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Investir dans les populations rurales

## République de l'Ouganda

### Programme d'options stratégiques pour le pays

**2021-2027**

#### **Note à l'intention des représentants au Conseil d'administration**

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Pour: **Examen**

## Table des matières

<b>Sigles et acronymes</b>	<b>ii</b>
<b>Résumé</b>	<b>iv</b>
<b>I. Contexte du pays et programme relatif au secteur rural – principales difficultés et perspectives</b>	<b>1</b>
<b>II. Contexte institutionnel et cadre de l’action publique</b>	<b>3</b>
<b>III. Engagement du FIDA: bilan de l’expérience</b>	<b>4</b>
<b>IV. Stratégie de pays</b>	<b>5</b>
A. Avantage relatif	5
B. Groupes cibles et stratégie de ciblage	5
C. Finalité et objectifs stratégiques	6
D. Éventail des interventions du FIDA	8
<b>V. Innovations et reproduction à plus grande échelle pour des résultats durables</b>	<b>9</b>
<b>VI. Exécution du COSOP</b>	<b>10</b>
A. Enveloppe financière et cibles de cofinancement	10
B. Ressources consacrées aux activités hors prêts	11
C. Principaux partenariats stratégiques et coordination du développement	11
D. Participation des bénéficiaires et transparence	12
E. Modalités de gestion du programme	12
F. Suivi-évaluation	12
<b>VII. Gestion des risques</b>	<b>13</b>
<b>Appendices</b>	
I. COSOP results management framework	
II. Transition scenarios	
III. Agricultural and rural sector issues	
IV. SECAP background study	
V. Fragility assessment note	
VI. Agreement at completion point	
VII. COSOP preparation process	
VIII. Strategic partnerships	
IX. South-South and Triangular Cooperation strategy	
X. Country at a glance	
XI. Financial management issues summary	

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### Équipe d’exécution du COSOP

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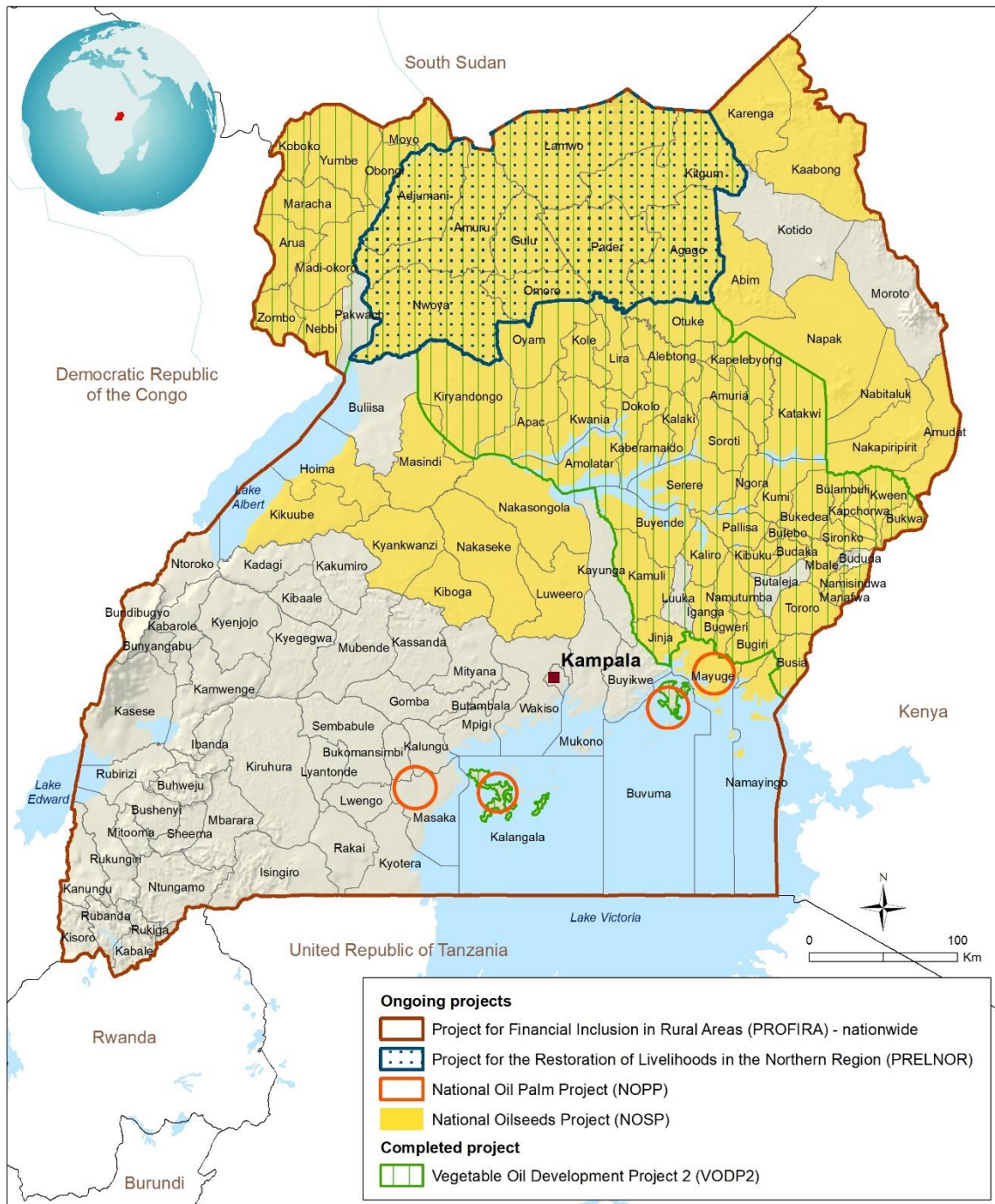
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## **Sigles et acronymes**

