel activities in Kitgum and Gulu districts which similarly has affected the ability of the population to produce enough.

Finally, it should be noted that one of the main constraints to land utilization is difficulties in land accessibility due to the land tenure system. This is especially critical to large scale commercial development of agriculture for exports. The implementation of an appropriate land reform would effectively contribute to increase areas under cultivation for food production. Due to the low utilization of arable land nationally and in the regions, there is substantial scope in increasing food output through expansion in area for both crops and pasture/livestock development.

(ii) Farming System

Current knowledge on farming systems is quite scanty. During the course of civil strife over the years, farming systems were disrupted. Policies on food production were implemented in the past, but not enough consideration was given to the importance of farming systems to cope with internal shocks (such as population growth, AIDS scourge) as well as external shocks (e.g. price fluctuations and market constraints).

The general complaint farmers have is that there are hardly any extension services, as most of the time there are no field staff to visit and advise them. In relation to this, most farmers are not trained and exposed to the latest techniques.

An important element of the support services which is lacking is the multiplication and distribution of suitable seed varieties for planting. For some crops (e.g. maize and beans) high yielding varieties are available. What remains is to adapt them as necessary, and propagate and disseminate them. An effective extension service is needed to ensure proper adoption of improved varieties by the farmers. Experience of many countries in Asia have shown that rapid and sustained improvement in yields are possible.

(iii) Use of Agricultural Inputs

Field Survey undertaken in 18 districts by EPAU in 1995 shows low use of improved seeds, fertilizers and pesticides and poor production techniques. In general all these results in general into low production levels.

More specifically, the EPAU field survey shows that indeed rate of application of good quality seeds are low. The common type of improved seeds for maize planted are hybrid from Kenya and Longe I from Kawanda, NARO.

Similarly, pesticides and insecticides are generally used only for rice, groundnuts and sorghum. The district-wise situation shows that farmers in Mbale and Iganga districts tend to use more chemicals than in other districts. The use of chemical fertilizers by farmers is in fact, quite non-existent.

Table 72: Percent of Farmers Utilizing Farm Inputs (in Percent)

Input	Eastern	Northern	Western	Central	Uganda**
(a) Improved Seed Variety					
- Beans	20	5	15	10	15
- Maize*	35	25	15	35	29
- Finger Millet	5	0	0	0	1
- Sorghum	10	5	0	0	5
- Rice	75	90	0	-	71
- G. Nuts	15	20	5	10	15
- Soyabean	10	15	20	25	20
(b) Insecticides/Pesticides	10	5	5	20	10
(c) Fertilizers (Chemical)	0	0	0	1	-

Source: EPAU/IDEA Food Security Survey, 1995.

** In Uganda the weighted average is adopted as a base for calculation.

(iv) On-Farm Level Productivity

Farm productivity refers to crop output per unit of land. High output or yield per unit of land indicates high productivity, and vice versa. Profitability measures the value of output less the associated costs of the output. Farm yields are low in most parts of Uganda, and yet the target of extension service is to encourage farmers to adapt research technologies and improved agricultural husbandry practices. National yields are between 17 and 50 percent of yields attainable at research stations.

**The yields could be much higher since most of the seeds available are improved.*

394

Table 73: Regional and National Yields for Selected Food Crops
(Mt/ha)

Crop/Region	ON-FARM					RESEARCH STATION	
	Northern	Eastern	Western	Central	Uganda (a)	(b)	(a) as % of (b)
Maize	0.9	2.0	1.5	1.6	1.5	8.0	19
Finger millet	1.1	1.6	1.7	1.4	1.4	5.0	29
Sorghum	1.6	2.0	2.2	1.9	1.9	6.7	29
Beans	1.0	1.1	1.6	1.4	1.3	3.0	42
Field Peas	-	0.8	0.8	0.6	0.5	-	
Cow Peas	1.0	0.5	0.8	0.4	0.7	-	
Pigeon Peas	1.0	0.6	1.2	0.6	0.8	-	
Groundnuts	1.1	1.0	1.1	1.2	1.1	2.2	50
Simsim	0.7	0.5	0.6	0.7	0.6	-	
Soyabeans	1.4	1.3	1.6	1.4	1.4	-	
Cassava	7.5	12.0	7.8	8.0	8.8	50.0	18
Sweet Potatoes	7.1	8.8	8.7	8.5	8.3	30.0	28
Irish Potatoes	-	7.3	8.7	8.9	6.2	35.0	18
Banana	4.1	5.7	6.8	6.5	5.8	35.0	17

Source: Uganda National Census of Agriculture and Livestock, NARO, MAAIF (Dec. 1992).

Compared to the yields attained at research stations, regional yields are between 14 and 32 percent.

Table 74: Actual Regional Yields as a Percentage of Research Station Yields
(%)

Commodity	Eastern	Northern	Western	Central
Beans	23	27	27	27
Maize	18	15	18	18
Finger millet	30	30	30	32
Cassava	15	16	15	18
S.Potato	13	14	14	14
Banana	15	14	17	16

Source: NARO and EPAU Food Security Framework 1995.

In reality, food production has the potential to feed the country and to supply food to the regional market. However, the key to realizing this potential is increasing yields by raising the productivity of the farmer as a result of security of land tenure, in extension service, use of high-yielding varieties and improved agricultural inputs as well as investment in research and development.

b) **Post Harvest Constraints**

It can be noted that, on average, crop losses in most cases are generally unacceptably high at farm level. These may be manifested in terms of drying problems, microbial growth, pest problems, and mostly poor storage. Most particularly at farm level in terms of harvesting and storage, farmers use poor and unimproved harvesting and handling techniques and these jeopardize any further improved handling management, however advanced it could be mostly when farmers harvest their crop before attainment of optimum physiological maturity and late harvest. Therefore, however advanced the subsequent operations down the food pipeline may be, loss is almost inevitable to the crop. As a result of these factors, the levels of post-harvest losses remain very high ranging between 10 to 35 percent.

(i) Crop Losses

Regional crop losses indicate that between 6 and 35 percent of output is lost from the time of maturity upto marketing.

Table 75: Regional Crop Losses for Selected Crops (as % of output)

Crop	Eastern	Northern	Western	Central	Uganda
Beans	25	30	20	22	25
Maize	25	25	22	20	23
Finger millet	7	12	6	6	8
Cassava	25	35	20	20	25
G.nuts	12	12	10	10	10

Source: EPAU Food Security Survey 1995 and Post-harvest Data, NARO (1987-95)

Eastern Region: Has the highest losses for groundnuts and maize. Crop losses as a percent of output ranges between 7 percent in the case of finger millet to 25 percent in the case of beans, maize and cassava. Compared to the national average, crop losses in the region are higher in the case of maize and groundnuts. However, despite low productivity and high crop losses the region has adequate food. For all food items, except livestock products, the per capita availability is higher than the national average. The region therefore is food secure.

Northern Region: Losses range between 12 percent for groundnuts and finger millet to 35 percent for cassava. The region has high losses for virtually all crops. Crop losses are higher than the national average for most crops. Like in the case of Eastern region, there is adequate food supply in the region, except for livestock products. This is despite the very low productivity and high crop losses.

Western Region: Crop losses range between 6 percent for finger millet and 22 percent for maize, the region has comparatively lower losses in relation to Eastern and Northern region. The losses are also generally lower than the national average. Inter-regional comparison shows that the region together with Central, leads in high productivity and low crop losses. However, in terms of food supply per capita levels are generally lower than the national level, with the exception of banana and livestock products.

Central Region: Like Western, crop losses in the region are generally lower than the national average. Furthermore, the region has the lowest losses for virtually all crops. Crop losses range between 6 percent in the case of finger millet to 22 percent for beans. However, the region has the lowest per capita for food availability for most food items, except livestock products and bananas. Yet in terms of productivity and crop losses, the region is the first.

(ii) Poor Storage

Farm storage is inadequate, poorly constructed and therefore does not serve the overall purpose of ensuring safe storage. In most districts in Eastern and Northern region, granaries are the main means of storing farm produce. These structures are, however, vulnerable to attacks by pests, rodents and theft. Furthermore, due to the poor technology used, rain often spoil food stored in such granaries and as a result crop losses are very high. Although the extent of crop losses due to poor storage is not known, it is believed that poor storage accounts for between 50 and 75 percent of the total crop losses. Even in Central and Western regions where food is generally stored in the house, the extent of food losses is also high (estimated to account for 30 and 60 percent of total losses). Field findings showed that in most cases, the house where food is stored is neither cemented nor plastered. Furthermore, pallets are not used and cracks on both the floor and walls were evident.

At the district level, it is mainly the cooperative societies which have stores. It should, however, be noted that these stores were meant for cotton and coffee which are normally not attacked by pests and rodents to the same extent as food crops. These storage infrastructure are, like most other facilities, run down and in poor shape. They can not therefore, be used to store farm produce. Apart from the cooperative society stores there exist few private stores in major towns like Mbale, Lira, Arua, Mbarara, Kabale, Mukono and Kampala. These storage facilities are mostly buildings which have multi-uses depending on the seasonality including merchandise such as textiles.

At regional level and in major towns, there exist sizeable storage capacities. These storage infrastructure mostly belong to PMB. A few of them were constructed by the private entrepreneurs in the 1960s and are now being reclaimed by the owners. Thus most of the stores are in poor shape and need repair. No figures exist for the private storage, but it is estimated that they could account for between 30 and 50 percent of the PMB capacity. Apart from these, other parastatals such as UGMC, F&B and WFP have sizeable storage infrastructure. There are also silos at Jinja and Kampala with a total capacity of over 500,000 mt. At the regional level therefore, there appears to be fairly adequate storage infrastructure. What is perhaps needed is to rehabilitate them and encourage private sector participation in food purchases, storage and distribution.

c) **Food Distribution**

Food distribution is the movement of food from one surplus area to a deficit area. Put another way, food distribution is moving food from an area where it is not needed to an area where there is demand for it.

(i) Distribution Network

EPAU Food Security Survey conducted in May/June 1995 showed that at present, food distribution mechanism is under-developed both at the district and regional levels. What appears to be in place in some areas like Soroti, Kumi and Karamoja which have had food shortages over the last few years is a set-up involving RCs and chiefs. These officials are responsible for overseeing the distribution of food.

In periods of plenty or fairly adequate supply, no food distribution policy is in place. Yet as it is well known, despite the sizeable national surpluses in food, some regions and districts are deficient in some food items. For instance, beans are generally in deficit in most parts of Central region. Similarly with the recent outbreak of cassava mosaic, cassava supply was greatly affected. The districts in the North-east which depend on cassava as their main food, now have deficits.

Even within a district, there are certain parts which normally lack food. During the field survey, it was found that despite overall food surplus, Iganga, Tororo, Masaka, Rakai, Mukono and Arua districts have certain counties which suffer from lack of certain food items. Clearly, moving food from the surplus (or low demand) areas to deficit (or high demand) areas is essential if households are to be safe from food insecurity.

One aspect which is lacking is market information flow to allow both buyers and producers to reach the most desirable deals. More often than not, buyers tend to take advantage of the uninformed producers in the rural areas by purchasing their commodities at very low prices. In addition to the lack of market information in rural areas, market infrastructures is in poor state and whenever it rains for instance, produce spoils. The issue of rural marketing appears to be centered around the low prices payable for farmers' produce and the general poor standards of rural markets and facilities.

(ii) Transportation

Transportation constitutes an essential element of Uganda's strategy to implement a national food strategy. Roads are needed to bring in agricultural inputs and implements, facilitate the work of extension staff, and provide not only access to markets for farm goods but also basic social services such as education and health.

Field survey findings indicate that high cost of transport and poor road network and major hinderances to agricultural production, and food security and export diversification. Of the 18 districts visited, 14 indicated poor road network and lack of affordable transport as factors affecting food security. Most of the rural roads become either very slippery or impassable during rainy seasons. Central region has the best network whereby all districts and county headquarters can be reached with ease. The only districts which are not normally easily accessible, particularly during rainy seasons include Rakai, northern Mukono and northern Luwero. Most of the roads in Northern region are in bad condition mainly due to insecurity in the area and a long spell of lack of maintenance. Eastern region also has a fairly good road network. However, the districts of Kapchorwa, northern parts of Mbale, and parts of Soroti districts are virtually out of reach during rainy seasons.

During the early phase of the Economic Reform Program (1987), the Government placed emphasis on the rehabilitation of major truck roads, and much progress has been achieved in this area. It has, indeed, undertaken considerable rehabilitation of the major trunk roads such as Malaba-Kabale and Malaba-Mbale roads. Recently, the Government has shifted attention to rural roads and rural feeder roads. However, progress with the rehabilitation so far achieved has been slow. A large proportion of the rural feeder roads which provide important linkage between the rural food supply and demand areas are in poor condition. Despite the efforts undertaken by Government in ensuring road maintenance, parts of the country are still difficult to reach, particularly during the rainy season. These include Kapchorwa, Moroto, Kotido, Moyo, and Bundibugyo. Even for the other districts which are generally easy to access, parts of the districts are difficult to get to. This is caused mainly by flooding, slippery roads and remoteness of the places. The extent of the road network has a direct bearing on transport costs and hence the net income a farmer can get.

As a result of the above, transport costs are high, contributing to reduced returns to the farmer with negative impact on production and food security. Besides, there is absence of an effective distribution network to channel food from areas of surplus to areas of deficit and lack of sufficient storage for food security reserve.

d) **Constraints in Food Marketing**

Market with the associated infrastructure of storage, facilities and services matter a great deal. Although, it is preferable that this could be taken care of by private investors, the Government still has the responsibility to provide appropriate support under the present condition of serious lack of marketing facilities through public promotional agencies as well as specialized development projects.

(i) Main Participants

Private Sector Participants now dominate the market system, operating at different levels right from the village to the district, regional levels and between regions. These retail and wholesale traders operate in a complex system that links them together often with the individual actors taking on more than one role. For example, some of them perform both wholesale and retail functions. These traders sell through a network of rural and urban markets spread all over the country. Rural markets may be classified as village assembly markets, periodic markets or roadside markets. Rural markets in general lack appropriate facilities such as proper storage, weighing and sanitary facilities. In the urban centers food is either purchased by the urban population for consumption, by food aid agencies like WFP and NGOs for distribution to the needy, or exported outside to other districts/regions or across the border.

Parastatal participation in food marketing is represented by three parastatals namely; PMB, UGMC and F & B. Until 1988, PMB was very prominent on the domestic market mainly because of the monopoly of institutional buyers such as hospitals, the army and schools. With the removal of the monopoly, its role on the domestic scene is gradually becoming minimal. Foods & Beverages entered food marketing in 1988 to diversify its revenue sources and also to take advantage of the retention scheme introduced by Government as an incentive for exporters. Foods & Beverages combined both the distribution of essential commodities and collection of crops for transport to Kampala and then to export markets. UGMC purchases maize, beans, soyabeans, wheat and rice. In 1988/89 UGMC purchases reached a peak of 21,000 mt of maize, 2,000 mt of beans and 180 mt of soyabeans. These commodities are processed into bread, maize meal, animal feeds and sometimes sold to WFP.

Cooperatives have not played an important role in the food marketing in Uganda mainly because of their orientation towards the traditional export crops, lack of finance and skill in handling food products. Since 1990 however, a large number of Primary Societies have become involved in the sale of food grains, particularly on behalf of their members.

(ii) Major Marketing Constraints

The key issues affecting food marketing can be categorized under marketing facilities, services, quality, price margins, losses and wastes.

Lack of marketing facilities is widely recognized. Whereas the private sector participants control the largest share of the food market in Uganda, they have continued to experience shortage of storage facilities and space. Most of them depend on renting of idle shops and a few of them own stores. Moreover, most of these shops and stores are not suited to preserve the quality of the product. Only a few of the big traders own cleaning and grading equipment and these are mainly in the large towns like Kampala. In general, the public sector and Co-operative Enterprises seem to be a far bigger and superior player in terms of facilities than the private traders even though they handle less of the food products. For example, the public sector, have large storage capacities with clearing, grading and milling facilities in terms of transport facilities however, there has been drastic reduction in fleets in the public sector partly as a result of the wars, mismanagement and quality to replace and maintain the trucks.

Uganda currently boasts of a road network of 7,500 km of truck roads and 21,200 km of feeder roads. The latter fall under the Ministry of Local Government which like any other Ministry, is cash trapped. Although Government has taken road rehabilitation as a priority activity and a lot of donor support has been directed to it, a lot of feeder roads still remain impassable especially during the rainy season making it impossible for the farmers to access markets for their crops and animals.

The most visible channel for communication of market information among farmers and traders is through personnel contact. In remote areas, farmers are not informed about prices, quality and quantities required. It would appear that one of the reasons why there are wide differentials between one district and another is lack of information.

Finally, marketing margins for selected crops show that there is a high share of wholesalers and retailers. In Uganda there is evidence of very low farm-gate prices for some crops relative to final consumer prices. This should not be an invitation for the Government to intervene in the affairs of producers, transporters and traders. It is, however, the legitimate responsibility of the Government in development to ensure that the gap between farm-gate and final prices is reflective of costs and not as a result of malfunctioning and distorted market. In fact, there is a need to use public policy to facilitate the proper functioning of markets in agricultural products.

Table 76: Marketing Margins for Selected Crops: 1993/94
(as % of consumer prices)

Items	Farmer	Buyer	Transporter	Wholesaler	Retailer
Maize	17.0	4.0	12.0	12.0	26.0
Beans	33.0	3.0	15.0	29.0	20.0
G/nuts	57.4	2.1	6.4	31.9	2.1
Simsim	40.0	2.0	4.0	28.0	7.0
Field Peas	22.0	2.0	10.0	55.0	11.0
Irish Potatoes	24.0	4.0	17.0	35.0	20.0
F. Millet	12.2	4.1	13.3	39.8	26.5
Rice	29.2	29.9	12.4	13.9	14.6
Bananas	56.0	11.0	8.0	7.0	18.0

Source: UCA (1993 Study)

In sum, promoting food production is the most viable lead sector for overcoming food insecurity but also generating income and employment in the rural sector which in turn will contribute to increasing income in the non-rural sector. Promoting food crops development holds great potential as a strategy to simultaneously meet food needs of the people, alleviate poverty and raise the standard of living of the people.

III.3 RAISING FOOD EXPORTS TO A NATIONAL STRATEGIC OBJECTIVE

A National Food Strategy should ensure food security, develop food production and promote food exports. In reality, food exports should be considered as an essential component of the Government's food strategy.

The fundamental issue of food insecurity in Uganda is not due to lack of food resources but rather mismanagement and under-utilization of resources. Under normal circumstances Uganda has a fairly sufficient level of food availability. Even in bad years, the deficits in some major commodities can be supplemented with other substitutes in large surplus. With an appropriate disaster management strategy, Uganda should not have any major problem of food security per se.

For Government's efforts to be successful in promoting food crop production development, increase in food supply must be matched by equivalent or exceeding demand. In Uganda, domestic consumption level for the main food crops already falls below production level. Lack of demand and markets can become major disincentives to food production. With higher productivity due to appropriate reform measures, the overall increasing trend in food production will be higher than in food consumption in the future. This should result in more surplus for food exports.

In reality, food exports not only provide incentive to promote food production at home to supply the domestic market, but also represent an important sizeable potential market abroad for Uganda in the context of food deficit in Sub-Saharan Africa, taking advantage of the regional economic integration. With an effective food export promotion policy, Uganda should be able to widen its domestic market, increase productivity of its agricultural production and improve income of the rural and non-rural poor. Besides, while improving the external balance of trade to move the country toward more self-reliance, food exports will contribute to strengthen the regional participation and contribution of Uganda in the common effort to overcome the problem of famine in the Horn of Africa, and more generally the food deficit in the COMESA and Sub-Saharan Africa.

a) Government's Export Promotion Strategy

The essence of an export-oriented strategy should rely on realistic conditions of the country and be based on its comparative advantage. In Uganda, an export-oriented policy should not only contribute to accelerate growth in the short-term but also help the country in the long-term to move toward a self-reliant economy.

(i) The Short-term Export Development Impact

It should be noted that growth of the agricultural sector greatly determines the performance of the Ugandan economy. In spite of the fluctuating trend in international prices of coffee and primary products, Uganda's comparative advantage in the international markets still relies on agricultural exports.

The strategic importance of export development is obvious. A strong linkage exists between import and export growth. It is imperative for Uganda to increase its export capacities to sustain its import needs in the long-term perspective. Export-oriented investment in agriculture as well as in manufactures, while depending on local raw materials and labor force, will also need imported inputs as well as equipment, machinery, etc... In Uganda, with agriculture accounting for 90 percent of export earnings, an increase in export revenue from agriculture can be achieved more easily than an equal increase from manufactured exports which only share less than 1 percent of total exports.

In Uganda, agricultural export earnings have been dominated by coffee exports since the 70's when other non-coffee traditional exports like tea, cotton, tobacco started to decline. The fluctuation of international coffee prices has brought rather forcefully the danger of over-dependence on a single export commodity with far reaching impact on personal income, government revenue and the balance of payments. Export diversification, therefore, must be promoted. At present, virtually all Uganda exports earnings originate in the agricultural sector, and coffee exports account for a very large share. In 1994, coffee exports earnings raised to about US $ 343 million and share 74 percent of total exports.

Government policy on export diversification is beginning to achieve significant progress. This may be testified by the increase in foreign exchange earnings from the non-traditional exports which increased from US $ 23.68 million in 1990 to US $ 92.81 million in 1993 i.e., an increase of 174 percent. More particularly, non-traditional agricultural exports increased from US $ 14.69 million in 1990 to US $ 38.98 million in 1993, i.e. an increase of 165 percent. In 1994, non-traditional agricultural exports earnings amounted to US $ 87.6 million which represented an increase of 35 percent. Efforts to diversify exports within agriculture and expand non-agricultural exports, therefore, should effectively be promoted.

ii) Progress in Food Exports

Food exports are among the leading non-traditional agricultural exports. Among them maize and beans exports account for the major part.

Maize exports have good prospects for some years to come if excess demand in neighboring countries remains high and Uganda's yield potential and acreage expansion is exploited by the farmers. Its export earned about US $ 3.3 million in 1990 and it increased by about 20 percent to US $ 3.9 million in 1991 and remained at just about the same level in 1992. There was a dramatic increase of about 4 times in 1993 followed by another increase of 51 percent in 1994 with US $ 28.4 million. The quantity of maize grain exports has increased drastically since 1990 when it amounted to 26,000 tons to 109,000 tons in 1993 before it dropped by 20 percent in 1994. The general increase in export may be attributed partly to the wars which devastated most countries in the East and Southern African region and drought which affected some countries within the region.

