

# UGANDA CAADP COMPACT

## TO SUPPORT

### THE SUCCESSFUL IMPLEMENTATION OF THE AGRICULTURAL SECTOR DEVELOPMENT STRATEGY AND INVESTMENT PLAN (DSIP)

#### A. Background for the Implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) in Uganda

##### 1. CAADP as an African Owned Agenda and a Shared Development Framework

The Comprehensive Africa Agriculture Development Programme (CAADP) is at the heart of efforts by African governments under the AU/NEPAD initiative to accelerate growth and eliminate poverty and hunger among African countries. The main goal of CAADP is to help African countries reach a higher path of economic growth through agriculture-led development which eliminates hunger, eliminates poverty and food and nutrition insecurity, and enables expansion of exports. CAADP is comprised of four pillars: (i) extending the area under sustainable land management and reliable water control systems; (ii) improving rural infrastructure and trade related capacities for market access; (iii) increasing food supply, reducing hunger, and improving responses to food emergency crises; (iv) improving agricultural research, technology dissemination, and adoption. The pillars are supported by three cross-cutting areas namely: academic and professional training in agriculture; and knowledge systems, peer review, and policy dialogue. Within the Ugandan context, the CAADP framework will be implemented through the DSIP whose main priority areas for public sector investments include: (i) enhancing sustainable production and productivity; (ii) improving access to markets and value addition; (iii) creating an enabling environment, and; (iv) institutional strengthening in the sector. As a program of the African Union, it emanates from and is fully owned and led by African governments. The Common Market for Eastern and Southern Africa (COMESA) has been mandated to coordinate and harmonize CAADP implementation in its region as a partner with national governments. As part of the New Partnership for Africa's Development (NEPAD) initiative, CAADP fully reflects its broader principles of mutual review and dialogue, accountability, and partnership.

##### 2. CAADP Value Addition at Country Level

Although continental in scope, the CAADP agenda is an integral part of national efforts to promote agricultural sector growth and economic development. It provides a shared framework for strategy planning and implementation, and for partnership and development assistance in the sector. This is based upon the recommendation of Africa's professional communities of practice and broad dialogue with stakeholders across the continent. Further, it offers the prospect of political, technical and financial support for countries with plans and strategies that are aligned with the CAADP framework. In aligning with CAADP, countries adopt common commitment to achieve an annual growth rate of 6% in agriculture, the Maputo Declaration of allocating 10% of national budget to the agricultural sector.

In Uganda, the CAADP framework and processes have strengthened the quality of Agricultural Sector Development Strategy and Investment Plan (DSIP) under the National Development Plan (NDP). The ultimate goal of the CAADP process in Uganda is to support the development and implementation of a coherent agricultural sector agenda, by: (i) helping define a long term

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framework to guide the planning and implementation of current and future DSIP programs; (ii) identifying strategic options and sources of poverty reducing growth for the agricultural sector over the next five years; and (iii) developing existing and new strategic analysis and knowledge support systems to facilitate peer review, dialogue, and evidence based planning and implementation of agricultural sector policies and strategies. Furthermore it is intended that the national CAADP compact will provide a basis and inputs into the formulation of a regional CAADP compact.

### **B. Rationale for and Use of the Uganda CAADP Compact**

Building on Government of Uganda's (GoU) vision and commitment for economic development and social transformation as contained in the NDP and DSIP, the Compact (a) sets the parameters for long term partnership in the agricultural sector; (b) specifies key commitments on the part of government and all stakeholders including Development Partners (DPs), private sector, farmer organizations, and Civil Society Organizations (CSOs); and (c) clarifies expectations with respect to the agribusiness and farming communities in order to ensure successful implementation of the DSIP. Most important among these are sector policy, budgetary, and investment commitments as well as commitments to align and scale up long term development assistance to the sector.