BAfD	Banque africaine de développement
COSOP	programme d'options stratégiques pour le pays
FAO	Organisation des Nations Unies pour l'alimentation et l'agriculture
ODD	objectif de développement durable
PIB	produit intérieur brut

# Carte des zones d'intervention du FIDA dans le pays



Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Carte établie par le FIDA | 22/02/2021

## Résumé

1. Le programme d'options stratégiques pour le pays (COSOP) 2021–2027 pour la République de l'Ouganda intègre les constatations issues de l'examen à l'achèvement du précédent COSOP et de l'évaluation de la stratégie et du programme de pays (2013–2019). Il a été élaboré de manière participative et propose une stratégie personnalisée qui s'inscrit dans la perspective du troisième Plan de développement national (2020/2021–2024/2025) de l'Ouganda, du Plan stratégique de développement du secteur agricole (2020/2021–2024/2025), des domaines de priorité du Fonds international de développement agricole (FIDA) et du Plan-cadre de coopération des Nations Unies pour le développement durable (2021–2025). Il repose sur les données factuelles et les enseignements tirés des interventions précédentes du FIDA, et contribuera à la réalisation de plusieurs des objectifs de développement durable (ODD).
2. La finalité du COSOP est de contribuer à la transformation des zones rurales ougandaises, en favorisant une croissance durable et en renforçant la productivité et la compétitivité dans certaines filières à fort potentiel susceptibles de faciliter l'inclusion des petits exploitants et de leur donner la possibilité d'augmenter leurs revenus, d'améliorer leurs moyens d'existence et de vaincre durablement la pauvreté. Le programme de pays devrait profiter à 445 000 ménages de petits exploitants (soit 2,4 millions de personnes, dont 1,2 million de femmes et 500 000 jeunes). Le nouveau modèle opérationnel du FIDA intègre les enseignements tirés de la crise liée à la COVID-19, le but étant que les bénéficiaires de l'action du Fonds puissent pérenniser les progrès obtenus et se reconstituer des moyens d'existence améliorés, renforcés et plus résilients.
3. Le COSOP s'articule autour de trois objectifs stratégiques interdépendants visant l'introduction de mesures en faveur des femmes, des jeunes, de la nutrition et de l'adaptation aux changements climatiques et une contribution directe à la réalisation des ODD.
  - **Objectif stratégique 1.** Favoriser l'augmentation de la production, de la productivité, de la valeur ajoutée et de la compétitivité ainsi que l'intégration des petits exploitants dans les filières sélectionnées (huiles végétales, élevage et aquaculture), considérées comme essentielles et figurant sur la liste des produits prioritaires du troisième Plan de développement national.
  - **Objectif stratégique 2.** Renforcer la viabilité environnementale et accroître la résilience face aux changements climatiques des moyens d'existence et des activités économiques des populations rurales pauvres.
  - **Objectif stratégique 3.** Promouvoir le développement de moyens d'existence durables pour les ménages marginalisés et pauvres, en particulier pour les femmes et les jeunes.
4. Les objectifs stratégiques du COSOP seront réalisés au moyen de prêts souverains et de prêts au secteur privé, ainsi que d'activités hors prêts. Le portefeuille en cours pour l'Ouganda comprend quatre projets, et il est prévu, selon toute vraisemblance, de financer sur la durée du présent COSOP deux nouveaux projets, d'un montant total compris entre 200 millions d'USD et 280 millions d'USD, dans le but d'appuyer le développement de l'élevage et de l'aquaculture.
5. Les activités hors prêts feront partie intégrante du COSOP et contribueront à la réalisation de ses objectifs stratégiques. Plus précisément, la gestion des savoirs permettra de diffuser, entre autres, les éléments concluants des pratiques et des technologies favorisant la résilience face aux changements climatiques, des informations sur l'efficacité de la stratégie de vulgarisation et les composantes de l'approche en matière de reclassement qui ont le plus d'impact. Une série de mesures sera examinée, notamment l'augmentation des allocations du secteur public à l'agriculture, le soutien de la croissance du secteur national des huiles

végétales, la politique en matière d'aliments pour animaux et la sécurité foncière. Le COSOP intégrera la Coopération Sud-Sud et triangulaire dans de nouveaux projets et repérera des initiatives régionales aux fins d'apprentissage.