Beans exports have also been on the rise, earning about US $ 4.1 million in 1990 and it increased marginally in 1993 (an increase of 1.5 percent) to US $ 4.2 million. Although, its export earnings dropped in 1992 and 1993 they increased considerably in 1994 to US $ 9.4 million. The volume of export followed a similar pattern as the value since it was 9,272 tons in 1990 and it increased to 26,955 tons in 1994. Beans increased by 126 percent from 1990 to 1994. There still remains a great potential of increasing beans exports especially since the WFP may remain in the region for some years feeding the refugees who are within Uganda and in the neighboring countries. There also exist potential markets in the Middle East countries if the producers can increase the yield so as to reduce unit production costs and become more competitive in the international market.

Table 77: Uganda: Exports, 1990 - 1994
(In US$)

Commodity	1990	1991	1992	1993	1994
Coffee	140,384,000	117,641,000	95,372,000	106,775,000	292,849,000
Other traditional exports	12,184,000	23,051,000	20,268,000	23,676,000	20,994,822
Non-traditional exports	23,682,231	42,641,133	30,775,177	64,792,724	87,835,344
Food crops exports	13,430,842	19,982,642	15,290,469	26,232,607	42,042,010

Source: Compiled by EPAU from Uganda Revenue Authority and Ministry of Finance and Economic Planning data.

It is to be noted that policies biased against agriculture also result in deficient production of agricultural products for exports, reduced foreign exchange earnings, as well as in negative multiplier effects throughout the Ugandan economy whose main macro-economic constraint is the capacity to import, in the absence of foreign aid. Uganda's comparative advantage, in the international markets still relies on agricultural exports. Uganda should exploit its highly productive agricultural resources aiming at increasing agriculture production, ensuring that cost advantage would be assured in traditional exports and focus on NTAE, particularly food exports of maize and beans.

Table 78: Uganda Exports of Maize

	Total Maize Exports	o/w Kenya	Total Maize Exports	o/w Kenya	Share of Maize Exports to Kenya	
	Quantity (metric tonnes)		Value (US$. '000)		Quantity (%)	Value (%)
	(1)	(2)	(3)	(4)	(2/1)	(4/3)
1990	26,142.22	40.00	3,258.36	5.12	0.15	0.16
1991	30,529.08	818.60	3,899.63	95.59	2.68	2.45
1992	29,569.47	11,997.00	3,881.59	1,261.76	40.57	32.51
1993	108,790.96	36,970.30	18,869.11	3,978.50	33.98	21.08
1994	87,284.76	58,413.92	28,421.22	8,177.94	66.92	28.77

Table 79: Uganda Exports of Beans

	Total Beans Exports	o/w Kenya	Total Beans Exports	o/w Kenya	Share of Beans Exports to Kenya	
	Quantity (metric tonnes)		Value (US$. '000)		Quantity (%)	Value (%)
	(1)	(2)	(3)	(4)	(2/1)	(4/3)
1990	9,271.71	18.70	4,150.07	4.68	0.20	0.11
1991	14,208.44	68.10	4,210.89	18.73	0.48	0.44
1992	9,326.59	117.20	2,781.54	35.16	1.26	1.26
1993	8,500.36	1,435.30	2,206.35	430.59	16.89	19.52
1994	26,954.63	3,873.50	9,367.71	1,646.24	14.37	17.57

Source: Ministry of Finance & Economic Planning, Statistics Dept. - Uganda Revenue Authority (URA), Customs Dept.

b) The Long-term Prospects for Export of Maize and Beans

The potential of maize and beans exports could be assessed on both sides: The supply-side related to the positive balance of food (i.e. food supply is much higher than demand in the domestic market) and the food demand-side related to food shortage in the regional or international market.

(i) Food Balance Surplus

Based on recent trends in growth rates of national supply and national demand, the projected supply-demand gap for maize and beans is rather positively significant as summarized in the following table.

Table 80: Projected Food Balance for Maize and Beans in metric tons (1995- 2000)*

Year	Conservative Target		Attainable Target	
	Maize	Beans	Maize	Beans
1995	500	(19)	500	25
1996	537	(14)	571	41
1997	576	(10)	648	58
1998	616	(4)	736	76
1999	661	(1)	846	100
2000	708	8	955	125

Source: EPAU Food Status Framework 1995

Conservative projection is based on an increase of national food supply by about 4 percent per annum during the next 6 years. In particular, food crops will increase by about 5 percent per annum, and livestock by about 2.5 percent per annum.

Attainable projection for surplus in maize and beans, which could be achieved with appropriate reform measures and effective policy support, is based on an increase of 4 percent in area and 6 percent in yield per annum for maize, and an increase of 1 percent in area and 6.6 percent in yield for beans.

The final results then would be:

Maize increases by 1.04 x 1.06 = 10 percent per annum.
Beans increases by 1.01 x 1.066 = 8 percent per annum.

Either one of these, conservative projection or attainable projection would already show a high positive food balance and substantial amount excess food for export. Uganda should be able to have a surplus in maize between 500,000 and about 1,000,000 mt of maize and beans surplus for export from now to the year 2000.

(ii) Potential Markets for Ugandan Food Exports

Potential markets for Ugandan food export includes international aid agencies and the regional markets.

International Aid Agencies

The major International Aid Agencies buyers of cereals and beans are

The World Food Program (WFP)
The European Union's Regional Food Security Program
The International Federation for Red Cross, etc...

**For more detail of calculation, refer to pp.102, 103 of this Policy Paper.*

More particularly, the major buyer is the WFP which purchased between 70,000 to 100,000 mt of maize and beans per year.

Table 81: Purchase by World Food Program in Uganda (in Metric Tons)

Year	Maize	Maize meal	Maize equivalent*	Beans	Total
	(1)	(2)	(3)	(4)	(3+4)
1994	47,686	17,070	70,446	16,249	86,695
1995	33,950	8,700	45,550	8,953	54,503
1996	48,000	17,000	70,667	16,250	86,917
1997	48,000	17,000	70,667	16,250	86,917

Source: World Food Program, 1996

*Note: Out-turn or recovery assumed for maize meal is 75 percent

Figures for 1996/97 are estimates

Cross-border Markets for Ugandan Food exports

The main export market for Uganda's cereals is currently Kenya. Tanzania, Sudan and Zaire are also big importers of cereals. Finally, Rwanda and Burundi may present some export interest due to civil strife and political instability, even though under normal circumstances they are rather small food deficit countries.

Table 82: Potential Food Demand for Selected Countries in COMESA (1992)

Country	Kenya	Tanzania	Burundi	Sudan	Rwanda	Zaire
Food Imports as % merchandise Imports	6.0%	6.0%	18.0%	19.0%	NA	NA
Cereals Imports ('000 tons)	669.0	252.0	19.0	654.0	14.0	219.0
Food aid as cereals (000's tons)	162.0	15.0	2.0	481.0	11.0	121.0

Source: UNDP, Human Development Report 1995.

Food Deficit in IGADD

Prospects for Ugandan food exports to countries under IGADD are real because all of these countries, except Uganda, are heavily deficit in food particularly cereals.

408

Table 83: Food Deficit/Surplus in Intergovernmental Authority on Drought and Development (IGADD) Cereal Availability by January 1994 (Thousand Metric Tones)

Djibouti	0
Eritrea	-305
Ethiopia	-1050
Kenya	-1300
Somalia	- 378
Sudan	- 700
Uganda	263
Regional Deficit excluding Uganda	-3733
Regional deficit including Uganda	-3470

Source: IGADD Food Situation Report 1995.

Food Deficit in COMESA.

Within the more general framework of regional cooperation in the COMESA, Uganda should take advantage of its food surplus situation in order to increase inter-regional exchange of food and commodities and strengthening its participation in the realization of the regional trade agreement COMESA which has a deficit of over 5 million mt per year should provide to all its members a comparative competitiveness with respect to countries outside the common market.

Table 84: Food Deficit in COMESA
(Thousand Metric Tons)

Country	1992/92 or 1993	Commercial Purchases	Food aid Allocated Committed	Total Commercial and aid
Angola	April/Mar	92.80	134.00	233.80
Botswana	April/Mar	191.10	10.40	201.50
Burundi	Jan/Dec.		0.50	0.50
Comoros	Jan/Dec.		2.50	2.50
Djibouti	Jan/Dec	0.20	5.00	5.20
Ethiopia	Jan/Dec.		310.00	310.00
Kenya	July/June	665.00	396.60	1051.60
Lesotho	July/June	116.50	42.00	158.50
Malawi	Apri/Mar	275.50	663.40	938.90
Mozambique	May/Apr	77.80	1196.40	1274.20
Namibia	May/Apr	107.70	36.80	144.50
Rwanda	Jan/Dec		39.10	39.10
Somalia	July/June	13.39	471.80	485.10
Sudan	Nov/Oct.	12.00	87.00	99.00
Swaziland	May/April	54.40	36.10	90.50
Tanzania	June/May	70.00	28.70	98.70
Uganda	Jan/Dec		16.80	16.80
Zaire	Jan/Dec	8.40	1.10	9.50
Zambia	May/April	368.40	781.60	1150.00
Total		2050.10	4259.80	6310.10

Source: Food and Agriculture Organization of the United Nations, April 1993.

c) Uganda Penetration to Export Market for Maize and Beans

Uganda's food exports, mainly maize and beans, can be significantly increased. More and more food exports have the potential to increase dramatically over the next decade if well supported by an appropriate national food strategy with focus on food exports. A common feature of successful export-oriented economies is not only government total commitment but also implementation of total effective export promotion policy.

Conventional wisdom in economics suggests that Uganda should concentrate on providing a conducive macro-economic environment and appropriate sectoral policies so that private enterprises can be promoted and exports be developed, but Government should generally disengage from direct involvement in production and export. Market forces should be allowed to play a determinant role in the economy. This, once said, should not mean to relieve the Government from its responsibility but to ensure that macro-economic as well as sectoral policy does not go counter to export promotion strategy and also importantly encourage the Government to take an active role in trade negotiations and bargaining to help Ugandan exports penetrate the export markets. In fact, Government assistance in penetrating new markets is even decisive.

410

Food exports of maize and beans are not only possible; but even more important, they should be considered as a national objective of Uganda's ultimate international trade strategy.

More specifically, it is clear that the Ministry of Trade and Industry should play an active role in guiding investment in the direction of production for exports and in negotiating with major trade partners for the penetration of Ugandan export products, particularly maize and beans to the various export markets.

(i) <u>Procurement Contract with International Aid Agencies</u>

The Government of Uganda has requested for International Aid Organizations assistance for emergency food distribution many times. Food purchase from these organizations may be substantial and represent an attractive market for maize and beans exports. More particularly, the WFP projects and operations alone, were valued at about US $ 150 million as of November 1994 of which emergency and refugees assistance account for more than 50 percent.

It is essential that an agreement and understanding be set between the Government and Aid organization to generalize the practice of locally purchasing projects and emergency operations of food commodities whenever possible. WFP has made a significant attempt to purchase from the local market food items destined for its development activities and its refugee and emergency operations within Uganda and in the neighboring countries of Zaire, Burundi, Rwanda, Sudan, Tanzania and Kenya. In 1994 alone, WFP procured locally some 91,000 mt of commodities (maize, maize meal, beans, sorghum, salt, corn-soy blend, vegetable oil and groundnuts) valued at slightly over US $ 22 million representing substantial net foreign earnings for Uganda.

More importantly, WFP local purchases of food commodities, especially maize, maize meal and beans while avoiding import of maize and beans from outside to compete with the local production and create instability in prices in the local market, has had a positive effect on the economy. The WFP purchase has provided an incentive to the Ugandan farmers to increase their production to meet WFP suppliers demands. Although the impact of WFP local purchase operations on households food security and on rural income is yet to be assessed, it should be noted that the size of the market for these commodities has undergone a considerable increase. As a result, other International Organizations such as EEC have initiated, through international bidding, local procurement of food.

In the context of an economy which has great potential in food production and suffers from financial constraints in achieving the objectives of the social sector, local purchases of food (maize and beans) by International Aid Organizations for projects in Uganda and neighboring countries should be considered a high priority for international food assistance programs not only to alleviate food insecurity but also to help generate increased income for the rural poor. It is, therefore, essential for the Government of Uganda and International Aid Organizations to spell out an effective strategy for local procurement for food aid and projects.

411

(ii) Bilateral Trade Negotiation with Kenya

Uganda and Kenya do have complementarity in terms of economic interest and foreign trade exchange.

Based on its comparative advantage in agriculture, and particularly in food production, Uganda can develop a surplus in food, basically maize and beans, from 500,000 mt at present to 1,000,000 mt in the year 2000. Kenya on its part, is largely a food deficit country. In 1992, Kenya imported 669,000 mt of cereals in addition to 162,000 mt of cereal as food aid* totalling 831,000 mt. By January 1994, Kenya's cereal availability showed a deficit of about 1,300,000 mt. On average, therefore, Kenya has a need for import of cereals more or less about 1,000,000 mt. A successful trade negotiation between the two countries to absorb surplus of maize and beans in Uganda to supplement the shortage of cereals in Kenya, would be in the national interest of the two countries.

If considering, trade exchange between the two countries the complementarily is even more accentuated. Kenya, more industrialized, than Uganda has to export its manufacturers to neighboring countries. Uganda is at present a relatively huge export market for Kenyan manufactured products.

Table 85: Uganda's Trade with Kenya (US$ millions)

	1990	1991	1992	1993	1994	1995*
Exports	6.24	12.35	16.04	6.00	31.61	11.80
Imports	71.13	82.75	118.36	115.00	233.80	139.87
Export/Imports (%)	8.77	14.92	13.55	5.22	13.52	8.44

Source: Ministry of Finance & Economic Planning, Statistics Dept.
IMF (1995), Direction of Trade Statistics.
* Partial Results

Until now, trade exchange has always played to the advantage of Kenya and at the expense of Uganda. While the Ugandan market is considered as a safe haven for Kenya's exports, Ugandan exports could not benefit the same in return. Kenyan exports to Uganda kept increasing at an accelerated rate during the last five years from US $ 71.13 million in 1990 to US $ 233.80 million in 1994, i.e., an increase of about 300 percent.

**UNDP, Human Development Report 1995*

Uganda has not been successful to take advantage of Kenya's markets for maize and beans. Maize and beans exports to Kenya are still negligible if compared to the potential of Kenya's export market. Even very cautious projections would show that Kenya has an annual deficit in maize and beans of between 500,000 to 1,000,000 mt. Because of land pressure and the increasing population, it is expected that their deficit will even increase. Kenya has not always been favorable to Ugandan exports of maize and beans. During EPAU Survey on Food Security and Exports, it was learnt from a visit made to the Kenya-Uganda borders of Malaba and Busia, that the Kenya authorities have imposed punitive import duties on imported maize from Uganda. Consequently, as for beans, though Kenya is reported to have annual beans deficit, heavy taxation of import duty on beans (40 percent in 1993) would discourage exports of beans to Kenya.

Table 86: Maize and Beans Exports to Kenya

	Maize (mt)	Beans (mt)
1990	40.00	18.70
1991	818.60	68.10
1992	11,997.00	117.20
1993	36,970.30	1,435.30
1994	58,413.92	3,873.50

Source: Ministry of Finance and Economic Planning, Statistics Department.
Uganda Revenue Authority (URA), Customs Department.

Uganda had signed several bilateral trade agreements with a number of countries, but not with Kenya. These countries include: Tanzania, Sudan, Rwanda, Burundi, Zaire, Egypt, Algeria, Libya, Zambia, Malawi, Mozambique, Zimbabwe, Ethiopia, Eritrea, Djibouti, India, Pakistan, and most of the former communist states.

A fair and effective trade agreement between Uganda and Kenya would certainly bring mutual benefit to both countries. Such a trade negotiation should include:

- No discrimination of goods and services between each other
- The preference status of the most favored nation between the two countries
- And mostly, quantitative target for specific commodities in trade exchange between the two countries; e.g. food exports (maize and beans) from Uganda, and manufactures exports from Kenya.

It should be noted that there is no such thing as absolute free trade. And even under a free trade regime, there should be two-way benefits. The example of tough and firm trade negotiations undertaken by the USA with Japan may provide good insights for future trade negotiations.

413

(iii) The Revival of East African Cooperation

Trade cooperation between countries presents many advantages. Among others, one of the great benefits of border trade is that a small country often constrained by fragmented markets can enjoy the benefit of economies of scale which help widen the domestic market, increase productive capacity and bring advanced technology. As a result, these countries can enjoy lower cost and high quality products, and have a competitive edge in the international market.

In 1967, Uganda, Kenya and Tanzania formed the East African Community (EAC). The EAC focused on strengthening regional trade and investment through the gradual and eventual abolition of tariff and non-tariff barriers to the flow of goods and services in the region. By the late 1970s, there was evidence of increased flow of goods, capital, labor and services in the region; as well as coordination in the economic, political and social policy areas. The EAC collapsed in 1977 after persistent disagreements over a variety of financial and political issues. With a view to reviving economic links, the three countries recently agreed to establish the Commission for East African Co-operation, whose Secretariat started work in April 1995.

There is now opportunity for the revival of economic co-operation within the three states. In January 1996, in tripartite talks between President Museveni of Uganda, President Benjamin Mkapa of Tanzania and President Arap Moi of Kenya, all three presidents pledged their personal commitment and that of their countries to the efforts of reviving the cooperation.

Priority areas of co-operation and co-ordination include fiscal and financial policies; immigration controls; tariffs, customs procedures and other trade barriers; transport, and post and telecommunications. A more detailed agenda, including a time frame, is yet to be established. It is suggested that the issue of food security for the three countries be examined by all parties together. Uganda, indeed, may have a comparative advantage in food surplus (particularly maize and beans) to be exchanged with Kenya and Tanzania which are heavily food deficit countries.

Tanzania had in 1992 a demand for cereals imports of 252,000 mt in addition to 15,000 mt of food aid as compared to Kenya which had 669,000 mt of cereals imports in addition to 162,000 mt of food aid. On average Tanzania and Kenya could provide the export markets of more than 1,000,000 mt of cereals for Ugandan surplus in maize and beans for exports which can be projected between 500,000 to 1,000,000 mt. A successful cooperation between the three countries would solve the food problem without any need to recourse to any outside source of supply or food aid. It should be stressed that regional cooperation, in the final analysis, will find more strength based on economic mutual interest rather than on political common ideology.

(iv) Trade Cooperation within the COMESA

The trade cooperation between Uganda, Kenya and Tanzania within the EAC will provide a comparative strength for these three countries in their cooperation with other countries in the COMESA.

All the three countries (Uganda, Kenya and Tanzania) are members of the COMESA which also includes: Angola, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Zambia and Zimbabwe. With the reduction and elimination of tariff and non-tariff barriers, Ugandan maize and beans exports can even be in a better position to penetrate the markets of the food deficit member states, being more competitive and protected from source of supply outside the COMESA.

Within the COMESA, Uganda should pay most attention to the food deficit members in the Inter Governmental Authority on Drought and Development (IGADD) which are, besides Kenya and Tanzania, and by degree of food shortage by January 1994, Ethiopia (-1,050,000 mt), Sudan (-700,000 mt), Somalia (-378,000 mt), Eritrea (-305,000 mt). It is to be reminded that Kenya was the biggest food deficit country (-1,300,000 mt) and Uganda was the only food surplus country (+263,000 mt) in the IGADD.

In sum, with a successful trade negotiation with Kenya, a good trade cooperation within the EAC and an effective trade penetration into the member countries of IGADD and more generally of COMESA, Uganda can be assured of more than enough export markets to export its surplus maize and beans from 500,000 mt to 1,000,000 mt as projected.

IV. POLICY SUPPORT AT MICRO LEVEL FOR FOOD SECURITY, FOOD PRODUCTION AND EXPORTS

It has been recognized that while economic growth is a necessary condition to increase per capita income of the people, it is not sufficient to ensure the well being of the entire population. Development strategy, therefore, needs to focus on achieving wide-spread distribution of growth to reduce poverty. Unless the poor can effectively participate in the process of growth, the condition of living of the poor will not be effectively improved.

Given the fact that the vast majority of the poor are rural farmers, policy support at farm levels is crucial to promote a broad-based agricultural development. About 90 percent of the population, indeed, depend directly or indirectly on agriculture which employs 80 percent of the household population of approximately 2.5 million small holdings (less than 2 ha each) and share about 50 percent of GDP. The contribution of food crops alone is about 70 percent of the agricultural GDP, as compared to 17 percent for livestock products and 5 percent of fisheries sub-sector. Cash crops only accounted for 7 percent of GDP.

In Uganda, while there is still potential for expanding the area cultivated, future growth of food production to ensure food security and promote food exports, is expected to depend increasingly on the ability to raise productivity of food crop production through effective agricultural policy support at micro level which includes not just technical progress at the farm level but also institutional strengthening that creates efficiency in the development and diffusion of innovations.

IV.1 AGRICULTURAL EXTENSION SERVICES

At the heart of agricultural development will have to be the process of food crop production. The key to realizing the potential of food crop production development is increasing yields by raising the productivity of the farmer through research, development and dissemination of technical and institutional innovations. The primary organization for dissemination of results and technology transfer is typically the extension service.

(a) Assessment of Agricultural Extension Services

The need for strengthening of agricultural extension services was recognized early during the process or restructuring the agricultural sector. The Government of Uganda in collaboration with The World Bank (IDA) reorganized existing extension services under the Agricultural Extension Project (AEP) which became effective on 18th July, 1993. The project (1993-1996) aims at supporting Government's strategy of agricultural development and diversification and has four major components namely, strengthening the delivery of extension services, improvement in training capacity and skills, strengthening of management systems, and studies. The total cost of the project is US $ 17.75 million, of which the World Bank has financed US $ 15.79 million and the Government of Uganda (GOU) is financing US $ 1.96 million.

(i) Organizational Structure

At the national level, the project is integrated into the regular organizational framework of MAAIF. The Director of Agricultural Extension is responsible for management and implementation of the Agricultural Extension Program in collaboration with Directors of Animal Resources and Crop Resources. The Commissioners, Zonal Extension Officers and SMSs (Headquarters) have the responsibility of the day-to-day implementation of extension.

At the District Level, the District Extension Coordinator (DEC) is appointed by selection from among the District Officers (i.e. crops, livestock, and fisheries) under decentralized administration. In principle, the appointment of the District Extension Coordinators is promotional. The criteria for appointment as well as the process of selection, should be transparent at all levels. The DEC is supported by 8-9 Subject Matter Specialists (SMSs) in various disciplines.

The County Level likewise has a Country Extension Coordinator (CEC) who is appointed by selection from the country level officers of crops, livestock and fisheries based on similar procedures as at district level. In view of the re-organization, the County Extension Officers are deployed to serve as Field Extension Workers and only County Extension Coordinator's retained at County Level as a front line supervisor. The County Extension Coordinator is responsible for guiding the activities of Field Extension Workers (FEWs) who are about eight to ten per county, each serving a sub-county.