### **C. Long Term Vision and Commitment of the Government of Uganda with Respect to Economic Development and Social Transformation**

GoU's long term vision for economic development and social transformation is set out in the NDP, and is translated into an operational plan for the agricultural sector through the DSIP. The overall goal of the agricultural sector in Uganda is to promote food and nutrition security and household incomes through coordinated interventions that focus on enhancing sustainable agricultural productivity and value addition, providing employment opportunities, and promoting domestic and international trade. The specific objectives to achieve the above goal are outlined in the proposed National Agriculture Policy (NAP) and are to:

- (i) Ensure household and national food and nutrition security of all Ugandans
- (ii) Increase incomes of farming households from crops, livestock, fisheries and all other agricultural related activities
- (iii) Support stakeholder-led identification, development and dissemination of value chains that are strategic and profitable and offer scope for complementing general, broad-based development efforts.
- (iv) Promote domestic, regional and international trade in agricultural products
- (v) Ensure sustainable use and management of agricultural resources and, help farmers to adopt to climate change conditions

The National Agriculture Policy (NAP) will be finalized before end December 2010, as part of the post compact implementation of the DSIP.

### **D. The Government's Agenda for Agricultural Growth, Poverty Reduction, and Food and Nutrition Security**

GoU is committed to supporting agricultural development in order to achieve sector growth, raise farm incomes, reduce poverty and ensure food and nutrition security. The mission is to transform and modernize agriculture, leading to an annual growth rate of 6 percent for agricultural GDP,

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contributing towards the overall annual GDP growth target of 7 percent. GoU shall be guided by six principles in DSIP implementation:

- (i) The Government of Uganda will continue supporting the development of a private sector led and market-oriented economy. In doing this the government will work on constraints that hinder the private sector to invest more in agriculture. Government will support existing or form new partnerships with the private sector. Government actions shall aim to strengthen the private sector, by providing high quality public goods to remove constraints to private sector investment in agriculture
- (ii) Agricultural development will be pursued according to the agricultural zoning strategy by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) that divided the country into ten agricultural production zones. Commodities that are best suited for each zone will receive extra public sector support. Efforts will be made to support commodity value chain development of strategic commodities in the different zones in order to create viable agro-industrial development.
- (iii) Agricultural development services will be provided to all farmer categories as individuals or in groups, ensuring gender equity. Focusing on some strategic commodities in different zones will be in addition to providing general agricultural services to all of agriculture as is currently done through government agencies and local governments.
- (iv) Government will continue to provide agricultural services through the decentralized system of government and will work to strengthen it. In particular, MAAIF will increase its collaboration with and support to district and sub-county local governments to improve the quality of service delivery to farmers. MAAIF shall also improve its supervisory and monitoring functions in local governments.
- (v) Government interventions will pursue growth and equity. In so doing agricultural interventions will be balanced across the different regions, agricultural zones and across genders. Where necessary, government shall pay special attention to parts of the country with specific needs and marginalized groups.
- (vi) Government will ensure that environmental resources including soils and water for agricultural production are sustainably used and managed to support current and future generations.

In the DSIP, and in line with the proposed National Agriculture Policy, the GoU has defined four major investment programs for the next five years, which together represent Uganda's priorities across the four CAADP Pillars. The four programs in the DSIP are:

- (i) Enhancing agricultural production and productivity
- (ii) Improving access to and sustainability of agricultural markets
- (iii) Creating an enabling environment for investment in agriculture
- (iv) Institutional development for the agricultural sector

Each of the programs has several sub-programs that are summarized, together with associated costs, in the four DSIP investments briefs. Further details of the investments and costs of the sub-programs are contained in the DSIP main document.

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## E. Forging Partnerships for the Successful Implementation of the DSIP

### 1. Purpose, Principles, and Modalities of the DSIP Partnerships

This compact will support partnerships among the government of Uganda, the private sector, civil society and the development partners aimed at the successful implementation of the DSIP. The partnership modalities and principles follow the consultative, long term, sector wide approach that underpins the DSIP. Further, within the COMESA region the partners supporting the CAADP agenda are urged to support Uganda in the implementation of the DSIP and activities under this compact.