## I. Contexte du pays et programme relatif au secteur rural – principales difficultés et perspectives

1. La République de l'Ouganda est un pays sans littoral dont la population était estimée à 41,6 millions de personnes fin 2020<sup>1</sup>; le produit intérieur brut (PIB) par habitant était de 878 USD pour l'exercice 2018-2019<sup>2</sup>. La proportion de ruraux dans la population ougandaise est de 76% d'après les estimations<sup>3</sup>. Plusieurs réformes et investissements structurels et favorables au marché ont apporté une stabilité macroéconomique et une croissance soutenue, mais le rythme de développement a été lent. L'inflation est retombée à 2,6% en 2018<sup>4</sup>. Les projections donnaient une croissance de 6,3% de l'économie ougandaise en 2019-2020, mais ce chiffre a été ramené à 3,3% à cause de la pandémie de COVID-19<sup>5</sup>. L'analyse de la soutenabilité de la dette de l'Ouganda, actualisée en 2019<sup>6</sup>, indique que le risque de surendettement extérieur de l'Ouganda reste faible en dépit de trajectoires d'endettement bien plus élevées que ne le prévoyait l'analyse de 2017.
2. Un seul scénario est présenté dans les perspectives à moyen terme (appendice II) du fait de la forte incertitude créée par la situation d'urgence liée à la pandémie de COVID-19<sup>7</sup>. On estime que les répercussions de la pandémie persisteront pendant l'exercice 2020-2021, et les projections tablent sur un léger rebond de la croissance du PIB (3,7%). On s'attend à une reprise du crédit au secteur privé, qui devrait soutenir la relance économique à moyen terme.
3. L'économie ougandaise reste essentiellement rurale, malgré son évolution structurelle progressive de l'agriculture vers la fabrication et les services (figure 1)<sup>8</sup>. La contribution de l'agriculture au PIB est passée de 53% en 1990 à 21% durant l'exercice 2017-2018<sup>9</sup>, mais le secteur demeure essentiel, car il représente 71% de l'emploi<sup>10</sup> et constitue le principal moteur de réduction de la pauvreté. Il fait face à un manque d'intrants de qualité, à une insuffisance des équipements après-récolte, à des risques liés aux changements climatiques, ainsi qu'à la nécessité de renforcer la résilience (appendices III et IV).

<sup>1</sup> [Bureau des statistiques de l'Ouganda, 2020](#). (Pour quelques indicateurs clés, les estimations de la Banque mondiale diffèrent des estimations nationales.)

<sup>2</sup> République de l'Ouganda, Troisième Plan de développement national, National Planning Authority, juin 2020.

<sup>3</sup> [Banque mondiale, 2019](#).

<sup>4</sup> FIDA., Évaluation de la stratégie et du programme de pays – document d'orientation, 2020.

<sup>5</sup> Voir <https://openknowledge.worldbank.org/handle/10986/33748>.

<sup>6</sup> Voir <https://www.imf.org/external/pubs/ft/dsa/pdf/2017/dsacr1707.pdf>.

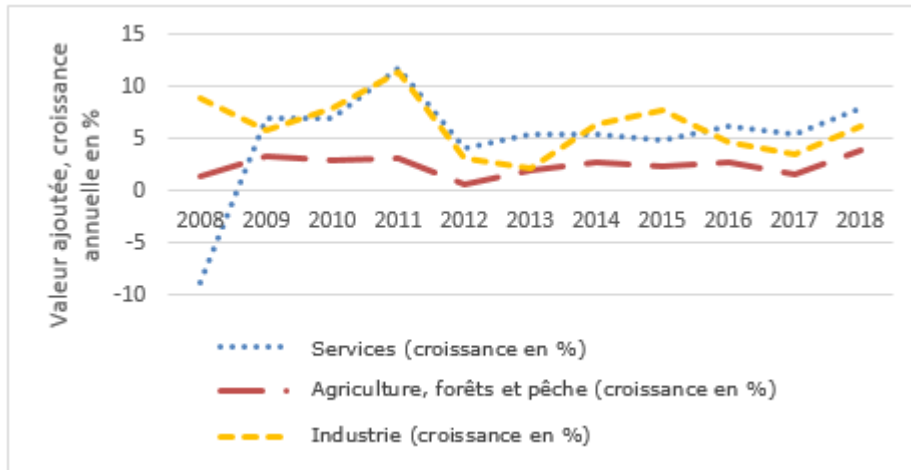
<sup>7</sup> Voir <https://www.imf.org/en/Publications/CR/Issues/2020/05/14/Uganda-Request-for-Disbursement-under-the-Rapid-Credit-Facility-Press-Release-Staff-Report-49427>.

<sup>8</sup> Banque mondiale, 2019. Voir <https://data.worldbank.org/country/uganda>.

<sup>9</sup> [Daily Monitor, juin 2018](#).

<sup>10</sup> FAO-USAID, [Africa Sustainable Livestock 2050, The future of livestock in Uganda: Opportunities and challenges in the face of uncertainty](#), 2019.