The Government of Uganda adopted a Unified Extension at the grassroots level where staff of the Departments of Agriculture, Animal Industry and Fisheries are pooled to form a Unified Extension team. The Field Extension Worker (FEW) is the first point of contact with farmers and operates through contact groups of farmers and is responsible for the delivery of extension services on crops, livestock, fisheries and natural resources management. A single Field Extension Worker is placed to manage the unit/circle covering all subject matter areas which a farm holding has based on effective land use management systems i.e. crops, livestock and fisheries.

(ii) Coverage Delivery

The Agricultural Extension Project (AEP) started as a pilot project in July 1992, operating only in selected counties of four districts of Kabarole, Iganga, Bushenyi and Tororo. In January 1993 it was expanded to cover all counties in the 4 districts above and 3 other districts namely Kisoro, Jinja and Hoima. In July 1993, the project was extended to cover 5 more districts Mbale, Mukono, Rukungiri, Kibale and Gulu. The districts of Masaka, Kumi, Apac and Nebbi were added in January 1994. In July 1994, three more districts namely Mbarara, Kabale and Ntungamo were covered under the project. Overall, the project has re-organized and strengthened the extension delivery in 19 districts during the 1993-1994 period.

417

Table 87: Progress Coverage of Districts and Counties (1993-1994)

	DISTRICT	NO. OF COUNTIES	REGION
1.	Iganga	6	Eastern
2.	Tororo	4	Eastern
3.	Jinja	3	Eastern
4.	Mbale	5	North East
5.	Kumi	3	North East
6.	Apac	4	Northern
7.	Nebbi	3	Northern
8.	Gulu	5	Northern
9.	Hoima	2	Western
10.	Kabarole	6	Western
11.	Kibale	3	Western
12.	Mukono	6	Central
13.	Masaka	6	Central
14.	Bushenyi	5	South West
15.	Kisoro	3	South West
16.	Rukungiri	3	South West
17.	Kabale	4	South West
18.	Ntungamo	3	South West
19.	Mbarara	7	South West
TOTAL		81	

Source: Mid Term Review Report, AEP/MAAIF, June 1995.

Further more, the Unified Extension Approach (UEA) and the Training and Visit (T&V) extension methodology has also been introduced into four other districts of Pallisa, Soroti, Lira and Kitgum using the Northern Uganda Reconstruction Program (NURP) fund. Besides, DANIDA has funded the Unified Extension operations in Rakai, and the Cotton Sub-Sector Development project in Kamuli, Kasese and Arua from June 1995. In total, based on the Mid term Review Report the Unified Extension Program was operating in 27 districts by June 1995, covering 1,859,774 farm families (out of 2.6 million farm families in Uganda, i.e. 71.5 percent) with an average holding of 2.2 hectares per farm family.

In July 1995, the Agricultural Extension Project was to support Mpigi, while the Smallholders Cotton Rehabilitation Project (SCRAP) would fund Masindi. As a result, the Unified Extension approach was implemented in 29 districts of Uganda by the end of 1995. In order to cover the entire country under Unified Extension program the districts of Moyo, Kapchorwa, Bundibugyo, Mubende, Luwero and Kiboga will be taken on in July 1996, while districts of Kalangala, Kampala, Kotido and Moroto will be programmed to January 1997.

Table 88: Progressive Coverage of Districts and Counties

DISTRICT	NO. OF COUNTIES	REGION	YEAR 1995 2ND SEASON	YEAR 1996 1ST SEASON	YEAR 1996 2ND SEASON	YEAR 1997 1ST SEASON
1. Mpigi	6	Central	6	6	6	6
2. Lira	6	Northern	-	6	6	6
3. Kitgum	4	Northern	-	4	4	4
4. Mubende	4	Central	-	-	4	4
5. Kiboga	3	Central	-	-	3	3
6. Luwero	4	Central	-	-	4	4
7. Kapchorwa	3	North East	-	-	3	3
8. Moyo	3	Northern	-	-	3	3
9. Kotido	3	Northern	-	-	-	3
10. Moroto	6	Northern	-	-	-	6
11. Kalangala	2	Central	-	-	-	2
12. Kampala	1	Central	-	-	-	1
	45		6	16	33	45

Source: Mid Term Review Report, AEP/MAAIF, June 1995.

(iii) Progress Assessment

An objective evaluation of the Agricultural Extension Project should assess not only quantitatively but also qualitatively the support services provided under the AEP in order to identify constraints and propose recommendations for improvement. It is essential to re-organize the importance of the extension service in its function of dissemination and transfer of technology to improve agricultural productivity. As Ugandan agriculture is still under-developed, more than ever small-scale farmers should not be deprived of a well organized and efficient agricultural extension service.

Mid Term Performance Review

The MAAIF, with the consent of IDA, appointed the National Task Force and Working Groups of local professionals to carry out the Mid-Term Review (MTR) in March, 1995. The objectives of the review are:

- to evaluate project implementation
- to assess project impacts on the beneficiaries
- to make recommendations aimed at improving project formulation and implementation.

419

In summary of main accomplishments, findings are presented below:*

- The Unified Extension approach with training and visit (T&V) methodology (as perceived by farmers, extension workers and administrators) was reported to be effective in the delivery of extension services.

- Increased extension contact has been facilitated. About 900,000 farm families have been reached by the extension staff as a result of the group approach, T & V methodology, and the staff deployment strategy.

- Farmers reported improvements in crops and milk 10 percent to 60 percent in field crops, and 1 to 4 liters milk yields from local cattle).

- Field Extension Workers were reported to be addressing all aspects of agriculture in totality; and farmers reported benefiting from working in groups.

- Extension Services also promoted diversification of enterprises, broadening the income base of farmers as well as on balance increasing their income.

Feedback from the Field

Though the mid-term review of the project claim significant success, contacts with farmers in the field as well as farmers associations complain that delivery of extension services is still poor. The Uganda National Farmers Association (UNFA) sums up below reasons for lack of adequate activities and performance:**

. A prerequisite determining whether, and if so how and when, certain changes in agricultural production would be useful and possible, is that the extension agent has knowledge about the farmers' ways of life and thinking, as well as their motivation balance, and the family and village structure. Unfortunately, this type of knowledge is often non-existent and, if it is available, often disregarded. A good example is the frequently forgotten role of women farmers in agriculture and farm labor.

. Little motivation due to low salaries, attributable to the low status of the agricultural extension agent as compared to other professions, lack of practical training of the extension agents, poor infrastructure and lack of transport due to no availability or misuse.

---

* *Mid-Term Review Report, Agricultural Extension Project, MAAIF, June 1995 pp. VIII - XV.*

** *UNFA's Extension Policy, 1995 p.1*

420

- The extreme bureaucratization of the agricultural extension service within the inflexible Training and Visit system, originally meant and developed for irrigated agriculture. Although this system is backed with US $ 16 million UNFA members are not impressed.

- Agricultural extension involves systematic and organized communication with the farmers in order to help them address their problems. Unfortunately, only very few UNFA members have ever been in contact with the extension service and in those rare cases the interaction has seldom assisted the members.

b) **Policy Guidance for Improvement**

A sine qua none condition to improve performance of the extension service requires that the Agricultural Extension Project be extended for another 5 years starting from July 1996 as the Mid-term Review of the Project recommended while professional agricultural associations or other extension service programs are not yet in a position to effectively cover all the districts.

Besides, it is essential that the current retrenchment of extension staff under the Civil Service Reform Program and decentralization of services (being implemented under the pressure of the IMF and the World Bank) be reconsidered and suspended. Massive retrenchment of extension staff, has heavily contributed to the poor state of extension service situation in the country. By December 1995, the number of extension staff had been reduced from about 4,300 in 1993 to only 2000, i.e, a reduction of over 50 percent. Human resources development requires that training of extension personnel as well as farmers should be stepped up and better staff renumeration and facilitation of extension staff should be given top priority.

An extension of the Agricultural Extension Project under tight budgetary funding implies that better program formulation and implementation should be promoted to maximize impact of extension services to effectively assist rural farmers improve their productivity and, therefore increase their income.

(i) Extension Service Support to Chronic Food Deficit Districts

The Extension Services had covered 29 districts of Uganda by the end of 1995. Most of the districts covered are either food surplus or food transitory deficit districts:

- Food surplus such as Iganga, Kamuli, Mbale, Apac, Gulu, Arua, Hoima, Kabale, Rukungiri, etc...
- Food transitory deficit such as Kabarole, Bushenyi, Masaka, Mpigi, etc...

From EPAU Survey 1995 on Food Security, five districts were identified as chronic food deficit and three marginally serious food deficit

Chronic food deficit: Moroto, Kotido, Moyo, Bundibugyo, Luwero

Marginally serious food deficit: Soroti, Kumi, Kabarole

The Agricultural Extension Project (AEP) had neglected these five chronic food deficit districts and partially covered Kumi and Kabarole. It is, therefore, suggested that priority should be given to the eight above-mentioned districts with special focus on the five chronic food deficit districts.

In all these districts, there is an urgent need to increase the number of extension staff to provide service support such as:

- Dissemination and transfer of techniques of production

- Better use of agricultural inputs to increase agricultural productivity. The major inputs required are among others improved seeds, fertilizers, ox-ploughs, etc...

- Reduction of harvest losses with improved harvesting and handling techniques.

- Improved storage at farm level to reduce post harvest losses and enhance food security efforts.

- Food reserve at household level, etc...

The issue of food security reserve is very important. The Rehabilitation and Development Plan assumes that food security policy in Uganda will be achieved through economic growth in the long-run in the hope that the productivity and incomes of the rural population will increase, thus enhancing availability and access to food by the hungry poor. It is not clear how the hungry poor could get access to food in the short-run.

Current Government policy on food security, does not suggest the establishment of food reserves at household district, regional and national levels, which would ensure equitable intra-household distribution, and ensures for access by the poor through employment guarantees schemes (e.g. food for work schemes, and special targeting of the poor through targeted or subsidized food programs for instance food stamps). Despite the overall favorable national food situation, food supply problems occur in most farming systems during parts of the year. It is commonly known that most households experience some sort of food shortage prior to harvest. Although the gap is largely filled by buying food from the markets, the gap leads to acute food shortage leading to inadequate food intake.

(ii) Focus on Women Groups

Food crop production alone shares about 70 percent of agricultural GDP, and women contribute to about 80 percent of food crops and almost all food processing. Agricultural extension service, therefore, should focus on the legitimate concerns of women in development.

Special Training Programs for Rural Women

Due to limited human resource and budget funding, activities of the extension services should target strategic issues instead of expanding too much in wide range of activities without any serious set priorities. These key issues, among others, are:

- Crop production

- Post harvest, crop handling and storage

- Food and nutrition

- Family life education etc...

Improving the Appropriateness of the Technology for Women

Extension service effort should particularly assist women by:

- Developing the suitable linkages with the research institutions to ensure that the research agenda covers farming activities of women and that appropriate technologies are developed to meet the needs of women farmers.

- Improving available tools and machines, suitable for removing drudgery for rural women, e.g. draught power technology, fuel saving stoves; etc...

Improving Communication Between Extension Agents and Female Farmers

- Male extension agents should be trained to work with mixed groups and special women target groups. Orientation and in-service programs should be conducted for male extension agents on the specific technologies and methodologies of working with women target groups.

- Technologies taught should include, among others, formation of women groups which address the needs of women as far as specific rights of women in development as far as enhancing food availability and income generating are concerned.

Promoting Women in Development

It is mostly important, however, to promote women in development to take care of women farmers concerns. In Uganda, although women farmers play a significant role in agricultural production, very few extension educational programs are aimed specifically at women or conducted in such a way that women would feel comfortable participating in them. It, therefore, means that the conditions required for successful agricultural development in general, and particularly food production and nutrition security, cannot adequately be fulfilled without meeting the needs of the women farmers.

Furthermore, experience has shown that participation of female farmers is generally enhanced when female extension agents are deployed. Yet the number and the disposition of women staff is still small in the agricultural extension hierarchy. The appropriate policy would be to raise female extension staff by increasing the enrolment of female students in Agricultural colleges so that future extension requirements could be met.

Table 89: Intake of Students at Bukalasa Agricultural College

	Certificate				Diploma			
	Female	Male	Total	% Women	Female	Male	Total	%
1991/92	46	123	169	27.2	7	27	34	20.5
1992/93	55	135	190	28.9	22	71	93	23.6
1993/94	68	157	225	30.2	12	27	39	30.7
1994/95	101	177	278	36.3	-	-	-	-

Source: Mid-Term Review, AEP, June 1995

Although the increase of female enrolment in the agricultural institutions is encouraging, the number is still dispropriotional relative to the role and responsibility of women. In an effort to promote women as a target group, it is evident that the extension program should involve them fully in its activities. More thrust should be given to women for detailed analysis of their roles, decision-making and technological gap to meet their needs more efficiently.

More generally, the Government considers the role of women critical in its efforts to reduce poverty both through targeted reform measures as well as through sustained and broad based economic policies. The Government has to make efforts to increase women's productivity and to improve their education, health and nutrition. There is need to incorporate into line Ministries the gender responsive policy agenda aimed at enhancing women's labor and land productivity through alleviating domestic farm labor constraints. This would allow women to have more participation in community decision-making.

(iii) Targeting Key Food Crops Production and Exports

The agricultural extension project aims at conducting a wide range of special training programs and activities for rural women which include:

- Crop production
- Food and Nutrition
- Family life education
- Poultry, mushroom, production
- Sericulture
- Zero grazing
- Post harvest crop handling and storage
- Record keeping, etc...

Considering the limited financial as well as human resources, a focus on specific priority target of food crops production would provide a better way to maximize use of resources. As an example, maize and beans could be selected for production development for their impact on food and nutrition security in Uganda but also for their potential for export to the regional market.

Maize

Maize has great potential for development due to its importance as a primary food crop in the local market as well as in the regional market. Three thematic areas mostly deserve interest: agronomic research, input distribution, and product development and marketing:

- First, the yield gap between farm and on-station yield indicates a great need for applied research on agronomy, and enabling conditions for adoption. A number of high yielding varieties and hybrids have been developed in Kenya and research stations in Uganda and adoption has been quite good, at least in high potential areas.

- The second area of interest is distribution of improved seeds. This should be carried out in the context of inputs distribution with hybrid maize as one of the top priorities.

- A third area of concern in maize is product development and marketing. A well coordinated effort between research organizations, seed programs, grain exporters, and farmers, and other private sector agents most likely contributed to achieving appropriate results, as expected.

Beans

Beans are another important food crop for local consumption and also for export. the prospect of increasing beans production in Uganda is also real.

425

- The importance of women's efforts in beans production (80-90 percent) implies that extension services need to be provided on improving small-holder women's access to inputs, particularly seeds and fertilizers. It also suggests that technical innovations which contribute to increase women's labor productivity (as well as yields) will be of central importance.

- It is to be noted that beans have a considerable on-farm, urban and export potential and could make an important contribution to strengthening food security as well as developing food exports.

iv) Inter-Agency Coordination and Collaboration

Coordination with agencies involved in extension service delivery could be appropriately initiated to strengthen linkage with Makerere University, NARO and other research organizations. Particularly, in order to strengthen the Research-Extension-Farmer linkages, the coordination between researchers and extension staff could be enhanced through creation of the Research Extension Liaison Unit within NARO, and posting extension personnel at the research institutes from the Directorate of Agricultural Extension.

Collaboration should be promoted between the Agricultural Extension Project (AEP) with other programs such as the Agricultural Non-traditional Export Promotion Project (ANEPP) and the Investment in Developing Export Agriculture (IDEA) within the framework of the USAID agricultural development strategy with focus on export, particularly NTAEs. As the implementing unit of ANEPP, The Export Policy Analysis Unit (EPAU) has the mandate to provide policy support at macro, sectoral and micro level, while the Agri-Business Development Center (ADC) is involved more with production development and marketing.

Finally, as UNFA has already mentioned in its AEP performance assessment, agricultural extension should involve effective communication with farmers, appropriate coordination and collaboration with farmers associations (particularly UNFA) grain exporters' associations and related private sector groups dealing with food production and exports, would help the Agricultural Extension Project to achieve satisfactory performance, as expected.

IV.2 AGRICULTURAL INPUTS POLICY

Agricultural inputs play an important part in increasing yield and raising income of the agricultural sector. Agricultural GDP, indeed, is among others mainly a function of land, labor and agricultural inputs. In Uganda, the main supply of agricultural inputs is through imports as current domestic production of agricultural inputs is quite small.

Import of agricultural inputs, particularly agricultural chemicals has for long been dominated by Government. Government involvement was in part prompted by the need for strict control on agricultural chemicals due to its hazardous nature as well as the convenience regarding the implementation of subsidy pricing which characterized Government's inputs marketing in the past.

The performance of Government involvement in the marketing of agricultural inputs has not been satisfactory. Often inputs have not been readily available to farmers in the rural areas and Government effort to supply farmers with subsidized inputs through the District Agricultural and Veterinary Offices were heavily abused. As a result, farmers ended up buying inputs at open market prices with the difference between subsidized and market prices benefiting the market intermediaries rather than the farmers.

The trend toward liberalization of the inputs market was part of the overall trade policy adopted by Government. In 1991 the import licensing system was replaced with certification system. All these changes, among others, paved way for private sector participation. The private sector is now free to import agricultural inputs so long as they fulfill the conditions specified in the regulations.

a) **Regulation of Agricultural Inputs**

The main objective of regulation and control of seeds and agro-chemicals usage in Uganda is to increase agricultural production and productivity, while achieving efficacy, safety for applicators, public health and the environmental protection. In addition, regulations are important to safeguard quality of seeds supplied to farmers, prevent spread of pests and diseases, etc... In fact every country has regulations on agricultural chemicals and seeds supply in one form or the other.

At present the control regulation of seeds in Uganda is being executed through the Agricultural Seeds and Plant Statute 1993 and the Agricultural Seeds and Plant Regulation 1994.

Meanwhile, the control of agro-chemicals is under two existing statutes, namely The Pharmacy and Drugs Act, of 1970 and the Control of Agricultural Chemicals Statute of 1989, plus The Agricultural Chemicals (Registration and Control) Regulations, 1993.

(i) Seeds and Plant Materials

The Agricultural Seeds and Plant Statute, 1993 and Regulation, 1994 provide for the promotion, regulation and control of plant breeding and variety release, multiplication conditioning, marketing, importing, and quality assurance of seed and other planting materials. The date of assent of the statute was 17th December, 1993 while its commencement started on 23rd September, 1994. The provisions under the Seed Law include various aspects.

Regulation on Seeds

National Seed Industry Authority (NSIA)

The NSIA whose Chairman is the Director for Agriculture was established and its function is to administer the statute by:-

- formulating and advising the Government on National Seed Policy;

427

- establishing a system of implementing seed policies through established technical committees;

- constantly reviewing the national seed supply and advising Government on the administration of the seed sector in order to achieve the National Seed Program objectives.

Variety Release Committee (VRC)

Under the Seed Law, the Chairman of VRC is the Director General of NARO, and there is no direct representative of the farmer. The functions of the VRC are:

- to review and maintain the National Variety List and to approve new varieties of seeds;

- to review the history and performance records of selected varieties of seeds;

- to determine the contribution of varieties of seeds for agricultural development;

- to make recommendations on absolute varieties of seeds; etc...

- to determine the varieties of seeds to be released, rejected, referred or outclassed;

The National Seed Certification Service (NSCS)

The NSCS is an independent body within the MAAIF responsible for the design, establishment and enforcement of certification standards, methods and procedures. It is to be headed by the Director of Seeds. According to the statute and detailed in the Seed and Plant Regulations 1994, on behalf of the NSIA, the NSCS functions are:

- certify all crops under compulsory certification;

- license all seed growers procedures, processors, distributors and importers;

- test all prescribed seed and issue official test certificates to seed dealers to allow them sell their seeds, etc...

Seed Inspectors

The role of the Seed Inspectors varies from field inspection to supervision of stamps on seed packets. Obviously, a wide number of inspections and supervision will be required. Considering the staff levels of the NSCS, the general Civil Service Reform where the number of staff in government is being reduced, it is unlikely that adequate number of inspectors will be in place.

There is need to streamline the system. Regulation, supervision and inspection should be reduced to a minimum.

Requirements for Seeds Importation in Uganda

Regulatory constraints on seeds importation mainly consist of licensing procedure. In accordance with both the seeds and plant statute and regulations, and international requirements under the International Plant Protection Convention, the importer must have the following documents:

- Import License from Ministry of Trade & Industry (MTI)

- Clearance from NARO (though this is not in the seed statute or regulations, it is currently a requirement in practice).

- Import Permit. This is obtained from the Plant Protection Department, MAAIF. The Import/Export permit (Form SR 16), is given after filling the necessary application forms (Form SR 15).

- Phytosanitary certificates accompanying the seed from the exporting country to show that the seed is free from pests and injurious diseases;

An International Orange ISTA Certificate; and Fumigation Certificate.

The import permit is given to importers only after MAAIF staff are satisfied that the seeds or plant material are importable material and not prohibited in Uganda. This is established from a detailed check list provided to MAAIF by FAO. Currently, this check list is reported to be out dated and does not provide adequate protection against the latest diseases and viruses.

(ii) Agricultural Chemicals

The main control and regulation of agricultural chemicals is currently implemented through the control of Agricultural Chemicals Statute 1989 and Agricultural Chemicals (Registration and Control) Regulations 1993. However, any proceedings under the control of Pesticides Act of the Community or the Pharmacy and Drugs Act, 1970 which had been started before the commencement of the above statute is authorized to continue till its completion.

Regulatory Bodies and Instruments

The Pharmacy and Drugs Act, 1970 had the objective of controlling both human and animal medicines, medical preparations, therapeutic substances and poisons. It was formerly administered under the former Department of Veterinary Services and Animal Industry for the veterinary drugs component, and Ministry of Health for the human component.

429

The Control of Agricultural Chemicals Statute, 1989 controls and regulates the manufacture, storage, distribution and trade in, use, importation and exportation of chemicals. The statute commenced on 22nd September 1989, while the current Agricultural Chemical Regulations was made on 29th November, 1993. The statute is being implemented through several established organs namely, the Agricultural Chemicals Control Board, Agro-chemical Control Technical Committee, and Agro-chemical Inspectors, etc...

The Agricultural Chemical Board has the following functions:

- to ensure that agricultural chemicals are duly registered and that such agricultural chemicals are used in a manner consistent with the labelling and in conformity with the regulations made under the Statute;

- to regulate the quality and importation of agricultural chemicals into the country and the distribution thereof;

- to consider applications for registration of agricultural chemicals, certified commercial applicators and fumigators, to issue licenses, and make recommendations thereon to the Minister;

Agricultural Chemicals Technical Committee has the main function to advise the Board on all the technicalities of agricultural chemicals for purposes of the statute and any related regulations. Agro-chemical inspectors are responsible for inspection of agricultural chemicals to monitor conformity with the necessary regulations.