### 2. Government Commitments under the DSIP and Partnerships

The government of Uganda confirms its commitment to promoting long term economic development and social transformation in order to increase incomes, reduce poverty and achieve food and nutrition security, as identified in its NDP and DSIP. It confirms the DSIP as its framework to achieve the objectives related to the above vision in the agricultural sector through development of the private sector, supported by market-led development, regional integration, continued maintenance of macroeconomic stability and a conducive policy, fiscal and regulatory environment. Within this context, GoU will develop strategic and viable programs with sound implementation arrangements in line with the DSIP.

GoU will ensure efficiency and effectiveness in pursuing the implementation of DSIP as its strategy to achieve and exceed the 6% CAADP growth target over the next 5 years. It commits to work towards fulfilling the Maputo decision of the Heads of State and Government of the African Union of allocating 10% of the national budget to the agricultural sector, in order to contribute to meeting the investments in the DSIP. In so doing, GoU commits itself to allow more resources for the agricultural sector beyond the provisions in the Medium Term Expenditure Framework. GoU will work to ensure maximum efficiency and effectiveness of utilization of resources in the sector as will be monitored in annual public expenditure reviews (PERs), in line with its broader efforts to strengthen public sector financial management and to ensure value for money in service delivery. It commits to the dialogue, coordination, joint program reviews, and accountability mechanisms and modalities specified in its aid policy. The GoU also commits to a strong collaboration and coordination arrangements with the key stakeholders through the Agriculture Sector Working Group (AgSWG).

The GoU commits to institutional reforms in the sector to ensure that MAAIF and related agencies are strengthened, appropriately configured and equipped for effective implementation of the DSIP. It also commits to strengthen the planning, monitoring, evaluation and coordination of the activities and entities that play a role in the implementation of the DSIP – including the semi autonomous agencies, local governments and other agriculture related ministries. The GoU commits to take all measures necessary to ensure proper and efficient use and accountability of resources.

### 3. Development Partners' Commitments under the DSIP

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The DPs recognize the DSIP as an effective vehicle for ensuring that resources are targeted to the agreed agricultural sector priorities and programs. They further acknowledge that country ownership must begin with the national political will to develop and implement comprehensive agricultural growth, food security and related strategies based on sound evidence, inclusive consultation, domestic investment and clear directions. In the context of the Paris Declaration on Aid Effectiveness and the approved DSIP, the DPs acknowledge that achieving the Millennium Development Goals and meeting Uganda's development objectives will require increases in the volume and quality of public and private sector investments. DPs commit to align their support with priorities and programs defined in the DSIP. The DPs will scale-up assistance over the next 5 years to help meet investment requirements for programs with sound implementation arrangements under DSIP.

#### ***4. African Union and regional partners' commitments under the Maputo declaration***

The African Union, COMESA and its regional partners committed through the Maputo declaration, to support Uganda in its endeavors to define priority programs that would allow the country to meet the objectives of CAADP and be on the road to attaining MDG1. In this regard the African Union, COMESA and other regional partners will support Uganda's national strategies as defined in the NDP and DSIP through mobilizing political, financial and technical support for their implementation.

#### ***5. Commitments of the private sector and civil society***

The development of the agriculture sector ultimately rests on the initiatives and investments of the farmers, their organizations and the private sector. Hence the need to establish appropriate partnerships to realize the goals and objectives of the DSIP. The private sector and civil society commit themselves to effectively partner with the Government and people of Uganda in establishing enterprises and initiatives that will have measurable impact in increasing farm incomes, creating employment, adding value to and trading in agricultural produce, reducing poverty levels in the country and increasing overall economic growth. Further they commit to actively engage with MAAIF and other stakeholders to dialogue, review and inform the GoU in shaping policy through active stakeholder consultations and AgSWG meetings. They further commit to playing their role as CSO actors to ensure the public sector is accountable and delivers effective and results-driven programmes.