Figure 1  
Évolution structurelle de l'économie ougandaise



Source: Banque mondiale, 2019.

4. **Pauvreté rurale.** La croissance économique a contribué à réduire la pauvreté, qui est passée de 56,4% en 1993 à 19,7% en 2013<sup>11</sup>, mais le taux a remonté à 21,4% en 2016<sup>12</sup>. La pauvreté et la vulnérabilité se concentrent dans les zones rurales, où vivent 89% des personnes pauvres<sup>13</sup>. Les causes de la pauvreté comprennent le manque de qualifications et le faible niveau d'instruction, les actifs insuffisants et les régimes fonciers précaires, l'impossibilité de trouver un emploi, le taux de fécondité élevé, la vulnérabilité face aux changements climatiques et les catastrophes naturelles de plus en plus fréquentes<sup>14</sup>. L'indice de développement humain pour l'Ouganda s'établissait à 0,528 en 2018, ce qui plaçait le pays au 159<sup>e</sup> rang sur 189.
5. **Égalité femmes-hommes.** L'Ouganda a fait des progrès considérables dans la lutte contre les inégalités entre les femmes et les hommes. Ces progrès ont cependant été entravés par des croyances et des pratiques profondément enracinées entraînant une discrimination à l'égard des femmes dans certaines parties du pays. Avec un indice de développement de genre de 0,863 en 2018, l'Ouganda se classait dans le groupe des pays présentant une faible égalité entre les femmes et les hommes s'agissant des acquis du développement humain<sup>15</sup>. La proportion de femmes dans la population active était estimée à 67% en 2019<sup>16</sup>.
6. **Jeunes.** Avec une proportion de 70% de la population âgée de moins de 30 ans, l'Ouganda se classe au deuxième rang mondial<sup>17</sup>. Le chômage des jeunes est en augmentation; il était estimé à 13,3% en 2018-2019<sup>18</sup>. En dépit d'une croissance plus rapide que celle du secteur agricole, les secteurs des services et de l'industrie n'offrent pas suffisamment d'emplois. La participation rémunératrice des jeunes à l'agriculture est limitée par un certain nombre d'obstacles, notamment l'accès restreint à la terre, au capital et aux ressources financières.
7. **Sécurité alimentaire et nutrition.** L'insécurité alimentaire modérée ou grave touche 66% environ de la population ougandaise<sup>19</sup>, et les ménages ruraux sont deux fois plus exposés au risque de manquer de nourriture (40%) que les familles urbaines (26%). Le score de 30,6 de l'Ouganda selon l'indice de la faim dans le

<sup>11</sup> Banque africaine de développement (BAfD), 2017.

<sup>12</sup> Banque mondiale, 2019.

<sup>13</sup> Bureau des statistiques de l'Ouganda, 2018.

<sup>14</sup> Banque mondiale, 2016.

<sup>15</sup> Voir <http://hdr.undp.org/en/content/gender-development-index-gdi>.

<sup>16</sup> BAfD, 2019.

<sup>17</sup> Fonds des Nations Unies pour la population, 2020.

<sup>18</sup> République de l'Ouganda, Troisième Plan de développement national, 2020.

<sup>19</sup> Voir <http://www.fao.org/faostat/fr/#data/FS>.



monde dénote une grave pénurie alimentaire<sup>20</sup>. La malnutrition est un facteur de risque majeur de morbidité et de mortalité chez les enfants<sup>21</sup>. Malgré la diminution du retard de croissance, passant de 33% à 29%, et un taux d'émaciation de 4% environ, plusieurs régions ougandaises font face à un grave problème de santé publique.

8. **Gestion des ressources naturelles.** Le rythme auquel l'Ouganda consomme ses ressources naturelles n'est pas viable. La superficie des forêts, qui fournissent plus de 90% de l'énergie du pays, diminue de plus de 5% par an<sup>22</sup>. La dégradation des sols pose problème également. La dégradation de l'environnement, due à 85% à l'érosion du sol, aux pertes de nutriments et aux modifications des cultures, est à l'origine d'une perte de produit national brut estimée de 4% à 12%<sup>23</sup>.
9. **Changements climatiques.** Compte tenu de la forte dépendance du pays à l'égard de ses ressources naturelles, les changements climatiques menacent les efforts déployés par l'Ouganda pour éliminer la pauvreté<sup>24</sup>. Depuis 1960, les températures ont augmenté en moyenne de 1,3 degré Celsius, et les précipitations annuelles et saisonnières sont devenues de plus en plus imprévisibles<sup>25</sup>. Les phénomènes météorologiques extrêmes, comme les sécheresses, les inondations et les glissements de terrain, augmentent en fréquence et en intensité<sup>26</sup>.
10. **Environnement entrepreneurial.** L'Ouganda arrive à la 116<sup>e</sup> place sur 190 dans l'indice de la facilité de faire des affaires de la Banque mondiale<sup>27</sup>. La performance du pays est meilleure en ce qui concerne l'exécution des contrats, l'obtention de crédits et la protection des investisseurs minoritaires qui créent une entreprise. L'Ouganda dispose d'un secteur privé dynamique, comprenant quelque 1,1 million de microentreprises et petites et moyennes entreprises<sup>28</sup> qui emploient 2,5 millions de personnes environ<sup>29</sup> et contribuent à plus de 20% du PIB.