The Regulation and Control of agricultural chemicals is being effected through the Agricultural Chemicals Board. Sections 2 and 3 of the agricultural chemicals statute, 1989 stipulates that:

- No person shall manufacture, package, store, display, distribute, knowingly transport, be in possession of, use or advertise any agricultural chemicals except in accordance with regulations made under the Statute.

- No person shall pack, label or advertise any agricultural chemical in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character, value, quality, composition, merit or safety.

- No person shall import into or sell in Uganda any agricultural chemical unless it has been registered, packed and labelled in accordance with regulations made under the Statute and conforms to the standards specified in the regulations.

- No person shall export or re-export out of Uganda an agricultural chemical unless he has complied with the requirements specified in the regulations made under the Statute.

(iii) Agricultural Implements

The main agricultural implements include hand tools such as hoe, panga, axe; tractors, ploughs as well as processing machines e.g. cleaning, sorting, milking machines, etc...

There are no specific procedures or regulations on importation and use of agricultural machines and implements. The general import procedure and requirements are followed, whereby the importer is free to import implements so long as he/she has an import certificate from Ministry of Trade and Industry.

b) **Tax Policy on Agricultural Inputs**

Traditionally, tax policy has always favored agricultural production as both agricultural inputs and implements have not been taxable. This is even the case today as it is evident from the tariff structure. However, there is still room for improvement to help the rural farmers.

(i) Taxation at Production Level

Inputs

Seeds

Generally, seeds imported to improve productivity and quality are tax free. For example, HS Code 1005.10.10 seed of a kind used as agricultural seed for sowing.

Beans, however, are taxable as there is no distinction between imports as seeds and for other purposes. This is intended to avoid any possibility of abuse.

Fertilizers

Chemicals for spraying are not taxed

HSCode 3808.10.00 Insecticides
HSCode 3808.20.00 Fungicides
HSCode 3808.30.00 Herbicides
HSCode 3808.40.00 Disinfectants
HSCode 3808.90.00 Other.

Implements - machinery intended for large scale agricultural production are tax free as follows:-

Tractors - Subheading 87.01. Agricultural tractors used to be tax free. But now that tractors have multiple purposes, including transport, they carry a minimum tariff rate of 10 percent and no other taxes.

Similarly HSCode 8716.20.00. Semitrailers for agricultural purposes carry a minimum tariff rate of 10 percent. Otherwise categories of implements listed below are tax free.

HSCode 8432.10.00 Ploughs Harrow etc
HSCode 8432.21.00 Disc Harrows
HSCode 8432.29.00 Other
HSCode 8432.30.00 Seeders, Planters, Transporters
HSCode 8432.40.00 Manure Spreaders and Fertilizer Distributors
HSCode 8432.51.00 Combine Harvesters, Threshers.
HSCode 8432.52.00 Other threshing machinery
HSCode 8433.60.00 Machines for clearing, sorting or grading eggs, fruit or other agricultural produce.

<u>Handtools.</u>

HSCode 8201.30.00 mattocks, picks, hoes and rakes. These are taxable at 10 percent Duty, 5 percent PTA and 15 percent Sales Tax. Taxation of hoes is a new development. Hitherto, as a basic agricultural production tool, it was not to be taxed.

At the production level, tax policy still favors agricultural production as inputs and almost all implements are not taxable. However, as the hoe is the basic agricultural production tool, used in peasant cultivation, it being taxed tantamounts to taxing peasant cultivation. As peasant cultivation is the backbone of the economy, this merits consideration for a tax free status.

Tax policy further favors consumption of local produce and its products as similar imports are heavily taxed. The tax status of imports is given below.

Table 90: Taxation on Agricultural Commodities

	Duty	PTA Rate	Sales Tax
HSCode 0713.31.00 Beans of the Species Vigna Mungo(L) Hepper or Vigna Radiata(L) Wilczek	30%	Free	15%
HSCode 0713.32.00 Small Red (Adzuki) beans (Phaseolus or Vigna Angularis)	30%	Free	15%
HSCode 0713.33.00 Kidney Beans including white pea beans (phaseolus vulgaris)	30%	Free	15%
HSCode 0713.39.00 Other	30%	Free	15%
HSCode 1005.10.90 Maize (Corn)	20%	10%	15%
HSCode 1102.20.00 Maize (Corn) flour	30%	20%	Free
HSCode 1104.23.00 Maize (Corn) flour 1103.13.00 Maize groats meal	20% 30%	10% 20%	Free Free
HSCode 1106.10.00 Flour meal and powder of the dried leguminous vegetables of Heading No 07.13 (Beans)	30%	20%	15%
HSCode 1108.12.00 Maize Starch	10%	8%	15%

Please note:

1. The PTA tax free rates are intended to promote intra-PTA trade.
2. As the VAT statute provides for the tax free of most of the food stuffs, it will be necessary to harmonize the tax status of those food stuffs now liable to Sales Tax.

c) Supply of Agricultural Inputs

Development of agro-industries is an important component of the Government of Uganda's industrial strategy. This would provide linkage to production, and support the Government objective of pursuing agriculture-led growth strategy and effectively contribute to the growth of the economy. Since most of the agricultural inputs are imported, real opportunities exist in expanding local production to supply the domestic inputs market as well as increasing production to serve the neighboring and regional markets.

Ugandan farmers have traditionally relied on their own local seed supply. This is normally done by selecting and saving the seed from the previous crop. Whenever such seed is damaged by pests, consumed or sold in times of hardships, farmers barter with neighbors and relatives or purchase planting seeds from the local market. At present the two major institutions active in the seed industry are; MAAIF through Uganda Seeds Project, that incorporated the GTZ financed Legume Seed Project at Kasese in 1994, and the privately owned Karamoja Seed Scheme of Church of Uganda.

433

(i) Local Seeds Production

Table 91: Seed production by Uganda Seed Project
(Metric Tons)

CROP	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Jan-Jul 1995
MAIZE	554	221	271	593.6	331.1	285.1	334.2	763.5	809.3	1,094.9	270.0
GROUND NUTS	1.45	0.8	12.4	48.2	97.8	106.8	354.1	52.2	12.9	-	-
BEANS	-	-	-	170.4	101.0	52.0	540.0	92.8	18.5	559.1	380.0
SOY BEAN	-	0.27	8.1	25.1	6.2	30.8	31.9	101.4	82.0	19.2	13.0
SUN-FLOWER	-	-	-	3.2	0.8	0.1	3.6	16.5	5.5	2.8	11.0
SORGHUM	-	163	137	0.4	23.4	38.1	139.9	145.1	76.9	31.6	10.0
SESAME	-	-	-	-	-	-	100.6	15.5	15.9	6.5	-
FINGER MILLET	-	-	-	-	-	-	115.6	-	-	-	-
TOTAL	555.5	385.1	428.5	838.9	560.3	515.7	1,619.3	1,137	1,021	1,708.1	684.0

Source: Uganda Seed Project, 1995

Between 1985 - 1990, seeds production was low and averaged 547 tons per annum. In 1991, seed production increased to 1,619 tons from about 516 tons in 1990 i.e. an increase of more than three times. Seed production by Uganda Seed Project (USP) during the period 1991 - 1994 was on average at 1384 tons. The increase in seed production may partly be attributed to the implementation of exports drive by the USP which commenced in 1991 as well as continued financing support from the ADB and/or EC.

In 1994, USP produced more than 1,000 mt of maize as against the total estimated seed requirement of 15,440 mt which constitutes about 7 percent of the national requirements. In the case of other crops the present level of production is negligible. In fact, USP is over capitalized and underproduced.

434

Table 92 : Export Sales of Seeds (Kg)

Crop	1991	1992	1993	1994	Ja/Ju 1995
Maize	190,000	500,470	594,190	840,000	150,000
Groundnuts	135,000	4,980	12,925	0	0
Beans	371,000	33,950	5,000	540,000	350,000
Soyabean		15,750	0	0	0
Sunflower		5,375	0	0	0
Sorghum		143,560	20,000	20,000	0
Sesame	66,690	14,564	5,000	0	0
Finger Millet					
Total	762,690	718,649	637,115	1,400,000	500,000

Source: Uganda Seed Project 1996.

Table 93: Home Sales of Seeds (Kg) Deliveries on Credit never Recovered

Crop	1991	1992	1993	1994	Ja/Ju 1995
Maize	144,200	263,015	215,150	254,898	120,000
Groundnuts	219,143	47,265	0	0	0
Beans	169,000	58,905	13,534	19,140	30,000
Soyabean	31,900	85,650	82,024	19,180	13,000
Sunflower	3,641	11,112	5,539	2,845	11,000
Sorghum	139,936	1,586	56,876	11,585	10,000
Sesame	33,900	944	10,892	500	0
Finger Millet	115,620	0	0	0	0
Total	857,340	468,477	384,015	308,148	184,000

Source: Uganda Seed Project, 1996

The main agencies involved in importation and distribution of agricultural inputs are: Government, Private Companies, Parastatals, Cooperatives, Non-Governmental Organizations (NGOs).

By 1991, the role of Government significantly declined following liberalization of trade and budgetary expenditure cuts as well as easier accessibility to foreign exchange by the private sector as a result of the liberalization of the foreign exchange market.

435

Table 94: Role of Various Agencies in Importation of Agricultural Inputs (in Percent)

Agency	1990	1991	1992 Jan-Mar)
Government Ministries	38.7	12.7	53.2
Parastatals	27.3	53.2	40.5
Co-operatives	0.8	0.6	0.2
Private	32.6	32.8	5.7
NGOs	0.6	0.7	0.4
Total	100	100	100

Source: National Inputs Coordination Unit, BOU, August 1992.

Importation of inputs directly by Government through grants and indirectly through projects declines markedly in 1991 compared with 1990. However, importation under projects rose again from US $ 0.69 million during the whole of 1991 to US $ 1.59 million during the first quarter of 1992. The main projects currently involved in input importation are the World Bank/IFAD funded projects of NURP (Northern Uganda Rehabilitation Program) covering mainly Northern and parts of Eastern Uganda and SWRARP (covering Bushenyi, Mbarara, Rukungiri and Kabale districts in South Western Uganda).

Meanwhile, direct participation by government parastatals rose from 27.4 percent in 1990 to 53 percent in 1991 and 40 percent during the first quarter of 1992. The biggest parastatals involvement continues to be that of UCB which imports for the SWRARP project as well as for direct distribution through the UCB branch network.

The co-operatives continue to play a minimal role (less than 1 percent of total imports value) in 1991 and 1992. However, there are indications that the co-operatives were quite active in importation of cotton ginning and other processing spares during 1990 and 1991. These imports have not been quantified. Private sector participation dropped by about 37 percent from US $ 13.4 million in 1990 to US $ 8.4 million in 1991. In the first quarter of 1992, its contribution was only 5.7 percent of the total input import value.

The decline in input importation in 1991 involved all categories of inputs except agro-chemicals where there was an increase of over 100 percent over the 1990 values. The increase in agro-chemicals importation was due mainly to the large quantities of cotton chemicals imported under ASAC by MAAIF through UCB to meet the requirements of the cotton sub-sector over a two-year period.

Despite the availability of US $ 33 million set aside in the Bank of Uganda under the ASAC Program specifically for importation of agricultural inputs during the 1991 period, inputs importation dropped by 37.5 percent from US $ 41.02 million in 1990 to US $ 25.63 million in 1991. The main reasons for low imports of inputs included scarcity of local currency funds as well as low demand for inputs in Uganda.

(ii) Seeds Imports

Importation of seeds declined from about US $ 323,000 in 1990 to US $ 110,000 in 1992, then increased to about US $ 560,000 in 1993.

Table 95: Agricultural Inputs Importation (Thousand US Dollars)

Input Category	1990		1991		1992		1993	
	Value	% of Total	Value	% of Total	Value	% of Total	Value	% of Total
Seeds	322.94	0.79	107.59	0.42	109.98	0.63	559.07	5.65
Fertilizers	2099.79	5.12	1166.20	4.55	2744.82	15.69	683.02	6.90
Chemicals	3053.33	7.44	7507.83	29.29	3147.84	18.00	671.13	6.78
Vet/Livestock Inputs	7311.08	17.82	2175.24	8.49	4462.71	25.53	1589.59	16.05
Ag. Tools & Equipment	3496.39	8.52	2394.10	9.34	4945.95	28.28	3816.95	38.55
Proc/Marketing inputs	24739.17	60.31	12279.32	47.91	2076.76	11.87	2581.18	26.07
Total	41022.70	100.00	25630.28	100.00	17488.06	100	9900.94	100.00

Source: National Inputs Coordination Unit, Bank of Uganda

Importation is the main source of seed for wheat, barley, vegetables, tobacco and pasture legumes. In the case of maize, the imported hybrid maize constitute, 20 percent of the total supply. Kenya is the main source of supply of seeds to Uganda. Since many agencies viz ministries, donors, NGOs, and private traders are involved in importation of seeds, no control is exercised on choice of variety, suitability and adaptability e.g. high altitude hybrids of Kenya were distributed to low lying dry areas.

(iii) Importation of Fertilizers

There was a decline in imports of fertilizer from about US $ 2.1 million in 1990 to US $ 1.1 million in 1991. In 1993, imports of fertilizer drastically fell to about US $ 0.7 million. The decline in fertilizer imports could partly be attributed to reduced availability of donor funds such as Japanese grant, ASAC and EC aid. Between 1990 and 1994 funding assistance for fertilizers totalled US $ 8.7 million.*

Mauritius was the main source for fertilizer especially NPK, followed by UK, Japan and Germany. Kenya was used mainly as a transitory base for overseas suppliers. The EEC countries were the largest source, supplying fertilizer worth over US $ 3.8 million or 44 percent of total importation.

**EPAU: A Review of the use of Fertilizers in Uganda, September 1994*

427

(iv) Agricultural Chemicals

For purposes of this study agricultural chemicals consist of pesticides and herbicides.

Import of agricultural chemicals increased by over 100 percent from about US $ 3 million in 1990 to US $ 7.5 million in 1991. In 1992, however, imports fell to less than half i.e. to US $ 3.1 million and further declined to only about US $ 0.7 million in 1993.

Pesticides constituted 95 percent and 68 percent total agro-chemical imports in 1990 and 1991, respectively compared with the corresponding herbicide imports of 15 percent and 32 percent. In absolute terms, herbicide imports increased in total value from US $.0.45 million in 1990 to US $ 2.39 million in 1991. Most of this increase was due to increased herbicide application in the tea and sugar estates arising mainly out of expansion in area under cultivation and the manual labor shortage for sugar and tea sub-sectors. Pesticide importation during 1991 rose to US $ 5.11 million from the value of US $ 2.6 million recorded in the previous year.

(v) Imports of Agricultural Implements.

There was a fall in importation of agricultural implements from about US $ 3.5 million in 1990 to US $ 2.4 million in 1991. In 1992 imports of agricultural implements rose to US $ 4.5 million, and declined in 1993 to US $ 4.5 million. There was a further decline in 1993 to US $ 3.8 million.

It is possible that rapid price increases of these inputs, especially the heavier equipment like the tractor caused mainly by depreciation of the Uganda shilling was responsible for low demand and importation during 1991. While in 1992 and 1993 the higher imports was partly as a result of further liberalization of trade and simplification of the import procedures.

In sum, it should be noted that Government direct involvement in importation and distribution of agricultural inputs is still very strong. Currently the MAAIF is importing large quantities of agricultural inputs (pesticides, herbicides, fertilizers, etc...) using the Japanese grant. The Government involvement in direct import and distribution continues to distort the inputs market (discourages private sector participation and reduces pricing efficiency).

In support of the Government liberalization of trade, and in order to strengthen private sector participation, Government should completely withdraw from direct purchase and distribution of agricultural inputs. In case of grants given for agricultural inputs, this should be extended by the Government to the private sector at reasonable interest rates through an inputs revolving fund.

Improvement of the road infrastructure, particularly the rural feeder roads as well as other communication systems should vigorously be pursued by Government. This should contribute to reduction of intermediary costs, increase competition among input traders and result into lower input prices to the farmers.

Better storage at distribution points in the regional and district levels, especially for traders as well as market information on prices, availability of inputs, etc... Withdrawal of Government from input distribution would encourage greater private sector participation and provide incentives for improvement of distribution facilities such as storage provision by private sector, while better marketing information should be offered by the Government.

d) **Input Utilization at Farm Level**

The use of modern inputs in agriculture e.g. fertilizers, machinery and pesticides has been a major driving force for countries which have made economic break-through such as S. Korea. For example S. Korea farmers used 400 kilograms per hectare of fertilizers in 1988*. Meanwhile the recommended fertilizers (SSP) application rate for Uganda for beans and maize was 125 Kilogram/hectare**. These countries are heavy uses of agricultural inputs on a per hectare basis. In most cases, users of agricultural inputs was found to increase yields significantly, and was hence profitable. But profitability of agricultural inputs use was dependant upon prices of inputs and outputs.

(i) Input Utilization

Uganda's agriculture is predominantly subsistence in nature. Most crops grown in Uganda are produced without or with low amounts of inputs. For example, the average fertilizer application is less than 2 kilograms of nutrients per hectare per annum. According to the agricultural census of 1992 the percentage of households using agricultural inputs is extremely low.

**International Fertilizer Development Center.*

***Crop Production Handbook, 1985.*

Table 96: Smallholder Households Using Agricultural Inputs

Input	Households using (in percent)
Hoes (round eyed)	93%
Hoes	10%
Axes	63%
Slashers	33%
Tractors	2%
Ox-ploughs	5%
Fertilizers	Insignificant

Source: Report on Uganda National Census of Agriculture and Livestock (NCAL) (1990-1991), Volume V: Agricultural Inputs, Machinery, Implements and Labor, MAAIF, October, 1993

Thus, Uganda's agriculture output is low mainly because of poor production technology. Improved seeds should be the first initiative of increasing food production. Ugandan farmers have traditionally relied on their own local seed supply. This is normally done by selecting and saving the seed from the previous crop. Whenever such seed is damaged by pests, consumed or sold in times of hardships, farmers barter with neighbors and relatives or purchase planting seeds from the local market.

Table 97: National Seed Requirement
(Thousand metric tons)

Commodity	1981	1987	1994	Average (1981-94)
Beans	17.9	22.4	34.4	26.0
Field Peas	0.6	0.8	1.0	0.8
Pigeon Peas	1.6	1.8	2.0	1.9
Cow Peas	0.8	0.8	1.1	1.0
Maize	6.5	7.7	14.1	9.3
Finger	2.4	2.6	3.3	2.5
Millet	1.7	2.0	2.6	2.3
Sorghum	1.2	1.6	5.5	3.5
Rice	0.4	0.6	0.6	0.5
Wheat	11.0	14.8	19.8	17.5
Groundnuts	0.6	0.6	1.3	0.8
Simsim	0.1	0.3	2.0	1.0
Soyabean	0.1	0.2	1.36	0.6

Source: EPAU Food Security Framework 1995 (National Food Demand).

440

At the regional level, the EPAU Food Security Survey, 1995 shows results from the sampled districts which indicate that, apart from maize, groundnuts and to some extent beans, farmers hardly use improved seeds, chemicals and fertilizers on their crops. The table below shows regional input utilization for selected commodities. It is clear from the table that farmers use improved seeds mainly in the case of maize, rice, groundnuts, beans and soyabeans. Thus for instance, about 50 percent of the farmers in Eastern and Central regions plant improved maize seeds, while in Northern and Western regions 40 and 30 percent of the farmers respectively plant improved maize seeds. The common type of improved seeds for maize planted are Hybrid (from Kenya) and Longe I (from Kawanda, NARO). Similarly, 20, 5, 15, and 10 percent of farmers in Eastern, Northern, Western and Central region respectively plant improved bean seeds. In case of soyabeans and groundnuts, 20 and 15 percent of farmers respectively plant improved seeds. Less than 20 percent of farmers spray their crops and less than 1 percent use fertilizers.

Table 98: Percent of Farmers Utilizing Farm Inputs (in Percent)

Input	Eastern	Northern	Western	Central
(a) Improved Seed Variety				
- Beans*	20	5	15	10
- Maize	50	40	25	50
- Finger Millet	5	0	0	0
- Sorghum	10	5	0	0
- Rice	75	90	0	-
- G. nuts	15	20	5	10
- Soyabean	10	15	20	25
(b) Insecticides/Pesticides	10	5	5	20
(c) Fertilizers	0	0	0	1

Source: EPAU Food Security Survey, 1995.

Subsistence Nature of Farming

Agricultural production in Uganda is mainly subsistence in nature. An agricultural production system dominated by small-holders is a constraint to inputs use in Uganda. Small-holders practice subsistence agriculture, because their main goal is to provide household needs. This aim influences all decisions regarding agricultural strategies by the small-holders. The principle is that of "survival first" rather than that of profits.

The yields could be much higher since most of the seeds available are improved.

441

Crop failure is accepted by farmers as a normal occurrence. This emphasizes the need to educate these farmers about the potential contribution of agricultural inputs to high yields.

There is need for both researchers and extension workers to fully understand the farmers' perceptions to improved agricultural inputs and technologies use. Farmers need agricultural innovations in form of fertilizers, new varieties, planting techniques etc...to maximize their returns.

Supply and Cost of Agricultural Inputs

The critical determinant for increasing input use is whether the returns on crops are attractive. This refers to whether the output/input price ratio is favorable or not. It is noted that un-profitability of a crop will affect input use.

Over the years, the prices of agricultural inputs in the rural areas have been increasing. For example the price of a hoe increased from Shs. 700 in May 1989 to 3,500 in December 1995. Farmers complain that prices of inputs are high and often beyond their reach. Government's direct involvement in the marketing and distribution of agricultural inputs has negatively affected the supply as well as development of an efficient inputs marketing system.

The other factors which have contributed to inadequate supply as well as high costs of inputs are;

Poor Road infrastructure: A large proportion of the rural feeder roads which provide important linkage between the rural areas and urban towns are in poor condition. As a result, transport costs are high contributing to high input prices to the farmer with negative impact on input utilization and agricultural production.

Poor Storage: Insufficient storage by input traders especially in the small towns and rural trading centers hampers the storing and distribution of inputs.

Insecurity and Cattle rustling: Insecurity in some parts of the country, particularly in the Northern and North- eastern Uganda resulted into heavy losses of draft animals. Absence of draft animals in these areas such as Soroti, Kumi districts are at present a constraint to the use of draft implements such as ox-ploughs which are very important means of cultivation in these areas.

Rural Credit

Credit is regarded as one of the major constraints by the farming community in Uganda. Agricultural credit is an important tool for promoting the adoption of improved production technologies such as agricultural input use. Credit is not an input in agricultural production, but rather a means to assist farmers in purchasing inputs, among other things. Most farmers lack funds to enhance increased use of inputs. Small farmers with average holdings of about 2.0 hectares, low technology-mainly hand hoe and low risk bearing capacity, who are mostly in the rural areas but form the backbone of the agricultural sector virtually have no access to bank credit. Given the high risk associated with agricultural investment, and the risk-aversions of commercial banks, rural agriculture does not therefore, in most cases meet the traditional commercial bank's requirement's for credit.