### **F. Implementation of the DSIP**

#### ***1. Coordination and oversight***

Oversight and coordination of the implementation of the above partnerships will be provided by MAAIF through its Top Policy Management (TPM), with guidance from the Agricultural Sector Working Group (ASWG). MAAIF will organize an annual review of the implementation of the DSIP and the related CAADP commitments. Inter-sectoral linkages with other ministries and other agencies as well as local government will be strengthened for effective DSIP implementation. As proposed in the DSIP, the Government will complete in the next 6-12 months the work on how to strengthen the linkages between MAAIF and its agencies, MAAIF and other ministries and agencies, and MAAIF with local governments. As highlighted in the DSIP, the AgSWG will have a crucial role to play including to:

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- (i) Coordinate and harmonize DSIP implementation to ensure that it is in line with the NDP goals and objectives;
- (ii) Review DSIP sector strategies and investment programmes and ensure DSIP investment programmes are in line with sector priorities;
- (iii) Identify solutions to structural, institutional and other constraints hindering effective DSIP implementation;
- (iv) Review mechanisms for enhancing stakeholder implementation of the DSIP;
- (v) Review the annual agriculture Budget Framework Paper (BFP) as a basis on which the budget for the sector is compiled;
- (vi) Provide the main forum for the sector-wide approach to planning and budgeting for the agriculture sector;
- (vii) Review mechanisms for maximizing resource allocation within existing budget constraints;
- (viii) Identify policy issues for consideration and action by the ministry's Top Policy Management (TPM); and
- (ix) Provide information for joint annual DSIP implementation reviews.

## **2. Resource mobilization**

GoU and development partners will mobilize funding for viable programmes with detailed private and public sector investments and sound implementation arrangements in line with the DSIP. The next steps toward this goal are: (i) start implementation in FY 2010/11 of the DSIP components that are ready or ongoing and need scaling up; and (ii) finalize, in 2010 GoU operational investment plans for the remaining components in order to start their implementation in FY 2011/12. For this purpose, the GoU and development partners will carry out consultations to formulate a sector wide approach after the round table, With regard to participating DPs support, the resource commitments will include General Budget Support, Sector Budget Support and technical and financial assistance to the public and private sectors, whether through bilateral projects or other mechanisms with a view towards leveraging private sector investments.

## **3. Implementation capacity**

GoU will endeavor to strengthen the capacities of MAAIF, its agencies, local governments and other stakeholders, in order to meet the personnel, institutional, fiduciary and governance arrangements for effective DSIP implementation. Development partners will endeavor to provide the technical assistance, where necessary, to meet the above capacity requirements. GoU is committed to implement the institutional reforms that are contained in the roadmap in the DSIP in order to improve its capacity for effective implementation and to ensure value for money in service delivery.

## **4. Post-compact actions**

Some of the early actions for the implementation of the DSIP, post-compact, will be to:

- (i) Finalize National Agriculture Policy by end of December 2010.
- (ii) Participate in the African Union led post CAADP review of the DSIP by June 2010.
- (iii) Develop and implement strategic and viable investment programmes in line with the DSIP.
- (iv) Establish a strong and effective monitoring and evaluation system to ensure that results and outcomes are being achieved.
- (v) Implement the MAAIF restructuring and reform program as planned in the DSIP.

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## G. Endorsement

By endorsing this Compact:

- 1) the government of Uganda pledges to fulfill the commitments specified therein, in line with the goals, objectives, principles, and modalities laid out in the DSIP in line with aid policy;
- 2) the development partners pledge, collectively, to fulfill the commitments specified therein;
- 3) African Union, COMESA and other regional partners, pledge, collectively, to fulfill the commitments specified therein, in line with the Maputo declaration and global principles of CAADP implementation
- 4) The private sector and civil society, collectively, pledge their support to realizing the aspirations of this compact.
- 5) The farmer organizations, collectively, pledge to support the implementation of this compact.