## II. Contexte institutionnel et cadre de l'action publique

### Politiques publiques

11. Le troisième Plan de développement national (2020/2021–2024/2025) vise à mobiliser les atouts des pouvoirs publics et du secteur privé en encourageant à investir dans l'augmentation de la production et de la productivité agricoles, la transformation des produits agricoles, les infrastructures et la constitution d'une main-d'œuvre qualifiée, plus motivée et en meilleure santé.
12. L'objectif du troisième Plan stratégique de développement du secteur agricole (2020/2021–2024/2025) du Gouvernement ougandais est de passer d'une agriculture de subsistance à une agriculture commerciale en définissant à cette fin des produits prioritaires – notamment le café, les produits laitiers, le poisson, les animaux d'élevage et une série de cultures de base<sup>30</sup>.
13. Le Gouvernement a amélioré l'environnement réglementaire et politique dans le cadre de son Programme de développement du secteur financier, et reste déterminé à intensifier les circuits financiers grâce à la mise en place de l'autorité de réglementation de la microfinance (Uganda Microfinance Regulatory Authority) et à la Politique nationale en matière de systèmes de paiement. La Stratégie nationale pour l'amélioration de l'accès aux services financiers (2017-2022) est axée sur la réduction de l'exclusion financière, le développement des

<sup>20</sup> Voir <https://www.globalhungerindex.org/uganda.html>.

<sup>21</sup> République de l'Ouganda, Troisième Plan de développement national, 2020.

<sup>22</sup> Banque mondiale, 2016.

<sup>23</sup> Voir [https://rportal.net/library/content/frame/land-degradation-case-studies-05-uganda/at\\_download/file%20](https://rportal.net/library/content/frame/land-degradation-case-studies-05-uganda/at_download/file%20).

<sup>24</sup> Banque mondiale, mai 2019.

<sup>25</sup> Ministère de l'eau et de l'environnement, Contribution prévue déterminée au niveau national de l'Ouganda, 2015.

<sup>26</sup> *Ibid.*

<sup>27</sup> <https://www.doingbusiness.org/content/dam/doingBusiness/country/u/uganda/UGA.pdf>.

<sup>28</sup> FSD Africa, *et al.*, *National Small Business Survey in Uganda*, 2015.

<sup>29</sup> République de l'Ouganda, Troisième Plan de développement national, 2020.

<sup>30</sup> *Ibid.*

infrastructures de crédit au service de la croissance, le renforcement des infrastructures numériques ainsi que l'intensification et l'élargissement de l'utilisation des services formels d'épargne et d'assurance<sup>31</sup>.

14. La Politique nationale 2015 de lutte contre les changements climatiques de l'Ouganda et ses contributions déterminées au niveau national font de l'adaptation aux changements climatiques une priorité. Les principaux engagements pris au titre des contributions déterminées au niveau national comprennent la diminution de 22% d'ici à 2030 des émissions nationales de gaz à effet de serre, la réduction de la vulnérabilité des secteurs sensibles aux changements climatiques, le renforcement de la résilience et la mise en œuvre d'interventions relatives à l'adaptation aux changements climatiques<sup>32</sup>.
15. Dans le cadre du troisième Plan de développement national, le Gouvernement ougandais entend donner la priorité au renforcement des compétences et à la formation professionnelle afin de lutter contre le chômage des jeunes. Le Programme de renforcement des moyens d'existence des jeunes et le Fonds pour le renforcement des moyens d'existence ont été mis en place pour apporter un soutien financier et d'autres formes d'appui aux petites entreprises dirigées par des jeunes, et favoriser ainsi le développement des petites entreprises et la création d'emplois.

#### **Cadre institutionnel**

16. Le programme d'options stratégiques pour le pays (COSOP) prévoit une collaboration avec le Ministère des finances, de la planification et du développement économique, le Ministère de l'agriculture, de l'élevage et de la pêche, le Ministère des collectivités locales et le Ministère de l'eau et de l'environnement. Compte tenu de la décentralisation de responsabilités au niveau local, le programme de pays fera appel aux autorités locales<sup>33</sup>.
17. Le Gouvernement ougandais a mis en place des mécanismes de décentralisation afin de mobiliser un soutien au niveau des communes, des sous-comtés et des districts. Le « modèle communal » du Gouvernement ougandais, conçu pour augmenter le nombre de prestataires de services de vulgarisation et parrainer des agriculteurs modèles dans chaque village, devrait renforcer la coordination des efforts de développement au niveau local et améliorer la fourniture des services. La structure devra toutefois être renforcée avant son entrée en vigueur<sup>34</sup>.