Under the present system, small-scale farmers are particularly dependent on informal credit to purchase inputs. Credit systems have tended to favor the large and medium-scale farmers, because of the nature of procedures and eligibility requirements. Institutionally, the administrative cost of lending to small-scale farmers is considered to high, and the risk too great.

In some parts of the country, there have been a number of rural savings and loan schemes. However, as a result of political problems, government interference, high inflation rates of the 1980s, and unprofitability and riskiness of most crop enterprises, most of them collapsed. Small credit organizations mostly NGO such as World Vision, ACORD, etc... have made some efforts to extend credit to farmers in some parts of Uganda.

Some private banks interested in serving small farmers have started emerging. For example, the Catholic based Centenary Rural Development Bank with branches in Kampala, Masaka, Mbarara, Kabale and Gulu is geared towards serving small farmers and traders with short-term development loans. Small farmers will continue to be outside the mainstream banking sector as long as they mainly produce for subsistence, lack collateral in form of land-titles, and lack of market know-how and business acumen (such as rudimentary book keeping skills).

The problems of poor accessibility to credit, high credit costs (about 17-25 percent) and heavy collateral requirements continue to reduce credit utilization and hamper enhancement of agricultural production in Uganda.

Credit support to agricultural production should be enhanced. The experience of BAT and UTGA in integrating credit supply to farmers with marketing of their produce could be emulated and extended to other crops starting with maize and beans. This could be implemented through Exporters Associations. The Grain Exporters Association have expressed willingness to participate, particularly in relation to maize, beans and simsim production.

IV.3 RURAL CREDIT FACILITIES FOR FOOD CROPS PRODUCTION AND EXPORTS

The rural credit situation in Uganda leaves much to be desired. Small-scale farmers generally have considerable difficulties to gain access to credit for productive purpose. The constraint to acquire rural credit is even more serious for women due to additional reasons such as lack of collateral (usually land title), need for male co-signer, low level of literacy, etc... This has important implications for the supply response in agriculture, particularly in the area of food crops. While various World Bank policy papers have rightly emphasized the importance of rural credit, the response to overcome the problem is still too unrealistic. On March 21, 1995 the Executive Director of the World Bank approved the establishment of a Micro-Finance Program with a total commitment of US $ 200 million which includes bilateral agencies' existing support for their small-scale credit.

The position of the World Bank is still to rely on the concept that without a solvent, efficient financial sector it is impossible to imagine the emergence of a system of credit which will effectively serve poor rural farmers. The approach adopted was to indirectly deliver targeted credit to projects which were aimed at improving the capacity of financial institution to undertake intermediation. The scheme reflects a lot of wishful thinking. The reality is that even with stronger and more efficient credit institutions, the needs of the rural poor for very small-scale credit are not being met. Unless given effective incentives, commercial banking institutions are more interested with affluent borrowers. In the absence of effective incentives (which should not be confused with subsidies) neither commercial banks nor specialized development credit institutions are expected to be cost effective in delivering small size financial services to low income rural farmers. Yet in the Integrated Household Survey 1992, more than 95 percent of the rural communities stressed the importance of credit, and at least 70 percent found that rural credit is needed very much.

A number of bilateral aid missions have adopted a more realistic credit approach and achieved encouraging results even on a limited scale to help rural farmers to gain access to credit and technical assistance. USAID has addressed the "capital barrier" for average small-holders by establishing a line of credit through the Cooperative Bank. The Agricultural Non-traditional Export Promotion Program (ANEPP) has a capital-venture component through DFCU. A Credit and Marketing support to UNFA project has been designed to establish effective support to Ugandan farmers based on EU grant. However, in the area of rural credit to promote agricultural development and food production and exports, the absence of the World Bank to take the lead is rather surprising.

a) A Review of Agriculture and Export Credit

Until 1993, commercial bank lending to the agricultural sector was mostly in terms of crop finance (i.e, providing finance for purchase of traditional export crops mostly coffee) through Marketing Boards which were considered safer and more lucrative business for bank financing. UCB and Cooperative Bank have branch networks covering most districts headquarters. The problem of small-scale farmers access to credit could be solved by

444

encouraging UCB and Cooperative Banks to link with the village level primary societies to on-lend to farmers on group basis throughout the country. However, to attract investment in agriculture, there is need to offer loans to the sector at a concessionary interest rates because of the high risk associated with investment in the sector. This policy objective will notably conflict with the interest of commercial banks under the current liberalized macro-economic policy framework. Besides, if there is no specific incentive given to specialized banking institutions or commercial banks to become effective development banks to serve the rural farmers, then either the World Bank or the Government have to establish such a banking system by themselves. The key question is whether it is advisable to let them directly perform the role of development banker institutions of the private banking sector.

(i) Credits for Agriculture:

Development Finance Fund (DFF):

The fund was established through Statutory Instrument No.6 of 1986. The overall objective was to provide a credit system which would facilitate the flow of an institutional loanable fund to agricultural sector for financing short to medium-term projects. The statutory instrument empowered BOU to collect 5 percent of the balances of total deposits of Commercial Banks as the end of every year to go towards the fund. Out of the U Shs 5 billion contributed as of January, 1995 only U Shs 2.5 billion has been utilized. The fund amount is small and the utilization low because of the following reasons:

- BOU has not be very keen to ensure that commercial banks comply to the statutory investment requirements since it has to pay 1 percent interest to the commercial banks for the money they have contributed towards the fund.

- Commercial banks are reluctant to extend credit to agricultural sector because of the high risk in the sector.

- Credit from the fund attracts the same interest rate and other charges as payable on all agricultural credits obtained directly from commercial banks.

- Credit applications are appraised at two stages: at the commercial banks and at the Central bank before disbursement is effected by BOU. Since credit terms are the same with those obtained directly from commercial banks, most commercial banks find the two stage appraisal time wasting and therefore prefer to use their own resources.

- When a borrower defaults BOU automatically debits the commercial bank account with the central bank despite the fact that it would have also participated in the appraisal and approval of the credit application. Commercial banks therefore feel unfairly treated by BOU since they are left to pick the risk alone.

445

The fund does not, therefore, offer any attractive terms to borrowers and the commercial banks. With the restructuring of financial institutions which is under way and the possible improvement in the liquidity position, there may be no justification for the fund unless the terms and operational procedures are made more attractive than credits to be accessed directly from commercial banks.

UCB Rural Farmers Scheme (RFS):

The scheme was started by UCB in 1987. Since then the scheme has received funding from African Development Bank (ADB): European Economic Community (EEC); Danish International Development Agency (DANIDA); World Food Program (WFP): and United States Agency for International Development (USAID).

Over the years, the scheme has gone through a number of modifications ranging from area coverage, lending terms to the divestiture of the bank from extending credit in terms of inputs. The volume of cumulative disbursements as of November, 1994 was U Shs 11.7 billion of which U Shs 3.7 billion was in cash; U Shs 4.5 billion in terms of direct inputs; and U. Shs 3.5 billion for inputs sold. Loan approvals ranged from 41.7 percent for individuals to 77.9 percent for group applicants. Currently the scheme attracts 14 percent interest for collateral loan and 16 percent for loans without collateral.

During the initial stages of the scheme loan recovery was high at about 90 percent because of the favorable producer prices. However, for 1993 recovery rate dropped to 20-50 percent, partly as a result of drought and lack of produce marketing outlet. For example, in 1993 the price of maize at farm-gate dropped from U Shs 100 per kilogram to only U Shs 10 per kilogram.

During the initial learning process, the scheme suffered from operational weaknesses such as deficiencies in loan appraisal and procedures; slow processing of loan applications; delays in disbursement; lack of trained staff; and lack of supervision due to inadequate logistical support to bank staff.

Despite these weaknesses, the rural farmers scheme has gone a long way in institutional capacity building for agriculture lending. It has now developed trained staff in RFS operating branches and regional head offices to deal with agriculture lending. It also has development lending procedures and an operational manual for agriculture credit.

Cooperative Credit Scheme (CCS):

The scheme was started in 1961, abandoned in 1973 and revived in 1988 with a USAID grant under the PL-480 program. Additional funding was received under the Swedish Cooperation Center. The Scheme now covers 26 districts with over

450 primary societies. It attracts an interest rate of 23 percent of which the primary society is allowed to remain 3 percent as its margin. Loan recovery rate ranges from region to region. The lowest is at Luwero triangle (30 percent) and the highest at the South Western region and Mbale (95 percent). Low recovery rate is attributed to:

- Poor targeting of loan beneficiaries by primary societies

- Belief by some loan beneficiaries that the loans were government handouts meant for resettlement, drought or poverty alleviation.

- Lack or absence of capacity for loan management in rural areas

- Lack or absence of good marketing infrastructure for primary societies' produce.

- Lack of effective supervision of the credit extended. The Cooperative Bank branches depend entirely on the societies in processing loan applications, inspections and follow-ups of recovery.

Credit and Marketing Support (CMS) to UNFA

The overall objective of the credit and marketing support scheme to UNFA is to increase the proportion of Ugandan farmers who are in the monetized sector (about 43 percent of agricultural GDP) and increase the range of agricultural exports which are still dominated by coffee.

The purpose of the project is to establish effective credit support to the marketing activities of the Uganda National Farmers Association (UNFA), and while doing so, avoids the problem caused by late disbursement, poor loan recoveries and mis-application of loan funds.

The project will be implemented by the private sector through UNFA which has been established by members of the farming community to represent their interests and give them support. The result expected is the mobilization of business agents (BA) which are selected by the District Committees of UNFA, and in receipt of appropriate credit lines from participating commercial banks (PCB). The business agent will supply inputs, market the outputs and assist with medium-term and seasonal loans to about 300,000 farm households.

A European Union (EU) grant of ECU 5.26 million is provided to meet the total cost over the initial phase of 1½ years. This includes ECU 3 million to finance the Credit Support Fund, and ECU 1 million for the Credit Guarantee Fund. It is expected that a loan recovery rate of over 85 percent could be achieved. The introduction of a credit guarantee fund into the scheme is aimed at reducing the risks as perceived by the banks and will help forge the initial contact between the banks and the business agents. Concerning the interest rate, the intention under the scheme is to secure for the business agents an interest rate as close to the private commercial banks prime rate as possible, partly by reducing the perceived risk by credit guarantee.

The underlying idea is to establish simple patterns of cooperation between farmers sharing cohesive felt needs and the relevant business sector. In this way, the members at the farm level will have the final say in decision making, and take part in the activities. The project revolves around the idea of creating business agents to provide inputs to farmers and market their output, and to act as credit intermediaries between the farmers and the banks. Although the proposed project concentrates mainly on the credit aspect of the program, the provision of credit is inextricably linked to the marketing activities of UNFA. The conditions of all activities by UNFA which, in the final analysis, has a vital role to play to achieve desirable results as expected.

(ii) Export Credit Facilities

The Export Refinance Scheme (ERS)

The Export Refinance Scheme (ERS) and was instituted in September 1991 to support and facilitate the export diversification drive by providing sufficient funding to exporters of NTEs. Originally, the Government of Uganda (GOU) and the Bank of Uganda (BOU) were to contribute a total of US $ 2 million towards the fund. Unfortunately, only BOU contributed US $ 1 million to the fund.

The loan applications are channelled through the applicant's commercial bank which appraises the applications and then recommends to BOU for reappraisal and disbursement.

- The short-term loan (maximum 180 days) is extended to (a) pre-shipment credit to meet working capital requirements for payment of wage, storage, freight, insurance, and procurement of commodity for export (b) and post shipment facilities to replenish the exporter's working capital needs during the intervening period between shipment of goods and realization of export proceeds.

- The medium-term loan is granted based on the export business. The period of loan repayment are usually 180 days for a working capital loan and 5 years for medium-term loans. Interest rates have been fixed to 8.5 percent per annum out of which 5.5 percent goes to the fund 3 percent to the participating commercial bank for its administration cost toward the loan processing.

448

As of March 2, 1994

- a total of 142 loan applications amounting to U Shs 17.61 billion have been received under the scheme and of this, a total of 86 cases amounting to U Shs 9.5 billion have been sanctioned.

- a total of U Shs 7.31 billion has been disbursed, and U Shs 4.90 billion has been repaid giving a recovery rate of 81.9 percent which is considered reasonable.

Despite the high financial turn over of the scheme within three years it has been in existence, the scheme has a number of problems, notably the following major ones:

- Under-capitalization of the scheme: The scheme is grossly under funded. The Government did not fulfill its contribution leaving only BOU to subscribe to half of the initial US $ 2 million proposed for the scheme.

- Lack of interest of foreign banks: All foreign banks, except Bank of Baroda, have not shown interest in the scheme. In fact, foreign banks are liquid enough and therefore prefer to lend their own funds at the market interest rate rather than use the fund from the scheme where interest rate is controlled at 8.5 percent. The fact that losses and risks are to be borne by commercial banks is one of the discouraging factors for commercial bank participation in the scheme. Besides, the low interst rate margin to the commercial banks at only 3 percent does not also encourage most commercial banks to participate in the scheme.

- Unfair charges by Commercial Banks to Exporters: Although BOU officially allows interest rate of 8.5 percent of which 5.5 percent is to go to the scheme and 3 percent to the participating commercial banks. Commercial Banks add Commitment fees of 1-2 percent and Guarantee fees of 1.5 percent although the Credit Guarantee fees of 1.5 percent has not been operating.

- Under Funding of Contracts. This can be either through the reduction of loan amounts applied for or through the disbursement of funds in small portions. This usually frustrates the exporters' performance as it creates shortfalls in funding and results into unsuccessful execution of contracts. This may cause letters of credit to expire before fulfillment of contracts leading to subsequent cancellation of export orders, attracting legal penalties, and generally creating a bad name and unreliability for Ugandan exporters in the international markets.

- Short Loan Recovery Period. The loan recovery period granted ranging from 60 to 120 days is considered by most exporters as too short. Most borrowers under the scheme therefore find it difficult to execute their contracts and effect repayments on due dates. There is therefore need to review the loan recovery period.

- Delay in Loan Processing: Many exporters are complaining that banking procedures take too long and the time taken from lodging an application to getting the loan funds ranges from 7 to 210 days. On average it takes 46 days to complete loan application process which is quite often after the export contract had expired.

Non Capitalization of the Credit Guarantee Scheme - (EGS)

The establishment of the Credit Guarantee Scheme of the Bank of Uganda was initiated in 1991, with the task of providing security backing to the commercial banking sector for facilitation of easier flow of short-term credit to exporting enterprises. While efforts were made to make the system became part and parcel of the export financing business to this date.

The export credit has been guaranteed by the system in the traditional banking as well as in the legal sense of this term. No legally enforceable credit guarantee bonds have been prepared, that would have been acceptable to the commercial banks in terms and conditions of well established international banking practices, following the recommendations of the International Chamber of Commerce in respect of guarantees. As a result, commercial banks in Uganda do not see their way of accepting BOU's announcement as an effective cover.

Though claims were presented by banks, no claim has ever been admitted for settlement. Reasons, that the scheme has never actually taken off can be summarized as follows:

- no export credit guarantee fund has been set up with actually paid in capital, to cover the eventual claims of the beneficiaries of the scheme, i.e. the risk of the commercial banks.

- no detailed modus operandi of the scheme has ever been prepared, with guidelines, responsibilities and rights arising from the guarantee cover. Procedures and uniform policies were not established, that would have governed the vital cooperation between commercial banks and Bank of Uganda.

- difficulties, encountered while trying to make use of the export credit refinance system discouraged the commercial banking sector to risk the utilization of a facility, where the financial result and outcomes were not at all clear;

The above reasons led to the ineffectiveness of the facility, resulting in a rather low level of commercial banks' financial commitment in the target sector of the economy. As a result, commercial banks' own funds are rather invested in securities than in financing the exporting business.

450

Absence of Export Credit Insurance (ECI)

The Export Credit Guarantee Scheme, although not operational yet, is meant to protect commercial banks which are participating in the Export Refinance Scheme. However, in the case of exporters there is no such scheme in the form of Export Credit Insurance to protect them under similar arrangements. Ugandan exporters are therefore exposed, whether they use their own funds, to risks such as commercial exchange rates and political risks.

It is important to make a distinction between credit guarantee and credit insurance on the one hand, credit guarantee is issued to financing institutions, covering the latter's risks when they extend credit facilities to exporters, but not covering the exporters' own commercial, political or exchange rate risks. On the other hand, the export credit insurance business is built on the bank-exporter activity of the client, i.e. the commercial, political and exchange rate risk of the exporter. The guarantee is supposed to cover the banks' risk, when the exporter has to operate on borrowed funds. The insurance cover is necessary there and then, when exporters work with their own funds basically and they need protection for themselves against possible losses. In case they have to go out to borrow in order to increase profit margins, they can assign the credit insurance policy to the financing bank as an additional security, and then it practically becomes a "guarantee" instrument. Such considerations, inter-linkages and practicalities have developed in the past decade or so into the export credit guarantee business in countries of Sub-Saharan Africa, among others in Lesotho and in the Kingdom of Swaziland.

In Uganda, after the careful analysis of the present pattern of export finance in general, and the relationship of borrowed and own funds of the exporters' activities in particular, it transpired that exporters, if assisted, can work on borrowed funds. Hence, there is an immediate need for an effective export credit guarantee system, while an insurance facility could be established at a later stage. Though it is unlikely that the issue of export credit insurance would be satisfactorily addressed in a near future, it appears that the rapid growth of the number of exporting enterprises and the gradual strengthening of their financial position would make the policy makers return to this issue with a view to setting up the credit insurance facility according to the very needs of the day.

b) Policy Constraints to Rural Credit

Although, the agricultural sector is the lead sector of the economy in terms of its contribution to GDP (50 percent); employment (80 percent); and foreign exchange earning (over 90 percent), it receives only about 5 percent of total bank credit while trade and marketing sector which contribute only 15 percent to GDP and receive about 64 percent of total bank credit of which 21 percent is crop finance. In fact, there are three basic issues to consider while evaluating the credit situation for a sector. These are the availability, accessibility and cost of credit to the sector.

451

(i) Availability of Credit

If only private time and savings deposits are considered, one may conclude that there is not enough funds for credit. For example, in the financial year 1993 the total credit supplied by the banking system to the economy was U Shs 175.4 billion while private time and savings deposit was only U Shs 104.9 billion, representing only 2.7 percent of GDP.

Financial institutions have been able to loan over and above the time and savings deposit because of funds availed through them by donor agencies and Government for specific projects and programmes. This has been to the tune of about US $ 157.2 million over the last four years or so. One can therefore conclude that without donor and government credit support programs, availability of credit facilities is a real problem in the Ugandan economy.

What is more important, however, is not more of credit available but may be, better allocation of funds to high priority areas, and effective management of resources.

World Bank High Priority to Industrial sector:

Though the World Bank always emphasizes the vital role of agricultural development, export development and diversification, and mostly poverty reduction as its "overarching objective", these areas of interest are the ones that receive the least attention from the World Bank's abundant funding which instead goes to projects in other less priority sectors.

The Investment Term Credit Refinance Fund (ITCRF)

The fund was established by government under the Enterprise Development Project (EDP) - IDA line of credit. The fund has US $ 25 million line of credit and became disbursable in June, 1993. The loan attracts an interst rate of 18 percent per annum payable within 7 years with a grace period of not more than 2 years. The purpose of ITCRF is to provide resources for the rehabilitation of Public Enterprises (PEs) being divested and also to support new enterprises being promoted in the industrial private sector.

The following purposes will be eligible for refinance under the Fund:

- Investment by private entrepreneurs in public enterprises is being divested.

- Investment by private entrepreneurs and viable public enterprises for modernization and expansion of existing registered/licensed enterprises as well as setting up new ones.

- Credit for incremental working capital needs associated with new fixed investment and for acquisition of consumable production inputs (tools, spares etc...).

Repayment periods of the loan shall not exceed 7 years including a grace period not exceeding 2 years for the repayment of the principal loan amount will not to exceed US $ 2.0 million for any single project and 70 percent of the overall project cost. Refinance will be 100 percent in case of medium-term loans and 80 percent of working capital.

By December 1994 only US $ 417,318.47 had been utilized from the fund. Industries which have so far benefited from ITCRF line of credits are metal fabrication, stationery and printing, soap, paint, sanitary ware, and funds have also been provided for the purchase of medical laboratory equipment.

The Private Sector Competitiveness Project

The private sector development strategy underpinning the project focuses on key actions to foster private sector development that have taken care before of by other World Bank funded projects. These actions include: measures to improve business laws and regulations (supported by IDA through the Institutional Capacity Building Project); simplify and rationalize the tax and investment codes (SACII and proposed project); restructure the financial sector (FSAC); accelerate privatization and parastatal reform (Enterprise Development Project); and improve physical infrastructure for private enterprise (Power III, proposed Telecom III). IDA will play the role of catalyst around which significant additional private and donor resources will be mobilized. Total project cost is estimated at US $ 20.2 million, of which only US $ 12 million will be financed by IDA. Government will provide US $ 1.0 million from its own resources other donors and private sector entrepreneurs, investors, and financial intermediaries will contribute the balance.

The private sector competitiveness project which tentatively should effectively start by 1996, consists of four components.

- Support for a Private Sector foundation (US $ 2.0 million).
- The Business Uganda Development Scheme (US $ 7.2 million).
- The Equity Financing Component (US $ 8.5 million).
- Assistance to the Uganda Investment Authority (US $ 2.5 million)*

The Private Sector Competitiveness Project is consistent with the World Bank Group. Assistance strategy discussed by the Board on May 9, 1995 which states that "promoting growth through private sector development is the basic tool for

* *UIA has been receiving technical and financial support from USAID which will continue to support UIA in its new Private Sector Development Project.*

453

addressing poverty in Uganda's development strategy". It is to be reminded, however, that the biggest private sector in Uganda is the agricultural sector, and the majority of the poor are in the rural areas. In fact, the agricultural sector, particularly food crop production, has not yet received their fair share for more priority development purpose of the abundant funding of the World Bank. As for poverty reduction the project just mentions that "Poverty Category: Not applicable**, while it may help indirectly reduce poverty through employment creation and promotion of SMES.

Government "Entandikwa" Credit Scheme (ECS) for the Poor Population.

In the past the Government made efforts to address the problem of poverty in the rural areas by availing development credit facilities and implementing programs which aimed at poverty alleviation. This included projects/program such as Project for Alleviation of Poverty and Social Cost of Adjustment (PAPSCA); Northern Uganda Reconstruction Program (NURP); South-western Region Agricultural Rehabilitation Project (SWRARP); Agricultural Development Project (ADP), etc. However, these projects have had some shortcomings since they were targeting specific groups, for selected activities, and from selected districts. Their impacts have not, therefore, been so successful in redressing the poverty conditions of the rural poor in general.

