

# On-Line Small-scale Farmers' Post-Budget Dialogue 2020



## COMMUNIQUE

### Preamble

The National Budget for FY2020/21 is the first budget through which the Government of Uganda will implement the first year of National Development Plan (NDP) III and Agriculture Sector Strategic Plan (ASSP) II. On 11th June 2020, the government tabled the budget for the FY2020/21 in Parliament. The budget reading came in when the agriculture sector, which is one of the priority sectors, is struggling with extreme weather events and pests such as locust's invasion among others. COVID-19 also presents a unique challenge to the sector with several containment measures of which some restrictions are exposing small-scale farmers to experience constraints in access to credit, advisory services, inputs, and markets for outputs, creating restlessness and uncertainty.

Small-scale farmers from over 30 districts of Uganda, policy makers, media and other budget advocates convened an on-line Conference on Friday 12th June 2020 using Zoom with financial support from Oxfam in Uganda and Bread for the World (BFtW) through the ESAFF Regional office. Small scale farmers, policy makers and other stakeholders dialogued and discussed insights on the national budget as well as developing alternative budget proposals and a budget influencing plan for FY2021/22. Small scale farmers were mobilized across the country to listen to the budget reading.

Recalling that Uganda like other heads of states adopted the **Malabo Declaration of 2014** which aimed at accelerated African agriculture growth and transformation for shared prosperity and improved livelihood. Enhancing investment finance in the agriculture sector is one of the seven declaration commitments, where heads of states committed themselves to invest at least 10% of their national budget in agriculture sector to allow it grow to at least 6% annually. We further recall that ESAFF Uganda together with other ESAFF members in the East African Community (EAC) petitioned the EAC Heads of State through the East African Legislative Assembly (EALA) to progressively invest in the agriculture sector in respect to the 2014 Malabo Commitments.

We noted that the National Budget for FY2020/21 is UGX 45.5 Trillion. The agriculture sector received UGX 1,325 Trillion, with a percentage share of 2.9% far below the 10% 2014 Malabo commitment. The sector grew by 4.2 percent in FY2019/20, up from 3.8 percent in FY2018/19. Further, local government where sector programs and projects are implemented, received a paltry 12.5% (166.46 billion).

We further noted that allocation to agriculture extension services intended to support small scale farmers with good agricultural practices for improved productivity is still insufficient. Currently one extension worker serves 1:800 farmers against the recommended ratio of one extension worker to 1:500 farmers. Further as much as the sector has remained resilient and continued to sustain food security- agricultural inputs, mechanization, water for production, storage, value addition and organized marketing have remained a big challenge to small scale farmers.

Small scale farmers across the country are struggling with pests, vectors and diseases, harsh weather conditions, appalling extension services of 1:1800, agro-product losses due to inaccessible value addition, credits and agro-markets. This situation is worsened by COVID-19

prevention measures such as transport restrictions, quarantine, social distancing, domestic violence and bans on weekly agro-markets. This is creating restlessness and uncertainty amongst small scale farming communities.

We commended the Government for its efforts on reducing taxes on agriculture supplies as highlighted in the Budget speech for FY 2020/21 as well as VAT exemption on the supply of agricultural equipment. Further, farmers commended government for VAT exemption on processed milk stating that this will enhance the price competitiveness of milk produced in Uganda.

## Based on the discussions, small-scale farmers;

1. Launched a budget campaign for the new financial year to ensure that a just and fair budget is allocated to the sector come FY2021/22 so as small-scale farmers are supported especially the youth and women at grassroots level.
2. Appealed to the government for a systematic involvement in budget development and accountability processes right from the local levels to national levels for effective service delivery in the sector.
3. Challenged the government to progressively increase the budgetary allocation to the agriculture sector as per the 2014 Malabo Commitment. And also implement the requests forwarded by small-scale farmers in the **Small-scale Farmers' Petition**.
4. Call on District Local Governments to put in place and operationalize grassroots platforms for enhancing small scale farmers' active participation in budget development processes.
5. Call on the government to ensure that there is a just and fair system in support of small-scale farmers enjoy funds for wealth creation areas as well as the 14 production lines identified by the President of Uganda under the COVID-19 response plan.
6. Draw the attention of government of Uganda and other stakeholders to the recommendations made during the **On-line Conference on the impact of the COVID-19 on small-scale farming, food security and sovereignty in the EAC**. And further review the current National Budget to respond to the effects of COVID-19 to the sector.

## Conclusion

Agriculture sector remains the most critical sector in the economy even during the COVID-19 pandemic. Government needs to rethink its planning and budgeting mechanisms to focus on agricultural production and productivity as well as employing small-scale farmers. This means that adequate financing for the sector will provide the much-needed resources to build resilience of the sector against COVID-19 pandemic, locusts invasion and natural disasters to perform optimally.

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