### **III. Engagement du FIDA: bilan de l'expérience**

18. Le portefeuille en cours tient compte des changements apportés lors du précédent COSOP, qui a marqué un tournant stratégique vers une approche par filière financée par le secteur privé et associée à une visée plus commerciale. L'évaluation de la stratégie et du programme de pays menée en 2020 indique que le portefeuille était bien en phase avec les cadres d'action nationaux et sectoriels. Les investissements avaient eu un impact satisfaisant sur les revenus et les actifs des ménages, la sécurité alimentaire et la productivité agricole, et avaient débouché sur plusieurs innovations.
19. Les points faibles relevés comprenaient la lenteur d'exécution pendant les premières années, l'impact limité sur les institutions et l'élaboration des politiques, et la réalisation uniquement partielle des objectifs en matière de services de conseil agricole. Parmi les autres enseignements clés, on peut citer les suivants:
  - Il faut continuer d'investir dans des produits de base sélectionnés présentant un bon potentiel de croissance, tout en intégrant les petits exploitants les plus pauvres dans les filières visées, afin d'accroître l'impact.

<sup>31</sup> Alliance for Financial Inclusion, 2019.

<sup>32</sup> Ministère de l'eau et de l'environnement, Contribution prévue déterminée au niveau national de l'Ouganda, octobre 2015.

<sup>33</sup> Organisation de coopération et de développement économiques, 2016.

<sup>34</sup> République de l'Ouganda, *Concept paper on the parish model*, National Planning Authority, 2020.

- Il convient de renforcer les partenariats public-privé-producteurs afin de définir et d'anticiper les principaux obstacles et d'élaborer des solutions durables.
- Les investissements réalisés dans les infrastructures rurales en appui aux filières ont un impact plus important.
- Les investissements dans la finance rurale encouragent de manière efficace le développement des services financiers dans les filières agricoles, au moyen de modèles d'activité viables.
- Les approches au niveau des ménages favorisent la transformation et l'inclusion sociale des individus les plus vulnérables<sup>35</sup>.
- L'accent mis dans le COSOP sur les politiques a donné à la fois une orientation stratégique générale visant à maintenir la question de la pauvreté en bonne place dans les priorités de l'action publique et une orientation particulière en vue de mobiliser les pouvoirs publics<sup>36</sup>.
- Les activités hors prêts ont pâti de la taille et du lieu d'affectation des effectifs du bureau de pays, et de la diminution des ressources budgétaires.

## **IV. Stratégie de pays**

### **A. Avantage relatif**

20. Le FIDA est l'une des rares institutions financières internationales à réaliser des investissements en faveur des petits exploitants agricoles ougandais. L'avantage relatif du Fonds réside dans son expérience de collaboration avec les communautés locales et de l'analyse de leurs difficultés, dans sa capacité à concevoir des approches inclusives favorisant leur participation aux filières essentielles, et dans ses activités, étroitement corrélées aux objectifs définis par le gouvernement en matière de filets de protection sociale et de réduction de la pauvreté, visant à transformer et à autonomiser les ménages marginalisés, en recourant à des approches au niveau des ménages, en facilitant la participation du secteur privé et en obtenant son appui.

### **B. Groupes cibles et stratégie de ciblage**

21. Les principaux groupes cibles du COSOP sont: i) les petites exploitations familiales pauvres qui souhaitent se lancer dans des activités économiques et qui ont les capacités nécessaires pour le faire; ii) les femmes et les jeunes désireux de participer à des initiatives productives; iii) les acteurs de petite et moyenne envergure<sup>37</sup> dans les filières, l'objectif étant de renforcer les liens et de créer des possibilités d'emploi pour les populations rurales pauvres; iv) les groupes d'agriculteurs et de femmes, les groupes de jeunes, les groupes communautaires d'épargne et de crédit (appendice IV). On s'attend à ce que le COSOP bénéficie à 445 000 ménages de petits exploitants (soit 2,4 millions de personnes, dont 1,2 million de femmes et 500 000 jeunes).
22. La zone d'intervention sera le nord et l'est du pays (forte incidence de la pauvreté, nutrition inadéquate et insécurité alimentaire), et une approche par pôle axée sur des produits de base précis donnera un avantage relatif dans les filières sélectionnées.
23. La stratégie de ciblage des petits exploitants s'appuiera sur des critères bien définis, qui seront respectés scrupuleusement, tandis que les investissements seront adaptés aux besoins des groupes afin d'encourager l'autosélection. Le COSOP favorisera l'égalité femmes-hommes et l'autonomisation des femmes dans le cadre d'activités telles que la transformation après récolte et la commercialisation. On encouragera la participation des jeunes par le renforcement

<sup>35</sup> Unité de suivi-évaluation, Enquête sur les résultats pour le deuxième groupe, Projet de rétablissement des moyens de subsistance dans la région du Nord.