In the bid to improve the living condition of the rural poor, the Government during the 1994/95 Fiscal Year made a provision of U Shs 60 billion in the Development Budget for the purpose of facilitating small entrepreneurs to undertake productive commercial ventures. This fund has been turned into a scheme to be known as Entandikwa Credit Scheme(ECS). The Scheme aims at improving the socio-economic well being of poor populations both in the rural and urban areas by promoting traditional micro-enterprises and strengthening their productive capacity and savings for future investments and institutional building at grassroots. The scheme, therefore, targets the section of the population that cannot obtain credit under the traditional commercial lending. The potential beneficiaries of the scheme are to be the urban poor, rural artisans, rural women and men, the disabled and the youth.

Loans under the scheme are to attract 12 percent interest rate. According to the operational guidelines for ECS, loans are to be extended in four categories:

(1) Loans up to U Shs 0.2 million would require recommendations from the area RCI, and III.

(2) Loans above U Shs 0.2 million and up to U Shs 0.5 million would require recommendations from RC I, III and local sureties.

** *Final Executive Project Summary, June 13, 1995. P.5.*

454

(3) Loans above U Shs 0.5 million would require all conditions (2) above and any other special arrangement between the beneficiary and the Intermediary Agency (IA)*

(4) Approvals of loans exceeding U Shs 1.5 million will require the conditions in (3) plus the consent of the Entandikwa Secretariat.

Although the scheme is still at its infancy stage and it is difficult to evaluate its success or failure, the operational procedures and requirements leave much to be desired. There are six layers proposed for credit approval depending on the amount being sought under the scheme (RCI, III).

Intermediary Agency, County Steering Committee, District Steering Committee, and Entandikwa Secretariat). The scheme might be out of reach of the majority of the target groups. Bureaucratic culture, and mismanagement of funds might be pervasive at the levels of implementing intermediaries and agencies. Most seriously, however, is the temptation of ultimate borrowers who often may consider themselves to be rightful beneficiaries of "government funds" made available as grants, and not as credit.

In reality, the recommendation of a recent study by the Bank of Uganda (BOU)* seems to be most appropriate. The BOU report recommended, inter alia, that the Government should confine itself to policy making and setting the environment. Credit provision should be left to institutions specialized in finance.

(ii) Access to Credit

Although there is an apparent proliferation of financial institutions, access to these funds through financial institutions is denied to a large part of the population which is rural and involved mainly in agricultural activities. This is because, among others, financial institutions are overwhelmingly urban based, thus excluding from the outset the majority of the would be customers. Small farmers, with average holdings of 2.2 hectares, low technology - mainly hand hoe and low risk bearing capacity, who are mainly in the rural areas but form the backbone of the agricultural sector virtually have no access to bank credit.

---

* *An NGO that has been identified by County Steering Committee (CSC) and approved by District Steering Committee (DSC). The NGO must be engaged in activities that promote development at the grass roots through which Entandikwa Secretariat will disburse funds from time to time for financing of approved projects. The NGO would also be required to recover the loan.*

* *A Rapid Appraisal of Rural Finance and Credit Schemes, Agricultural Secretariat, BOU, December 1994. Annex B.*

Another problem with short-term credit in Uganda today is the excessive collateral and security requirements due to risk element. Pre- and/or post-shipment credit is available in the commercial banks' general credit departments to an exporter primarily on the basis of his ability to provide adequate collateral, and not on the basis of his competence to fulfill the stipulations of an export order. The only acceptable collateral to the commercial banks in Uganda today is land, buildings and/or other fixed assets. The net result of this risk-averse and rigid approach of the commercial banking sector is that Uganda is losing a considerable amount of export earnings every year since potential exporters are not assisted and promoted to fully develop their export potentials.

Export finance in the sense of preferential rates for exporters is not readily available in Uganda. Under the present credit system, an exporter does not really enjoy financial advantages purely because he is in the export business. In most cases the commercial banks will not rediscount a confirmed letter of credit held by an exporter, they are certainly not willing to accept firm order or contracts, as the risk is too high. Under the normal commercial bank credit system an exporter does not enjoy financial advantages purely because he/she is in the export business. Credit is available in the commercial banks' general credit departments to an exporter primarily on the basis of his/her ability to provide adequate collateral, and not on the basis of his/her competence to fulfill the stipulations of an export order. Even if collateral are provided, which are usually land, buildings and/or other fixed assets, due to the risk-aversions and rigid approach of commercial banks, credits are usually extended at about 40-50 percent (or higher) of the value of the collateral depending on the reputation of the exporter. These requirements make it impossible for most would be successful exporters to access credit.

Given the high risk associated with agriculture investment, and the risk-aversions of Commercial banks, rural agriculture does not therefore, in most cases meet the traditional commercial banks' requirements for credit. Since agriculture investment is associated with high risks, to attract more investment into their sector, there is need to offer credit at a concessionary rate. This notably conflicts with the interest of commercial banks under the current liberalized macro-economic policy framework.

As there is a need for agriculture production and exports credits, it is possible to transform some commercial banks to an Agriculture Development Bank. UCB has over the years developed the technical skills for appraising agricultural projects and the Cooperative Bank is owned by the Cooperative Movement whose members are mainly farmers. One of these banks if provided with specific incentives which will be got counter to structural adjustment oxthodoxing could be transformed into an Agriculture Development Bank in order to enable it specialize in agriculture lending at attractive terms.

456

(iii) Cost of Credit

It is believed that cost of credits are high in Uganda for agriculture and exports. This is because of the high risk associated with investment in agriculture and the fact that Ugandan exporters have to compete internationally with other exporters from countries where interest rates are about or below 10 percent.

Interest rate which is charged on credit depends on a number of factors such as deposit rates; 91 days Treasury Bills (TB) rate; Bank charges and commissions; and risks. Although interest rates in Uganda are low in real terms, in nominal terms they are high and in most cases beyond the reach of many borrowers, especially for investments with longer gestation periods. This explains why borrowers and banks feel comfortable to deal in trade/commerce which has a short turn-around time.

Interest rate policy can be applied to achieve the major objectives of resource mobilization (savings), resource allocation (credits), and to ensure financial viability of credit institutions. Since the rate is determined by the opportunity cost of capital; transaction cost of financial intermediaries; and risks for default, the fundamental issues for the reduction of lending rates in Uganda hinges on the following three major factors.

- The control of inflation so as to reduce the nominal rate for deposits

- The reduction in administration costs of financial intermediaries so as to reduce their over head costs and the spread between the deposit and lending rates, and

- The reduction in loan risks through capacity building for both the design and appraisal of viable bankable projects so as to minimize on the default rates.

Although the liberalization of interest rate policy for deposits has made it possible for the banks to compete for deposits, the policy of liberal interest rate for lending has discriminated lending to the real sector and more so to agriculture but not to commerce. This is contrary to the long-term economic development of Uganda. The spread between deposit and lending rates of about 15 percent is also on high side. The maximum interest rate for the real sector should not exceed 8 percent above the minimum deposit rate. In developed countries, the interest rate spread (financial intermediation cost) usually ranges between 20-30 percent and in most of the developing countries it ranges between 5-10 percent.

Interest rate liberalization is not synonymous with laissez-fare policies. It requires the determination of interest rate by indirect monetary management techniques that operate through the market. The current financial sector reform which is under way should eliminate a number of weaknesses in a financial sector including a large volume of non-performing loans. Without such reforms interest rate liberalization could result in instability and distortions, and adversely affect macro-economic performance. Thus, even in a liberalized interest rate regime, the Central Bank must constantly take a view of appropriate level of the interest rate and strive to achieve it, as the case with exchange rate, through the use of "defensive" monetary policy operations which would enable financial markets to operate effectively and efficiently.

c) A Proposed Credit Scheme for NTAE Production Development and Exports with Focus on Maize and Beans

A Study by the Bank of Uganda (BOU)* reviewed several on-going credit schemes namely: the Rural Finance Scheme administered by UCB; the Cooperative Credit Scheme, managed by the Cooperative Bank; credit components in the Northern Uganda Reconstruction Program, South Western Region Agricultural Rehabilitation Project and Small-holders Cotton Rehabilitation Project, implemented by special management units in the Ministry of Agriculture, Animal Industry and Fisheries; and three special programs managed by the Development Finance Department of BOU.

Important findings of the Report show that all the administered credit schemes have performed poorly. "Bureaucratic culture has been pervasive at the levels of implementing agencies and intermediaries. Ultimate borrowers often considered themselves to be rightful beneficiaries of Government funds, made available for distribution as grants and not as credit. Such perception and behavior by management, staff, borrowers and politicians all contributed to damage financial discipline, low quality loan portfolio, mis-allocation of credit, diversion of loan use, high loan delinquency and defaults and weak financial institutions".

Proposing an effective rural credit scheme after so many unsuccessful attempts is not a simple task. The challenge is staggering but it must, however, be responded to creatively. A more in-depth analysis of the credit system in Uganda reveals that among others, the most important reasons for failure come from the lack of understanding the strategic approach in policy formulation under overwhelming challenge-and-response, and the non application of the realistic concept in policy implementation based on the cumulative built-in profit motivation.

(i) Policy Formulation under Overwhelming Challenge and Response

In terms of policy formulation it is essential to analyse policy issues within the framework a development strategy under limited resources as is the case of Uganda, in contrast with the case of abundance of resource in affluent societies. As such, the choice of policy priority areas to choose in order to maximize impact of reform measures is very crucial. Within the limited resources, the Government needs to strongly commit itself to the achievement of its nationally set development strategy.

"A Rapid Appraisal of Rural Finance and Credit Scheme" - Agricultural Secretariat, Bank of Uganda, December 1994 - Annex B.

458

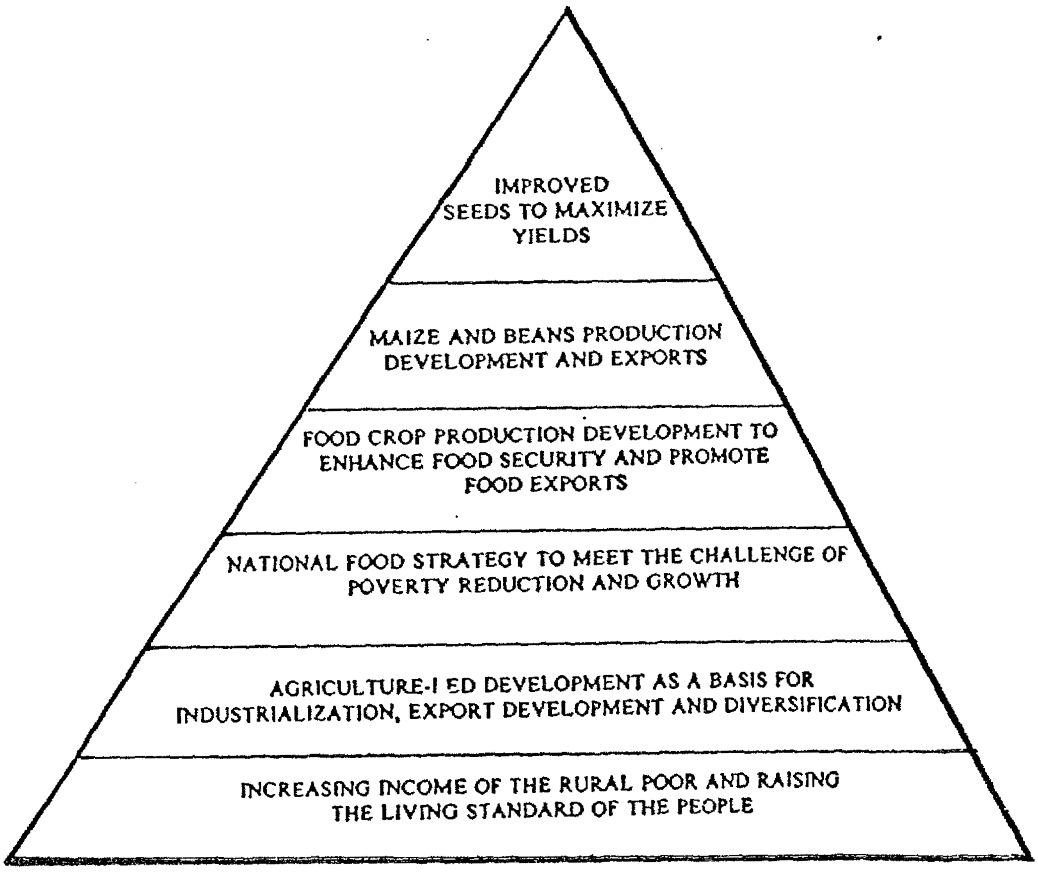
Identification of Priority Areas

As it was clearly stated in the Government's development policy: "Our economy is dominated by agriculture and remains dependent on growth in the agricultural sector. Such growth has to meet the rising food requirements of a growing population. Through exports it also has to generate foreign exchange earnings to enable us to import agricultural inputs which are not available to produce on our own, modernize our economy and improve the living standards of our people". Government agricultural development and export promotion with focus on non-traditional exports (NTAEs) has convincingly found its rationale for the formulation of key policy areas to be prioritized within the framework of a development strategy under limited resource.

The ultimate goal of development strategy of Uganda is to increase income and raise the standard of living of the people. Such a goal can be best achieved from an agriculture-led development. It is to be noted that since the quasi majority of the population live in rural areas, any economic recovery and growth has to be based on achieving the full potential of the agricultural sector. The prevalence of low incomes in the rural areas and low demand for products and services of industry and the services sector will in turn reduce incomes in the urban areas. While agricultural growth is essential to improve the living standards and provide higher incomes to the majority of the population which depend on agriculture, it can also promote savings and investment to promote industrialization and exports. Neglect of agriculture, therefore, contributes to reduce savings as a source of investment for the development of other sectors. As the agricultural sector grows, the non-agricultural sectors will also be strengthened. The overall effect not only helps reduce rural poverty but also has a desirable impact on poverty alleviation in the non-agricultural sector as well.

For Uganda, because of the comparative advantage of the factor endowment and given the high output per capita investment, accelerated growth has to be agriculture-led development which can serve as a basis for industrialization, and promote an effective expansion of exports. Despite the apparent food abundance, based on the 1994 Food Balance Sheet about 52 percent of the population in Uganda are living in districts with an average per capita food consumption less than the national daily energy requirements. Besides, based on the Uganda National Household survey 1993/94, for about 89 percent of the population living in the rural area, the average share of spending on food is about two thirds of total expenditure; for the majority of the remaining 11 percent of the urban population the average share of spending on food still accounts for more than half of total expenditure. As a consequence, an effective national food strategy reveals to be of vital importance for the livehood of the population.

Chart XI: Identification of Priority Policy Areas under a Development Strategy with Limited Resources



The agricultural sector employs more than 80 percent of the labor force. Smallholders account for practically the entire agricultural output. It is estimated that about 2.5 million farm households, of which 80 percent cultivate less than 2.5 hectares of land each basically produce food crops which accounts for about 70 percent of the agricultural production. Food crops not only contribute to enhance food security but also promote food exports. Two most significant examples are maize and beans exports which share about half of non-traditional agricultural exports (NTAEs). In order to promote maize and beans production development to satisfy the demand of both the domestic and foreign markets it is essential to increase yield through, improved techniques of production and better use of agricultural inputs with focus, among others, on improved seeds.

Rationale for Targeting Maize and Beans Production Development and Exports

The Government's development strategy recognizes the central and vital role of agriculture in promoting economic growth and examines the possibility of exploiting this potential further. It targets food production, especially of the low-value foods of maize and beans. The prospects for increase in supply of both maize and beans for purpose of food security, poverty reduction in industrialization and exports, are function of increases in production.

The contribution of maize and beans to food security is essential. Both maize and beans can be part of the national strategy for poverty reduction as they are nutritious stable foods and can be grown throughout the country. Maize is fast becoming the staple for the country. With rapid urbanization, maize has ceased to be the food for the low income people that it used to be. Besides, persistent drought in some parts of the country and the increasing number of refugees increases the demand for food relief. Beans also are grown in all districts in the country. But prospects for increased production are more in the districts of Kapchorwa, Kotido, Kumi, Mbale, Moroto, Soroti, Bundibugyo, Kabarole, Kasese, Kibaale, Bushenyi, Kabale, Kisoro, Mbarara, Ntungamo, Rukungiri, Mpigi, Rakai, Mukono, Mubende, Kiboga, Kamuli and Iganga where the estimated yield per hectare is at least 1000 kgs. With proper guidance, access to agricultural inputs and credits, and effective policy support, production development and exports of both maize and beans can become a very viable economic activity.

Production development in maize and beans will not only contribute to ensure food security at household and national level in general, but also to additional income for households, and increase in export earnings.

Prospects for export of maize and beans are also real. Both maize and beans are indeed widely consumed in the food shortage COMESA subregion, but owing to persistent droughts these countries always experience food deficits. The potentially huge markets for Ugandan maize and beans exports are to be capitalized to the benefit of Uganda.

Information available shows that maize is the staple in the subregion. Beans as a leguminous vegetable are also widely eaten in the sub-region, especially Rwanda. Kenya alone has a deficit in cereals of about 1,000,000 mt. According to Food Security Quarterly Bulletin 1993/94, the SADC countries of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania and Zambia had in 1993/94 a total cereal deficit of 2,544,000 tons of which the deficit for maize alone was 1,626,000 tons. It further indicated that of all the SADC countries it is only Malawi, Zambia and Zimbabwe which realized small surpluses of 185,000 tons, 25,000 tons and 44,000 tons of maize respectively during the same period.

IGADD Food Situation Report indicates that of the IGADD member states of Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan and Uganda, it is only Uganda which by January 1994 reported a surplus of 263,000 tons. In other words, the whole sub-region is a food deficit area. The IGADD deficit in food, if excluding

461

Uganda is 3,470,000 mt by January 1994. According to Food Crops and Shortages, April 1993 within the COMESA Angola, Botswana, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Somalia, Sudan, Swaziland, Tanzania and Uganda, Zaire and Zambia had an estimated cereals deficit of about 6,300,000 tons in 1993 and of this total requirement, about 67 percent was met by food aid.

An Assessment of the Rate of Return of improved seeds for Maize and Beans

The contribution of improved seeds on maize and beans production development reveals to be very attractive. A rough calculation on increase in yield due to the use of improved seeds shows that:

- One shilling invested in improved seeds of maize will give a return of about 18 shillings.

- One shilling invested in improved seeds of beans will give a return of about 2 shillings.

More generally, improved seed utilization will provide an increase of 60 percent in income for maize and 22 percent in income for beans.

Table 98 Bis: Returns to Farmer for Selected Crops Per Hectare

Crop	Cost of Seeds (Shs)	Other Costs (Shs)	Total costs (Shs)	Yield (Kg)	Price of Output (Shs/kg)	Revenue (Shs)	Revenue/Total cost	Maturity Period
High Value crops								
Asparagus*	800,000	1,017,000	1,817,000	3,000	5,430	16,290,000	9.0	1.5-2 yrs
Vanilla	72,000	160,000	232,000	400	3,600	1,440,000	6.2	2-3 yrs
Passion fruit	451,000	684,000	1,135,000	12,800	200	2,560,000	2.3	9 mth-1 yr
Pyrethrum	5,000	237,000	242,000	500	1,000	500,000	2.1	6-9 mth
Silk (Cocoon)	54,000	1,031,150	1,085,150	1,875	1,000	1,875,000	1.7	4-6 mth
Cutlowers (roses) **	15,500,000	41,263,000	56,763,000	1,800,000	44	79,200,000	1.4	4 mth
Ginger	406,000	860,000	1,266,000	3,000	500	1,500,000	1.2	9-10 mth
Chillies	25,000	511,000	536,000	500	1,200	600,000	1.1	6 mth
Low Value crops								
Maize (improved seeds)***	4,375	68,000	72,375	2,500	120	300,000	4.1	3.5 mth
Maize (unimproved seeds)	1,125	68,000	69,125	1,563	120	187,560	2.7	4 mth
Beans (improved seeds)	27,000	66,800	93,800	660	400	264,000	2.8	3 mth
Beans (unimproved seeds)	15,000	66,800	81,800	540	350	189,000	2.3	3-4 mth
Wheat	50,625	299,500	350,125	2,000	240	480,000	1.4	3-4 mth
Sesame	2,500	72,400	74,900	480	400	192,000	2.6	3-4.5 mth
Groundnuts	35,000	108,500	143,500	800	350	280,000	2.0	3.5-5 mth
Soyabean	5,100	94,500	99,600	920	200	184,000	1.8	3-4 mth
Sunflower	1,400	69,300	70,700	1,000	100	100,000	1.4	4 mth

Source: EPADU/EPAU "Opportunities for Traditional Agricultural Exports from Uganda" Jan-July 1993, Vols. 1-6;
FAO "Uganda Wheat Production: Options and Prospectss for Development" May 1996.

* Prices and costs refer to export level
** Refers to number of cutflowers produced in 1 hectare and price per stem
*** Revenue/Total cost will be 6.3 with improved seeds and if using the recommended seed rate of 25 kg per hectare instead of the usuall 12.5 kg per hectare

462

Table 99: Maize and Beans improved Seed Utilization

	Output/kg of seeds 1/ (1)	Price/Kg of seeds (2)	Farm-gate Price (3)	Gross Earnings (4)	Rate of Return on Investment (5=4/2)	Percentage increase in income (6)
Maize						
Unimproved	125	90	90	11250	-	-
Improved	200	475	90	18000	-	-
Increase	75	385	90	6750	17.53	60%
Beans						
Unimproved	9	300	300	2700	-	-
Improved	11	675	300	3300	-	-
Increase	2	375	300	600	1.60	22%

Source: Uganda Seed Project.

Notes: 1/ - Output of maize and beans in Kilograms.

(ii) Policy Implementation Based on Cumulative Built-in Profit Motivation

Under the present circumstance, no rural credit scheme seems to effectively support crop production development. Nevertheless, the organization of an effective credit supply and marketing system, is vital to the development of crop production and expansion of exports, and therefore to increase income of the farmer and raise the living standards of the people. But without the strong and direct involvement of the key economic actors led by self profit motivation, in conjunction with good policy support, at micro and sector levels, no successful credit and marketing scheme is likely to emerge.

Breakdown of the Conventional Credit Scheme

The priority, are the three major actors are the Banking Institution, the Farmer and the Market which due to serious constraints could hardly work directly with each other.

The financial institution (e.g. DFCU) particularly, the commercial bank is more interested with affluent borrowers. By nature, they are risk-averse, and unless given effective incentives, they will not be willing to provide loans directly to poor rural farmers. Besides, most commercial banks do not have branches in the rural areas, thus the management, monitoring and recovery of loans would be cost ineffective.