Kampala, March 31, 2010

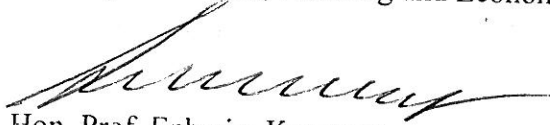
### On behalf of the Government of Uganda

Ministry of Agriculture, Animal Industry and Fisheries



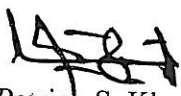
Hon. Hope Mwesigye  
Minister

Ministry of Finance, Planning and Economic Development



Hon. Prof. Ephraim Kamuntu  
Minister of State for Planning

### On behalf of African Development Bank Group



Patrick S. Khaemba  
Resident Representative

### On behalf of the African Union Commission



H.E. Rhoda Peace Tumusiime  
Commissioner, Department of Rural Economy and Agriculture



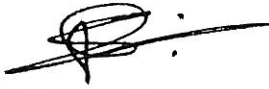
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**On behalf of the Alliance for a Green Revolution in Africa**




Bashir Jama  
Director, Soil Health Program

**On behalf of Civil Society Organizations**

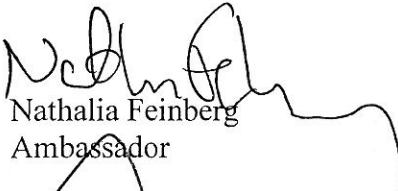


Richard Ssewakiryanga  
Uganda National NGO Forum

**On behalf of COMESA**

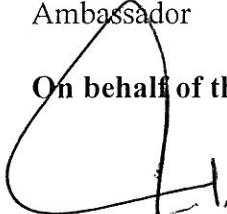
H. E. Sindiso Ngwenya   
Secretary General

**On behalf of the Government of the Kingdom of Denmark**



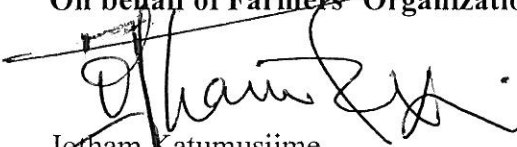
Nathalia Feinberg  
Ambassador

**On behalf of the European Commission**



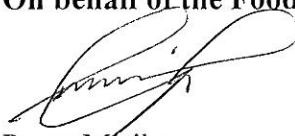
Vincent De Visscher  
Ambassador  
Head of the EU Delegation in Uganda

**On behalf of Farmers' Organizations**

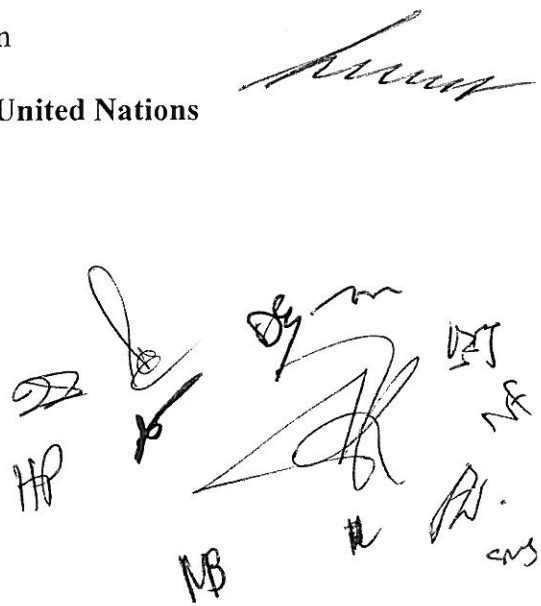


Jotham Katumusiime  
Chief Executive Secretary, Uganda National Farmers' Federation

**On behalf of the Food and Agricultural Organization of the United Nations**



Percy Misika  
Resident Representative



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On behalf of the International Fund for Agricultural Development

Marian Bradley  
Country Programme Manager

On behalf of the Government of Japan

Keiichi Kato  
Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of Uganda

On behalf of NEPAD

  
Richard Mkandawire  
Head NEPAD Agriculture (CAADP)

On behalf of the Private Sector Foundation Uganda

  
Gideon Badagawa  
Executive Director

On behalf of the United States Government

  
Dave Eckerson  
USAID Mission Director

On behalf of the World Bank

  
Kundhavi Kadiresan  
Country Manager

On behalf of the World Food Programme

  
Stanlake Samkange  
Representative and Country Director