<sup>36</sup> *Ibid.*

<sup>37</sup> En tant que facilitateurs auprès du groupe cible principal et bénéficiaires directs de prêts non souverains.

des compétences et l'appui aux entreprises, notamment dans les secteurs du transport et de la transformation (appendice IV). Des mécanismes seront mis en place pour permettre la participation des personnes pauvres, marginalisées ou handicapées, dans le cadre de partenariats locaux, d'organisations paysannes, de groupements de cultivateurs et d'arrangements destinés à éviter l'accaparement par les élites et à encourager la planification, le suivi et la supervision sur un mode participatif.

### C. Finalité et objectifs stratégiques

24. La finalité du COSOP est de contribuer à la transformation des zones rurales ougandaises, en favorisant une croissance durable et en renforçant la productivité et la compétitivité dans certaines filières à fort potentiel susceptibles de faciliter l'inclusion des petits exploitants et de leur donner la possibilité d'augmenter leurs revenus, d'améliorer leurs moyens d'existence et de vaincre durablement la pauvreté. Il est en phase avec l'objectif du troisième Plan de développement national visant l'augmentation des revenus des ménages et l'amélioration de la qualité de vie, qui s'inscrit dans le thème général du dispositif, à savoir l'industrialisation durable pour la croissance inclusive, l'emploi et la création pérenne de richesse. Il est également conforme au Plan-cadre de coopération des Nations Unies pour le développement durable<sup>38</sup>.
25. Le COSOP s'articule autour de trois objectifs stratégiques interdépendants, auxquels viennent s'ajouter plusieurs thématiques transversales, qui contribueront directement aux objectifs de développement durable (ODD) n<sup>os</sup> 1 (Pas de pauvreté), 2 (Faim zéro), 5 (Égalité entre les sexes), 8 (Travail décent et croissance économique), 9 (Industrie, innovation et infrastructure), 10 (Inégalités réduites), 13 (Mesures relatives à la lutte contre les changements climatiques), 15 (Vie terrestre) et 17 (Partenariats pour la réalisation des objectifs), ainsi qu'au Cadre stratégique 2016–2025 du FIDA.
26. Les trois objectifs stratégiques sont conçus de manière à appuyer et à renforcer les cibles définies. Les technologies climatiquement rationnelles (deuxième objectif stratégique) concourront à l'augmentation de la production attendue dans le cadre du premier objectif stratégique, et appuieront son action en faveur des populations pauvres et marginalisées. L'augmentation de la production visée par le premier objectif stratégique contribuera à l'amélioration de la nutrition et à l'autonomisation des ménages marginalisés recherchés au titre du troisième objectif stratégique. On complétera les activités des projets financés par des activités hors prêts, et on étudiera les possibilités de renforcer le cadre de l'action publique, d'améliorer la gestion des savoirs et de développer les capacités dans le cadre de la Coopération Sud-Sud et triangulaire. Par ailleurs, le COSOP définira des moyens de déployer des technologies de l'information et des communications au service du développement et de nouer, dans la mesure du possible, des partenariats avec le secteur privé pour les opérations non souveraines.
27. **Objectif stratégique 1. Favoriser l'augmentation de la production, de la productivité, de la valeur ajoutée et de la compétitivité ainsi que l'intégration des petits exploitants dans les filières sélectionnées (huiles végétales, élevage et aquaculture).** Le troisième Plan de développement national définit neuf produits de base pour le programme d'agro-industrialisation durable en Ouganda. L'élevage et la pêche sont des sous-secteurs à forte valeur, qui sont de nature à stimuler la croissance économique tirée par le secteur privé, et peuvent donc bénéficier aux petits exploitants pauvres, et augmenter les

<sup>38</sup> **Effet direct n° 2.1:** d'ici à 2025, la population, notamment les personnes marginalisées et vulnérables, bénéficie d'une productivité accrue, d'emplois décents et de droits d'accès égaux aux ressources. **Effet direct n° 2.2:** d'ici à 2025, les ressources naturelles et l'environnement de l'Ouganda sont gérés de manière durable et protégés, et la population, notamment les personnes marginalisées et vulnérables, a les moyens d'atténuer les changements climatiques et les risques de catastrophe et de s'adapter à leurs effets. **Effet direct n° 3.2:** d'ici à 2025, l'égalité femmes-hommes et les droits humains sont favorisés, protégés et concrétisés dans un environnement qui tient compte des réalités culturelles.

revenus et l'emploi<sup>39</sup>. Le FIDA favorisera la participation des petits exploitants à ces filières et leur permettra d'améliorer leurs produits et leur productivité au moyen d'intrants de qualité et d'investissements dans des installations d'entreposage et de transformation. Le Fonds facilitera en outre l'accès aux marchés, l'investissement dans des infrastructures matérielles d'appui et des infrastructures de commercialisation, le conseil technique et la vulgarisation, ainsi que l'accès aux services financiers, notamment numériques. Le programme tirera parti de la présence de microentreprises et petites et moyennes entreprises et d'un secteur privé dynamiques en facilitant les partenariats avec les petits exploitants. Durant la période couverte par le COSOP, le Gouvernement ougandais et le FIDA évalueront également la possibilité d'appuyer des filières supplémentaires, comme celles du café et du manioc.