Small-scale farmers generally have considerable difficulties to gain access to credit for productive purpose. Women have even more serious problems due to additional reasons such as lack of collateral (usually land title), need for male co-signer, low level of literacy, etc... Cost of credit also is normally too high and the time taken to process a loan is usually excessive. The reality is that under the present circumstances, it would be unrealistic to expect that the needs of the rural poor farmer for very small-scale credit could be met.

463

The market demand (e.g. World Food Program) for maize and beans does, in fact, exist. However, food aid organizations often complain about the irregularity in supply, and poor quality of supplies which does not meet the requirement of quality standard. Besides, prices of maize and beans sold in the local market sometime exceed the world market prices, making the local procurement of food aid more difficult to satisfy.

Establishing the Inter-Linkage in the Credit System

In order to make the credit scheme function, the introduction of appropriate agents who could partly, or fully deal with the policy constraints encountered by the financial institution, the farmer as well as the market, is required.

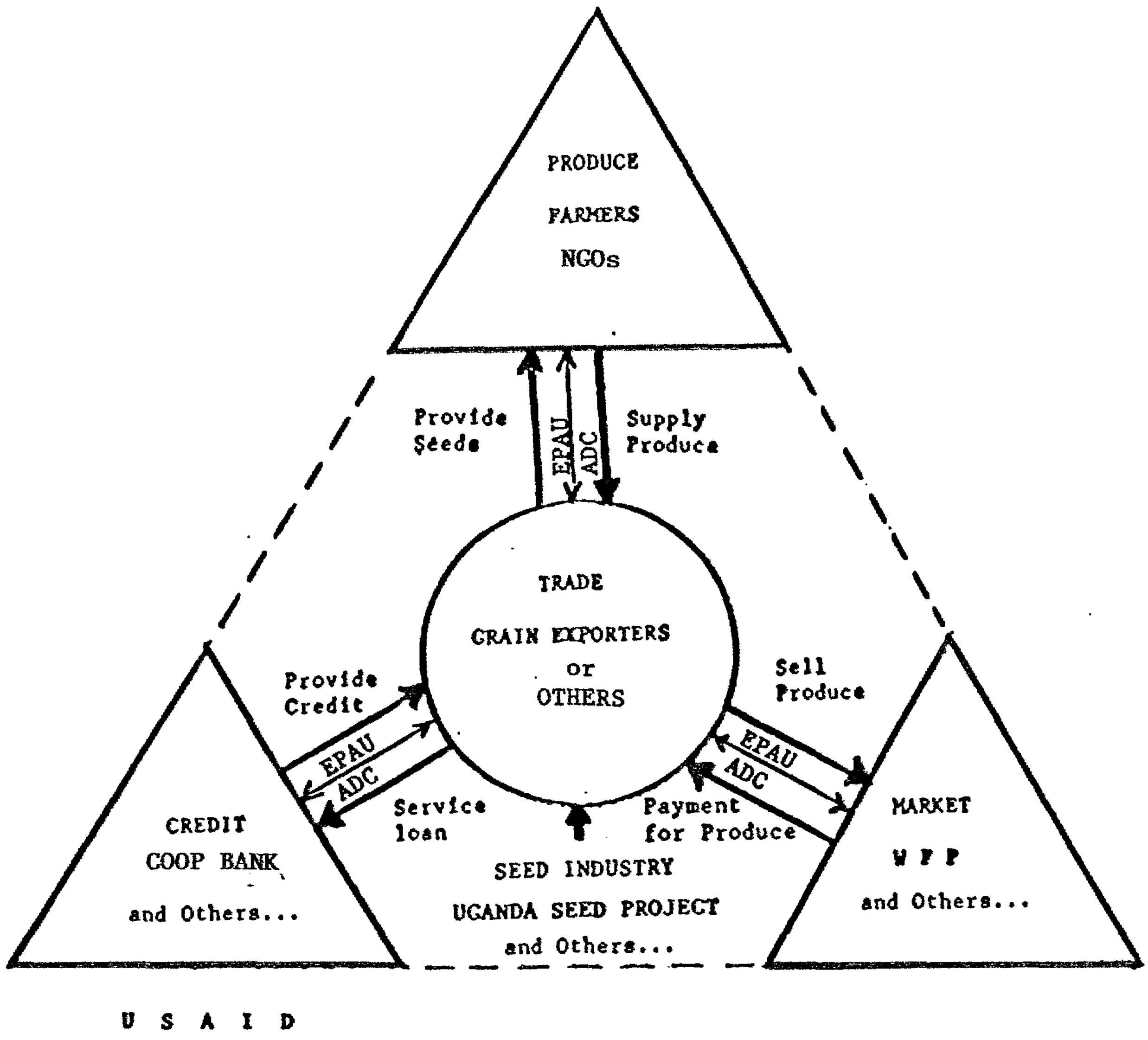
Traders (e.g. the Grain Exporters) who have the interest and the capacity to work with the Bank, the Farmer and the Market will be able to establish the inter-linkage to enable the system to operate. The Grains Exporters could obtain credit from the Bank, because of their ability to provide the necessary collateral. They can use the loan to buy and provide improved seeds to the farmers in return for supply of maize and beans for exports to honor their contracts with international food aid organizations (e.g. World Food Program).

Technical assistance from EPAU and ADC should help strengthen the operations of the credit scheme. EPAU can usefully assist in providing policy support at the macro, sectoral and micro-level. ADC can provide appropriate assistance at the production and marketing level. All these four above-mentioned major economic actors would benefit significantly from their contributions under various forms.

Finally, support from USAID is the key condition for the success of the proposed credit scheme. USAID through its venture capital can provide the fund to help DFCU effectively operate the credit scheme. Access to credit and cost of credit for purchase of seeds would be provided under more advantageous condition for the Grain Exporters. Improved seeds provided to the farmers will significantly increase yield and income. Supply of maize and beans could be guaranteed to the grain exporters to fulfill their contract and meet the demand of the market.

464

Chart XII: **Credit Scheme for Maize and Beans Production Development and Exports**



465

iii) <u>Benefit and Cost of the Maize and Beans Production Development and Exports Credit Scheme</u>

Funding of the Credit Scheme

The Fourth Amendment to the Project Grant Agreement for the Agricultural Non-traditional Export Promotion Project (ANEPP) of August 29, 1995 provides an additional US $ 2.6 million in grant funds to the Development Finance Company of Uganda (DFCU) bringing the ANEPP contribution to a total of US $ 4.4 million. The Grant provides operational costs for two years at up to US $ 600,000 and US $ 2 million invested and managed on commercial basis. DFCU will continue to require separate appraisal and supervision of equity and debt investments.

As of September 1995, less than half of the enterprises approved for financing are NTAEs, such as roses, pyrethrum and frozen fish production for export. Until now, opportunities in the agricultural sector have not yet been fully explored and exploited. In the new phase of venture capital support from ANEPP, preferably priority should be more for the development of rural agricultural investment, particularly in the NTAE sector, with focus on maize and beans production development and exports. In Uganda, lack of access to credit has been identified as a critical constraint to the expansion of NTAEs. The availability of venture capital, in particular, is considered a precondition for a new start of prospects expansion in the relatively high risk area of NTAEs.

The funding required for supplying improved seeds to farmers could start with a modest amount of less than US $ 500,000 for about 1,500 mt of improved maize seeds which will give an incremental output of 100,000 mt of maize worth US $ 17,000,000 to supply to WFP. With an expansion of exports to 500,000 mt of maize, the funding required would be about US $ 1,600,000 which is worth about US $ 87,500,000 in export earnings. In case of 1,000,000 mt of maize exports which would result in export earnings of US $ 175,000,000, the funding would be about US $ 3,200,000.

Requirement of the Markets

The WFP practice of locally purchasing food for projects and emergency operations aid, has given considerable support to the Government. Since 1989, WFP has made a significant attempt to purchase from the local market food items destined for its development activities and its refugee and emergency operations within Uganda and in the neighboring countries of Zaire, Burundi, Rwanda, Sudan, Tanzania and Kenya. For all purposes, sales to WFP could be considered as exports. WFP procures thousands of tons of food stuffs, mainly beans and maize from Uganda. In 1994, it procured 91,000 tons food worth US $ 20.0 million, and called for tenders for 45,000 tons in 1995.

466

WFP local purchases of food commodities especially maize, maize meal and beans, should have a positive effect in providing an incentive to Ugandan farmers to increase their production to meet WFP needs. As long as political turmoil still prevalent in neighboring countries, WFP will continue to provide a steady market for Uganda. This market could be further strengthened by making the Kampala office the Regional Procurement Head Office for Eastern and Southern Africa.

A significant benefit of the scheme is that even though WFP takes into account price and quality of the produce from neighboring countries and even world market, and the produce must meet certain minimum standards (for example the average moisture content for maize is 14 percent), the market would be more stable in terms of supply and indicative price. In free market economy, farmers' decisions for planting in the next season is a function of the realized prices in the previous season and the existence of future markets. If the price in the previous season is high and prospects for future markets are good, then farmers will respond by growing more in the next season, and the converse is also true.**

Strengthening Exporters' Associations

Unless Exporters' Associations get better organized, the export markets which are very competitive could be very hostile to them. It is fundamental that the Grain Exporters strengthen their organization, entertain good working relationship with other private sector professional organizations, mostly the Uganda National Farmers Association (UNFA) and other Exporters' Associations, to share experience of the market as well as to remove policy constraint common to all of them.

Through a successful implementation of the proposed credit scheme, the Grain Exporters could have loan facilities at lower interest rate to procure seeds from DFCU and provide them to the farmers. A successfully negotiated program may solve also their other credit constraints. As this has occurred in other fields of exports (e.g. coffee exports) exporters may have prefinance facilities from the buyers. This is an issue to be explored with WFP or other potential buyers.

As harmonized payment plan with the farmers (e.g. half advance payment from prefinance credit, and the other half after delivery of produce to WFP) may alleviate the burden of interest payment and other costs of credit with loans from commercial banks. After all, as the Grain Exporters provide seeds to the farmers on trust without asking for any "real collateral", the farmers could rely on them to act as their marketing intermediaries. The key to the success of the scheme requires that all parties, WFP, Grain Exporters, and farmers, etc..., understand and apply the concept of cumulative built-in profit motivation which means that profit can be cumulative and not necessarily exclusive.

** *For more details, refer to the Cobweb theorem.*

467

Benefits to the Rural Farmers

The scheme can promote not only increase in production but also raising income to the farmers. It is essential to understand that development of production is only the first step. It should be followed by a second step in gaining access to markets.

The favorable impact of the scheme will help solve the problems of access and cost of credit for the farmers. Besides, if successfully negotiated, they can take advantage of pre-payment (e.g. half payment from pre-finance scheme from WFP to the Grain Exporters) and post-payment (e.g. the other half after payment by WFP to the Grain Exporters on delivery of produce).

Finally, with improved seeds the farmers can significantly increase yield and revenue. The following approximate calculation is based on an average of 2 ha per household, and 2 seasons per annum. (Refer to table 100 p. 268).

(1) Under current maize seed rate of 12.50 kg per hectare, improved seeds would give an output of 10,000 kg instead of 6,250 kg with unimproved seed per annum and for 2 hectares i.e. an increase in output of 3,750 kg. As a result, revenue will increase from US $ 562 to about US $ 900, i.e. an increase of US $ 340 (or 60 percent) for an additional cost of improved seeds of about US $ 20.

(2) Under the optimum maize seed rate of 25 kg per hectare, improved seeds would give an increase in output of about 7,500 kg, and an increase in revenue of about US $ 680 (or 60 percent) per annum and for 2 hectares for an additional cost of improved seeds of about US $ 40.

(3) Under the current maize seed rate of 12.5 kg per hectare of unimproved seeds, if compared with the optimum use of seed rate of 25 kg per hectare of improved seeds, the increase in output would be about 15,000 kg and the increase in revenue would be US $ 1,360 per annum and for 2 hectares (or 120 percent), i.e. more than double.

468

Table 100: Gross Earnings for Maize per Hectare

SCENARIO A: Increased Seed rate*

	1 heactare	2 heactares	Year**
Earnings under current seed rate of 12.5 kg per hectare (unimproved seeds)			
Total seeds required	12.5 Kg	25	50
Cost of seeds @ 90/= per Kg	1,125 /=	2,250	4,500
Output	1,563 Kg	3,125	6,250
Farm gate price	90 /=	90	90
Revenue (Output X price)	140,625 /=	281,250	562,500
Earnings under the required seed rate of 25 kg per hectare (unimproved seeds)			
Total seeds required	25.0 Kg	50	100
Cost of seeds @ 90/= per Kg	2,250 /=	4,500	9,000
Output	2,500 Kg	5,000	10,000
Farm gate price	90 /=	90	90
Revenue (Output X price)	225,000 /=	450,000	900,000
Increase in revenue (Ushs)	**84,375**	**168,750**	**337,500**
Percentage increase	**60%**		

SCENARIO B: Using improved maize seeds

	1 heactare	2 heactares	Year**
Earnings under the required seed rate of 25 kg per hectare (unimproved seeds)			
Total seeds required	25.0 Kg	50	100
Cost of seeds @ 90/= per Kg	2,250 /=	4,500	9,000
Output	2,500 Kg***	5,000	10,000
Farm gate price	90 /=	90	90
Revenue (Output X price)	225,000 /=	450,000	900,000
Earnings under the required seed rate of 25 kg per hectare (improved seeds)			
Total seeds required	25.0 Kg	50	100
Cost of seeds @ 475/= per Kg	11,875 /=	23,750	47,500
Output	4,000 Kg***	8,000	16,000
Farm gate price	90 /=	90	90
Revenue (Output X price)	360,000 /=	720,000	1,440,000
Increase in revenue (Ushs)	**135,000**	**270,000**	**540,000**
Percentage increase	**60%**		
Overall increase in revenue****	219,375		
Overall percentage increase****	156%		

Note:

Increase in revenue by use of improved seeds and correct seed rate of 25 Kg per hectare 156%

* According to Uganda Seed Project, the estimated increase in yield is between 50 – 60 percent

** Within a year we have 2 seasons and on average 2 hectares per farmer

*** According to Uganda Seed Project, with seed rate of 25 kg per hectare yields will increase both for unimproved and improved seeds respectively to 2,500 kg and 4,000 kg per hectare

**** The overall increase shows the shift from the use of a seed rate of 12.5 kg per hectare of unimproved seed to 25 kg per hectare of improved seed.

469

IV.4 FOOD EXPORTS A RESPONSE TO THE CHALLENGE OF POVERTY REDUCTION AND GROWTH

The Government of Uganda with the assistance of the USAID Mission in Uganda have promoted an agriculture-led development policy with focus on exports particularly, NTAEs. Within the context of a national food strategy, food exports with particular focus on maize and beans will raise to the high level of a national strategic objective in order to overcome the challenge of poverty reduction and growth.

a) The Rationale of Food Export Promotion

An agriculture-led growth will have to be at the heart of Uganda's development strategy. Agriculture has the potential to feed the country, to supply food to the regional market, and generally to act as an engine of growth at home and a basis for cooperation in the region. The key to realizing this potential is not only to develop food crop production but also to promote export of food.

Food exports should even be considered as an essential policy component of the Government and externally-funded initiatives to support agricultural-led development strategy represented by cash purchases. Lack of demand and markets can become major disincentives to food production. Yet, domestic consumption levels for the main food crops already fall below production levels. In the long-term, commercial exports, in an expanding economy with trade liberalization and increased purchasing power in neighboring countries, can be expected to absorb an increasing amount of food crops surplus; and therefore, provide more incentive to increasing food production, raising income of the farmer and contributing most effectively to meet the challenge of poverty reduction and growth in Uganda.

With higher productivity due to adequate reform measures the overall increasing trend in food production would be higher than in food consumption in the future. This should result in more surplus for export. In Uganda, therefore, the potential really exists for promotion of food exports. Proponents of food exports even find a rationale in the fact that prospects for food crops production development could not be exploited in the absence of exports. In fact, food exports not only provide incentives to promote food production at home to supply the domestic market, but also represent an important sizeable potential external market for Uganda in the context of food deficit in Sub-Saharan Africa, taking advantage of the regional economic integration.

With an effective food export promotion policy, Uganda should be able to widen its domestic market, increase productivity of its agricultural production and improve incomes of the rural and non-rural poor. Besides, while improving the external balance of trade to move the country toward more self-reliance, food exports will contribute to strengthen the regional participation and contribution of Uganda in the common effort to overcome the problem of famine in the Horn of Africa, and more generally enhance food security in the COMESA and Sub-Saharan Africa.

470

The potential for food exports development in Uganda is real. More particularly, maize and beans do have great prospects for export. Based on national projections, from 1995 to 2000, surplus in maize could reach the level of about 500,000 to 1,000,000 mt and beans from 25,000 to 125,000 mt for exports

Table 101: Projected Food Balance for Maize and Beans 1995 - 2000 (thousand mt)

Year	Maize			Beans		
	Supply	Demand	Surplus	Supply	Demand	Surplus
1995	854	354	500	367	342	25
1996	939	368	571	396	355	41
1997	1,030	382	648	428	370	58
1998	1,333	397	736	460	384	76
1999	1,246	400	846	500	400	100
2000	1,370	415	955	540	415	125

Source: EPAU Food Status Framework, 1995.

Besides, with a successful regional trade negotiation and an effective export penetration strategy into the food shortage countries in the regional markets, the potential markets for Ugandan maize and beans exports are also huge.

Table 102: Potential Markets for Ugandan Maize Exports (Metric tons)

Market	Potential Market	
WFP	70,000 -	100,000
Kenya	500,000 -	1,000,000
EAC	1,000,000 -	1,500,000
IGADD	1,500,000 -	3,000,000
COMESA	Above	3,000,000

Source: EPAU, Compilation from various resources WFP, IGADD, COMESA

471

Looking toward the future, food exports will not only provide an effective response to the challenge of growth and poverty reduction in Uganda but also enhance food security in the Greater Horn of Africa and promote cooperation and stability in the region. Based on its far-reaching impact at home and abroad, food security and exports strategy ought to be of highest priority for the Government of Uganda as the country moves from rehabilitation to development.

b) **Food Exports and Poverty Reduction**

There is an increasing recognition that development problems of the poor must be dealt with in a most comprehensive way. More important is unless the poor can fully participate in the process of growth, growth by itself will not significantly contribute to eradicate poverty and increase the living standard of the people, as expected.

In Uganda, since the level of living of the population is so low, poverty alleviation has become a major policy objective of the Government. Statistics and surveys clearly show that about 90 percent of the population spend two thirds of their income on food. For the remaining 10 percent, the share of food consumption in total expenditure is about half. Achieving food security would have solved at least more than half of the problems of the poor. In reality, the central aspect of the daily struggle of poor people to survive is their insecurity of access to sufficient and nutritious food.

Most important, however, if in the short-term food insecurity alleviation and reduction are necessary, in the long-term, building the productive capacity of the poor to produce for themselves, and raising income of their family, is to be preferred. Food exports, by providing an incentive to promote food production can fulfill this desirable function.

From the proposed food exports strategy, with appropriate policy support at macro, sectoral and micro-levels, an export of 1,000,000 mt of maize and beans should not be out of reach for Uganda from now to the year 2000. Such an export will increase income by about US $ 170 per household with one cultivable hectare of maize with improved seeds per year, and US $ 340 per household with 2 cultivated hectares of maize with improved seeds per year. As a result each household will have at least, double their income considering a per capita GDP of US $ 170.

The food export program could also contribute to raise the living standard of more than 500,000 households, i.e, about 3,000,000 people (average of 6 persons per household). Such increase in income would have an impact on at least an equal number of people, resulting in a potential improvement in the living standard of more than 6 million poor people, if accounting for the multiplication and acceleration effects of new income generation. With an effective National Food Strategy, the overall impact of a food export program of 2,000,000 mt would contribute to raise the living standard of about 13 million people, i.e. 60 percent of Ugandans who are classified as poor based on the welfare assessement by the World Bank.

472

Table 103: Increased Income of Household

CASE 1: INCREASE EXPORTS TO 100,000 METRIC TONS OF EXPORT

Present seed rate per hectare	12.5 Kg
Average holding per hectare	2 Hectare
Seeds required per household	25 Kg
Seeds required (100,000 metric tons)	1,333 m tons
Number of households with increased incomes	53,333

CASE 2: INCREASE EXPORTS TO 500,000 METRIC TONS OF EXPORT

Present seed rate per hectare	12.5 Kg
Average holding per hectare	2 Hectare
Seeds required per household	25 Kg
Seeds required (500,000 metric tons)	6,667 m tons
Number of households with increased incomes	266,667

CASE 3: INCREASE EXPORTS TO 1,000,000 METRIC TONS OF EXPORT

Present seed rate per hectare	12.5 Kg
Average holding per hectare	2 Hectare
Seeds required per household	25 Kg
Seeds required (1,000,000 metric tons)	13,333 m tons
Number of households with increased incomes	533,333 (or 3,200,000 people *)
Total number of households(with multiplication and acceleration	1,066,667 (or 6,400,000 people *)

* The average number of members per household is six.

NB: An investment of US$ 3.2m on improved seeds will yield a return of US$ 175m
The increase in incomes will benefit a total population of 3m in the rural areas
An additional dollar of income in the agricultural sector would lead to an income increase of about US$ 0.50 [illegible] 1.00.
Therefore, there will be an equivalent increase in number of at least the same in the non-agricultural sector.

c) Food Exports in Accelerating Growth

The achievement of sustainable growth and equitable development has been the greatest challenge for Uganda, for despite good progress over the past ten years, the majority of the population still live in poverty and suffer inadequate access to the resources such as food, education, health services, land, credit, infrastructure, etc.... required to give them a chance for better life.

With the implementation of an effective food export strategy, not only equitable distribution of growth could be ensured, but also accelerated rate of growth can be promoted. Annual export earnings of 1,000,000 mt of maize exports will provide US $ 175.0 million. With cumulative multiplication and acceleration effects, total increase earnings from new income generation could be double this amount, i.e. US $ 350.0 million. In total there will be an additional increase of about 7 percent of GDP which was about US $ 4,850 in million in 1994/95.

A successful maize export program of 1,000,000 mt would help double the growth rate of 6 percent of GDP as it is projected now under structural adjustment program. A more successful maize export program of 2,000,000 mt would help more than triple the projected 6 percent growth rate of GDP in 1994/95.

473

Table 104: Accelerated Growth through Food Exports

CASE 1: INCREASE EXPORTS TO 100,000 METRIC TONS OF EXPORT

Increase in output per kilo of seeds	75 Kg
Price of a Kilo of improved seed	475 /=
Increase in output required per annum	100,000 m tons
Seeds required (for 100,000 metric tons of additional output)	1,333 m tons
Cost of improved seed per season	$316,666.67
Annual export earnings from 100,000 metric tons @ US$. 175 per (mt)	$17,500,000.00

CASE 2: INCREASE EXPORTS TO 500,000 METRIC TONS OF EXPORT

Increase in output per kilo of seeds	75
Price of a Kilo of improved seed	475 /=
Increase in output required per annum	500,000 m tons
Seeds required (for 500,000 metric tons of additional output)	6,667 m tons
Cost of improved seed per season	$1,583,333.33
Annual export earnings from 500,000 metric tons @ US$. 175 per (mt)	$87,500,000.00

CASE 3: INCREASE EXPORTS TO 1,000,000 METRIC TONS OF EXPORT

Increase in output per kilo of seeds	75 Kg
Price of a Kilo of improved seed	475 /=
Increase in output required per annum	1,000,000 m tons
Seeds required (for 1,000,000 metric tons of addition output)	13,333 m tons
Cost of improved seed per season	$3,166,666.67
Annual export earnings from 1,000,000 metric tons @ US$. 175 per (mt)	$175,000,000.00
Total earnings (with multiplications and accumulation effect)	$350,000,000.00

Assumptions

1/ There are two cropping seasons in a year for Maize, and the same amount of financing can be used per season

2/ The exchange rate is Ushs. 1000 to the dollar

d) Food Exports and Self Reliance

A successful food export program of 1,000,000 mt of maize would provide about US $ 175 million in export earnings bringing food exports to the same level of the major traditional coffee exports. More importantly, it would contribute to bridge the gap in the balance of trade. An effective food export promotion strategy coupled with an appropriate import policy limiting the level of imports to the average level of the last three years of about US $ 700 to 750 million will contribute to successfully bridge the balance of trade, without having to depend on external sources for balance of payment support. Export earnings in 1994/95, which were US $ 539.8 million, if added to US $ 175 million of expected potential exports would amount to about US $ 715 million. With a food export program of 2,000,000 mt, Uganda could even achieve US$ 350 million in export earnings which should provide a comfortable surplus in the balance of trade without the need to curb even the present abundant import program in Uganda, to move the country toward a self-reliance economy.

474

Table 105: External Trade (in US $ Mn)

	Exports	Imports	Trade Balance
1992/93	169.3	530.0	-360.7
1993/94	253.9	717.7	-463.7
1994/95	539.8	981.0	-441.2
Average	321.0	742.9	-421.9

Source: Key Economic Indicators, November 19: Quarterly Economic Report Volume 02/94, and Background to the Budget 1995/96.

In the final analysis, overall results of a successful integrated national food strategy to promote food security, food production development and distribution, and food exports would not only contribute eradicate poverty and promote accelerated growth but also effectively move the country toward self-reliance.

4.15

IMPACT OF NATIONAL FOOD STRATEGY TO PROMOTE FOOD SECURITY, FOOD PRODUCTION, AND FOOD EXPORTS

Increase in income and employment per household

Increase in Exports (in Metric tons)	High Income generated Employment (2 members per household)	Increase in income per household in US $ (1)	(2)
100,000	106,667	170	340
500,000	553,333	170	340
1,000,000	1,066,667	170	340
2,000,000	2,133,333	170	340

Note: (1) Each household cultivates 1 hectare per annum (two seasons) on average
(2) Each household cultivates 2 hectares per annum (two seasons) on average

Number of Farmers to get increased incomes
(Based on the current seed rate of 12.5 Kg per Hectare)

Increase Exports (in Metric tons)	Seeds Required (in Metric tons)	No. of households to benefit	Population to benefit	Overall Population to benefit*
100,000	1,333	53,333	320,000	640,000
500,000	6,667	266,667	1,600,000	3,200,000
1,000,000	13,333	533,333	3,200,000	6,400,000
2,000,000	26,667	1,066,667	6,400,000	12,800,000

1,000,000 mt Exports — * In reality, the overall population to benefit should be up to 6.4 million people or about 30 percent through income multiplication and acceleration effects, based on findings from research on consumption linkage which indicate that each additional US $ 1.00 of income in the agricultural sector would generate between US $ .50 to US $ 1.00 of increased income in the non-agricultural sector.

2,000,000 mt Exports — * The overall population to benefit should be much higher up to 12.8 million people or about 60 percent through income multiplication and acceleration effects in the agricultural sector and non-agricultural sector. If considering the measure of welfare based on the World Bank, 61 percent of Ugandans are classified as poor, almost all the poor could be better off.

Prospects for Self-Reliance

Year	Exports US $ million	Imports US $ million	Trade Balance US $ million
1992/93	169.3	530.0	-360.7
1993/94	253.9	717.7	-463.7
1994/95	539.8	981.0	-441.2
Average	321.0	742.9	-421.9

Source: Key Economic Indicators, November 1995, Quarterly Economic Report Volume 02/94, and Background to the Budget 1995/96.

1,000,000 mt Exports: US $ 540 million (exports in 1994/95) + US $ 175 million (increase in export earnings) = US $ 715 million.
Imports: Projected to be between US $ 700 million and US $ 750 million.
Balance of trade would be achieved.

2,000,000 mt Exports: US $ 540 million (exports in 1994/95 +US $ 350 (increase in export earnings) = US $ 890 million.
Imports: Projected to be between US $ 700 million and US $ 750 million.
Balance of trade would be in surplus.

Increases in Export Earnings and Accerelated Growth

Increase in Exports (in Metric tons)	Seeds Required (Metric tons)	Cost of seeds per season (US $)	Annual increase Export Earnings (US $)	Overall increase in earning (US $)
100,000	1.333	316,667	17,500,000	35,000,000
500,000	,667	1,583,333	87,500,000	175,000,000
1,000,000	13,333	3,166,667	175,500,000	350,000,000
2,000,000	26,667	6,333,333	350,000,000	700,000,000

1,000,000 mt Exports: An increase of US $ 350.0 million would increase an additional 7 percent of growth rate of GDP which was US $ 4850 million in 1994/95.
The overall growth rate of GDP could be brought to more than 12 percent, i.e. double the present projected growth rate of 6 percent.

2,000,000 mt Exports: An increase of US $ 700.0 million would increase an additional 14 percent of growth rate of GDP and the overall growth rate of GDP could be brought to about 20 percent (1994/95 GDP level).

476

CONCLUSION

Trial and Experience

If Uganda is to meet the challenge of poverty reduction and growth, modernization of agriculture in general and particularly development of food production to promote food security and food exports have to be at the core of its development strategy. Achievement of such a strategy, depends basically on policies and reforms in key areas of interest such as macro-economics, sectoral policies for agriculture and trade, and policy support at micro level, etc... These policy reform programs have to be consistently designed and implemented to achieve significant progress as expected. In Uganda, if structural adjustment programs have been considered as essential to move the country from rehabilitation to development, assessments about their performance often are mixed.

A Significant Milestone

There is a Uganda, with high prospects for the future, which despite a difficult starting point has staged a remarkable economic recovery and is moving toward self-sustainable development.

According to the IMF the process has been characterized by renewed economic growth and major progress in structural adjustment, setting an example for many countries to follow. Uganda's turn around since 1987 has been impressive by any standard. Economic growth has averaged almost 6 percent per annum in the years through 1994. With inflation falling sharply, the economy has been stabilized. Fiscal discipline has played a key role in the Government's strategy. The external current account deficit (excluding grants) has declined markedly. More over, substantial structural reforms have taken place in the economy in the areas of price liberalization, public enterprise reform, financial sector structural adjustment, civil service reform and army demobilization, etc...*

In this Uganda which has benefited from trickle-down policy of structural adjustment, the economy has been liberalized, private sector developed, investment boomed, import business flourished, and even casinos mushroomed. These are good reasons for structural adjustment economists to be proud of.

**Based on the "IMF Uganda: Adjustment with Growth 1987-1994" by Robert L. Sharer, Hema R. Dezoysa and Calvin A. McDonald, IMF, March 1995. P.2*

A Challenge to Overcome

There is another Uganda which is still one of the poorest countries in the world. Its weak economy and poor social indicators are the legacy of nearly 15 years of political turmoil and economic decline, the present is uncertain but the future is even less reassuring.

Economic growth has been substantial, but it was basically due to support from foreign aid, and anyway has not significantly reached the majority of people living in the rural areas or depending on agriculture. Unemployment rate, and not inflation indicator, which can be considered as a proxy for real economic activity is invariant, and has even deteriorated with monetary stabilization policy. The budget could only be balanced with the support of foreign aid, and budget deficit will increase from US $ 80 million in 1990 to US $ 768 million in 2003 based on projections prepared by the World Bank. From a deficit of US $ 430 million in 1990, the gap in the resource balance continues to widen to US $ 1,086.8 million in 2003. The foreign debt which was US $ 2,097 in 1990 increased to US $ 2.560.7 million in 1994, and is projected to reach the ceiling of US $ 4,886.0 in the year 2003. A reduction or an end of external assistance will immediately put the country in jeopardy.*

In this Uganda, looking from bottom up, children who could hardly afford one nutritious meal per day abound, young men could not marry because they are unable to pay the dowry, women still have to endure the status of second class citizen under customary rules, and a poor household of 5 in rural areas has to share just one hoe as means of production. These are as good reasons for policy makers to be concerned.

In the final analysis, the development of Uganda is conditioned by its own configuration. More specifically, its severe conditions will bear a heavy influence on the choice of its development goals and the timing to carry out its objectives. Therefore, in accordance with its own historical heritage, political situation, geographical position, economic endowment, and social standard, it must follow its own course of development. Development technique, orientation, and model may be alike, but efforts, goals and strategy cannot be the same for a country in all stages of its development, or for all countries without due regard to their peculiar features. As for Uganda, its development strategy must be adjusted to the realities of the country. It is not just a formal implementation of structural adjustment but also a goal-oriented action system. Policy decision making must be "transcended" and truly "adjusted" to Uganda's ultimate national interest.

---

* *Projections extracted from the World Bank "Uganda: The Challenge of Growth and Poverty Reduction" June 1995, Annex II: Macro-economic Projections.*

SELECTED BIBLIOGRAPHY

Food Situation Report No.196, IGADD, 15th January, 1996.

Northern Uganda Food Security Project (NUFSP), The NUFSP Assessement Team January 20, 1996.

A 2020 Vision for Food, Agriculture and the Environment, by the International Food Policy Research Institute and the National Geographic Society, June 13-15, 1995.

A Study of Poverty in Selected Districts of Uganda, by Charles Lwanga Ntale, Kampala, March 1996.

World Food Summit: Food Security Situation and Issues: A U.S./Canada Perspective, by the Governments of United States and Canada, June 6, 1996,

WFP Input to the World Food Summit, Tackling Hunger in a World Full of Food: Tasks Ahead for Food Aid, by World Food Program, May 29, 1996.

Uganda: Early Warning and Food Security Quarterly Bulletin, by the National Early Warning and Food Information Unit, October, 1995.

Proposed Restructuring of the Department of Relief and Resettlement Services in the Ministry of Labor and Social Affairs, 30 June, 1995.

Requirements of the Department of Disaster Management, Ministry of Labor and Social Welfare, 13 November, 1995.

Expanded Food Security in Northern Uganda Amongst Ugandan and Sudanese Refugees, Northern Uganda Assessment Team (Derek Wright, Okema James, Joseph Towongo, Elias Pitia, Charles Okweny, Gordon Wagner, Jon Wagner), 19 September, 1995.

FEWS Bulletin; Potential Maize Exports (Kenya, Horn of Africa, Southern Africa, Sahel), September 22, 1995.

Uganda Finds Export Markets in Troubled Region, Famine Early Warning System, October 1995.

WFP Country Strategy Outline (SCO), 12 September, 1995.

WFP Uganda Food Procurement Program, WFP, 21 August, 1995.

Women: The Key to Food Security, International Food Policy Research Institute, August 1995.

Uganda: Refugee Network, United Nations High Commissioner for Refugees, September 1995.

479

Uganda Food Balance Sheet, Agnes M. Ssekiboobo, Margaret Kakande, May 1994.
Economics of Crop and Livestock Production 1993/94, Agricultural Secretariat, 1993/94.

Employment Generation and Poverty Reduction in Uganda by Eastern Africa Multi-disciplinary Advisory Team (EAMAT) Addis Ababa, April 1995.

Population and Food in the Twenty First Century, International Food Policy Research Institute (IFPRI), 1995.

Uganda Food Nutrition and Nutrition Policy, GOU, July 1994.

Food Production and Food Security by Professor J.K. Mukiibi, 21 October, 1993.

Uganda: Early Warning and Food Security Quarterly Bulletin, by the National Early Warning and Food Information Unit, July 1994.

Food Aid in Figures, Food and Agricultural Organization of the United Nations, 1993.

Food Security, SADC Regional Early Warning Unit, 31 March, 1993.

Report on the Workshop Proceedings on Food Security Awareness, World Food Program, November, 1993.

Overview of WFP Procurement Operations, WFP, 1993.

WFP Facts and Figures 1992, WFP, October 14, 1993.

Food Supply Situation and Crop Prospects in Sub-Saharan Africa, Food and Agriculture Organization of the United Nations, December 1992.

Uganda Non-Traditional Export Commodity Rapid Appraisal (Final Draft), U.S. Agency for International Development, July, 1992.

Agricultural Sector Development Planning and Policy Analysis, UNDP, February 1992.

Sustainable Food Production in Sub-Saharan Africa, International Institute of Tropical Agriculture, 1992.

Causes and Effects of the 1980 Famine in Karamoja, CBR, June 1992.

Pastoralism, Crisis and Transformation in Karamoja, CBR, June 1993.
Facing the Food Crisis in Sub-Saharan Africa, J.M.A. Opio-Odongo, 14 January, 1987.

Governance, Morality and Food Security in Sub-Saharan Africa, J.M.A. Opio-Odongo, August 3, 1987.

180

Measuring Change in Nutritional Status, World Health Organization, 1983.

The Assessment of the Nutritional Status of the Community, World Health Organization 1966.

WFP Country Strategy Outline for Uganda, WFP.

Food Insecurity and The Hungry Poor, WFP.

Land Reform, A Concept Paper for Policy Approach, by Dr. Tuan Anh Nguyen, December, 1995.

Statutes on Uganda Land Law, Law Development Center, October 1994.

Comparative and Multidimensional Analysis of Communal and Private Property Resources (Land) Tenure and Rural Development in Uganda by Kisamba Mugerwa, W. Augustus Nuwagaba, October, 1993.

Land Disputes in Uganda: An Overview of the Types of Land Disputes and the Dispute Settlement FORA by John Kigula, March 1993.

The Dynamics of Land Market and Issue of Compensation in Uganda by Elizabeth Troutt, Mark Marquardt, W. Kisamba Mugerwa, Richard Barrows, July 1993.

Comparative and Multidimensional Analysis of Communal and Private Property Resources (Land) Tenure and Rural Development in Uganda by Kisamba-Mugerwa, W. Augustus Nuwagaba, October, 1993.

Land Tenure and Agricultural Development in Uganda by Makerere Institute of Social Research and Land Tenure Center 1, University of Winconsin-Madison, U.S.A. June, 1989.

CBR Memorandum on the Proposed Land Tenure and Control Bill in Uganda, CBR, August 4, 1992.

Uganda: Agricultural Sector Management (ASMP), Agriculture and Environment Donor Sub-group Meeting, August 16, 1995.

Ministry Corporate Plan 1995/96-98, Ministry of Agriculture, Animal Industry and Fisheries, July, 1995.

Basic Facts on Agricultural Activities in Uganda, First Draft GOU, 1995.

Economic of Crop Production, Agricultural Secretariat November, 1993.

Pastoral Crisis and Transformation, Center for Basic Research, April 1993.

1954

National Agricultural Research Strategy and Plan, Uganda Working Group 9A - Agricultural Policy Committee, 1991.

Trade to Kenya (Supply Factors in the Maize and Beans) by Barnabas Sekabembe, Julie Stepanek, April 1994.

Agreement for Technical Assistance Between the Government of the Republic of Uganda and Agrar Consulting GMBH EINBECK Federal Republic of Germany, Seed Industry Rationalization Project Uganda, September 30, 1995.

The Agricultural Seeds and Plant Statute, 1994, GOU, 23rd September, 1994.

Feasibility Studies on the Rehabilitation and Development of Seed Farms, Food Crops and Horticultural Export Sector: Marketing Study by Directorate-General, International Cooperation (DGIS), April 1994.

Crop Post Harvesting Handling Analysis, Technical Proposal, June 15, 1994.

Crop Marketing Promotion Strategy by DANIDA, September 1994.

1993/94 World Maize Facts and Trends, CIMMYT, 1993/1994.

The Marketing System for Beans in Uganda by Manuel Vanegas, James Muwanga and Stephen Lwasa, May 1992.

Post Harvest Management and Storage of Food Legumes, AGROTEC, January 1994.

Constitution of the Republic of Uganda, The Republic of Uganda, 1995.

Background to the Budget 1995-1996, The Republic of Uganda, June, 1995.

Budget Speech by Ministry of Finance and Economic Planning, June 15, 1995.

Background to the Budget 1994-1995, The Republic of Uganda, June 1994.

Finance Bill 1993, the Republic of Uganda, 1993.

Report of an Independent Working Group on the Ugandan Economy, Gerry Helleiner, William Kalema, Ole Moelgaard Andersen, Pe Pinstrup-Andersen, Sven Riskaer, Ezra Suruma, September 1993.

A Critique of Professor Mamdani's "Uganda, Contradictions of the IMF Program and Perspective" by E. Tumusiime-Mutebile, January 1990.

Selected Issues in Stabilization and Adjustment Policy in Uganda by E. Tumusiime Mutebile, January 1990.

482

Use of Household Consumer Expenditure Survey Data for Measuring Poverty Trends in Uganda, by the Household Survey Staff of the Statistics Department of the Ministry of Finance and Economic Planning, November 1995.

Uganda National Household Survey 1993-1994, Ministry of Finance and Economic Planning, September 1995.

A Reassessment of GOU Investment and Export Promotion Strategy with Focus on NTAEs (Contribution to the Amendment of the Investment Code 1991), by Dr. Tuan Anh Nguyen, August, 1995.

Towards a Realistic and Stable Foreign Exchange Rate for Uganda, by Dr. Tuan Anh Nguyen, November, 1995.

Impact of Foreign Exchange Rates on Exports, with Focus on NTAEs, by Alifas Yeko Mwanga, Charles Owach, Paul Wagubi, February, 1995.

Credit and Marketing Support to the Uganda National Farmers' Association, Management Consulting for Development B.V. Amhem, the Netherlands, September, 1995.

A Review of Credit Facilities for Agricultural and Export Finance (With Special Focus on Non-traditional Agricultural Export), by Martin Onyach-Olaa, Yeko Mwanga, April 1995.

Impact of Government Investment and Export Promotion Policy (An Assessment of Policy Constraints with Focus on the Anti-Export Bias due to the Protection System) by Dr. Tuan Anh Nguyen, June 1994.

A Review of Laws that Impede Investment, Trade and Export Promotion in Uganda, by Freddie Ruhindi, 19th October, 1994.

Africa and Asia: Can High Rates of Economic Growth be Replicated? Peter B. Robinson and Somsak Tamburilertchai, February, 1993.

SAATS Trip Report, East Africa, Kenya, Ethiopia, and Uganda, James F. Oehmke, Sept 26-Oct 9, 1994.

Summary of FAPU Outlook, Manuel Vanegas, Stephen Lwasa and David Mwesiga, February, 1993.

Increasing the Contribution of Technology to Economic Growth and Sustainable Use of National Resources by James F. Oehmke, January 24-27, 1995.

Investment in Human Capital: How to Reduce Drop-outs and Improve the Quality of Education in Uganda, Kakande and Nalwadda, 1993.

National Forum on Strategic Management for Private Investment and Export Growth by Presidential Economic Council, October 28-29 and 30, 1992.

483

Increasing the Contribution of Technology to Economic Growth and Sustainable Use of Natural Resources: The SAATS Development Paradigm, James F.Oehmke, Sept 26-Oct 9, 1994.

United States Agency for International Development (USAID)

Uganda: Country Strategic Plan, USAID, 1992-1996.

Comparative Cost of Production Analysis in East Africa, USAID, May 1995.

A preliminary Review of the Food Security Situation in Uganda, Preliminary Summary Report, August 12, 1994.

The Main Report of the Final Report for a Pilot Survey to Obtain Baseline Data for Monitoring and Evaluation of Changes in Rural Men's and Women's Incomes, Decision Making and Control of Resources, USAID, November, 1993.

Annexes for the Final Report for a Pilot Survey to obtain Baseline Data for Monitoring and Evaluation of Changes in Rural Men's and Women's Incomes, Decision Making and Control of Resources Vol. II, December, 1993.

Data Documentation for a Pilot Survey to obtain Baseline Data for Monitoring and Evaluation of Changes in Rural Men's and Women's Incomes, Decision Making and Control of Resources, Vol. III, USAID, December, 1993.

World Bank

Literacy and Primary Education, Human Resources Development and Operations Policy, February 1995.

Health Services Delivery and Decentralization, by Bagambisa George, 6th November, 1995.

Taking Action for Poverty Reduction in Sub-Saharan Africa, Poverty and Human Resources Division, August 31, 1995.

Uganda: The Challenge of Growth and Poverty Reduction, Document of the World Bank, June 12, 1995.

The Role of Infrastructure and Credit in Rural Development and Poverty Reduction, by Jack Van Holst Pellekaan, Pierre Romand-Heuyer and David Bigman, Novemebr 6-7, 1995.

484

Policy Reforms and Spending Priorities in Health and Education, GOU/World Bank, November 6-7, 1995.

Reducing Poverty: Lessons from Experience by Mark Baird and Deborah Wetzel DECVP, The World Bank, 1995.

Integrated Approaches to Human Resource Development, Human Resources Development and Operations Policy, November 1994.

Notes on Education and Economic Growth: Theory and Evidence, Human Resources Development and Operations Policy, September 1994.

World Development Report 1993, The World Bank, 1993.

Uganda: Growing out of Poverty, A World Bank Country Study, June, 1993.

Implementing the World Bank's Strategy to Reduce Poverty, by World Bank, April, 1993.

International Monetary Fund

Annual Report 1995, International Monetary Fund, September 13,1995.

Uganda Enhanced Structural Adjustment Facility Policy Framework Paper, 1995/96-1997/98, International Monetary Fund, November 8, 1995.

Uganda: Adjustment with Growth, 1987-1994, International Monetary Fund, March 1995.

Policy Framework Paper for 1994/95-1996/97, International Monetary Fund, August 15, 1994.

World Economic Outlook, International Monetary Fund, October 1993.

United Nations Development Program (UNDP)

Human Development Report 1995, UNDP, 1995.

Human Development Report 1994, UNDP, 1995

Human Development Report 1993, UNDP, 1993.

Human Development Report 1992, UNDP, 1992.