28. **Objectif stratégique 2. Renforcer la viabilité environnementale et accroître la résilience face aux changements climatiques des moyens d'existence et des activités économiques des populations rurales pauvres.** Le FIDA encouragera les technologies résilientes face aux changements climatiques et les pratiques de gestion durable de l'eau et de la terre, et reproduira à plus grande échelle son modèle de planification communautaire de gestion des ressources naturelles afin de renforcer les capacités d'adaptation des petits exploitants. Une attention particulière sera portée à la préservation et au renforcement de la biodiversité. Le Fonds explorera les possibilités d'innovation et de transformation des projets traditionnels de gestion des ressources naturelles en projets de restauration des paysages et promouvra les approches suivantes: collecte des eaux pluviales; diversification des cultures; gestion intégrée de la fertilité des sols; variétés d'espèces cultivées précoces et résistantes à la sécheresse; boisement; cultures intercalaires; technologies appropriées économes en combustible; informations météorologiques, etc. Toutes les infrastructures financées dans le cadre du premier objectif stratégique seront construites conformément à des normes de résilience face aux changements climatiques.
29. **Objectif stratégique 3. Promouvoir le développement de moyens d'existence durables pour les ménages marginalisés et pauvres, et pour les femmes et les jeunes en particulier.** Dans le cadre de cet objectif stratégique, le Fonds s'attachera à l'inclusion des groupes cibles les plus vulnérables, notamment les femmes, les jeunes et les personnes handicapées, qui ont besoin d'une assistance supplémentaire pour pouvoir améliorer leurs moyens d'existence. Cette assistance prendra la forme d'un renforcement des capacités, d'un appui nutritionnel, de dons de faible montant pour se procurer des actifs productifs, notamment des terres, et d'un accès facilité aux services financiers. Les augmentations de production attendues dans le cadre du premier objectif stratégique et le renforcement de la résilience des systèmes de production face aux changements climatiques devraient améliorer la diversité alimentaire et l'état nutritionnel des ménages ciblés.
30. La théorie du changement relative à cette stratégie de pays repose sur l'hypothèse que le fait de se concentrer sur certains produits agricoles de base peut aboutir à la transformation des ménages ruraux. Ces produits offrent la possibilité de créer de la valeur ajoutée, d'augmenter les revenus et de générer de l'emploi, mais aussi d'améliorer la diversité alimentaire et l'état nutritionnel. Une aide sera apportée aux petits exploitants pour leur permettre de transformer leurs systèmes de production, d'améliorer leur consommation alimentaire et de diversifier leur alimentation; les domaines d'intervention seront les suivants: investissement dans des infrastructures matérielles d'appui et des infrastructures de commercialisation aux fins d'amélioration de la production, de la productivité et de l'accès aux marchés; incitation à l'utilisation d'intrants de qualité; renforcement des capacités et meilleure exploitation des économies d'échelle; pratiques de conservation des eaux et des sols. Il est essentiel de favoriser les liens entre le secteur privé et les

<sup>39</sup> ASIGMA, *Opportunities and Challenges in Uganda's Vegetable Oil Industry*, 2018.

petits exploitants afin que ces derniers puissent accéder à des intrants améliorés, des services financiers, des possibilités de valeur ajoutée et des marchés.

31. Pour veiller à ce que les ménages les plus marginalisés soient en mesure de participer aux projets axés sur le commerce, la théorie du changement pose en principe la facilitation de l'inclusion des ménages dirigés par une femme et des ménages pauvres. Il convient d'attirer les jeunes en leur donnant la chance d'acquérir de nouvelles compétences qui leur ouvriront des possibilités d'emploi en milieu rural. Le postulat du deuxième objectif stratégique est qu'un ensemble de mesures d'appui peut être élaboré à l'intention des petits exploitants pour leur donner les moyens d'utiliser les ressources naturelles de manière plus durable et de mieux s'adapter aux changements climatiques.
32. Étant posé que les activités hors prêts sont essentielles à la réalisation des objectifs stratégiques, on a intégré dans le COSOP les enseignements tirés des dons précédents. Un plan de gestion des savoirs et un programme d'action visant à établir des partenariats et à définir des possibilités d'apprentissage dans le cadre de la Coopération Sud-Sud et triangulaire ont été prévus dans le programme de pays.
33. **Thématiques transversales.** Conformément aux engagements pris au titre de la Onzième reconstitution des ressources du FIDA, le programme de pays intégrera les thématiques suivantes:
  - **Égalité femmes-hommes et autonomisation des femmes.** On favorisera l'autonomisation des femmes en augmentant leur accès aux processus décisionnels, aux actifs (droits fonciers, notamment), aux financements et aux compétences.
  - **Nutrition.** Dans le cadre de la stabilisation des revenus, l'équipe du programme de pays s'emploiera à sélectionner des produits de base susceptibles de démultiplier l'impact sur les disponibilités alimentaires, la consommation et la diversité de l'alimentation. Les nouveaux projets tiendront compte des enjeux nutritionnels et s'appuieront sur une approche plus structurée d'amélioration des résultats dans ce domaine.
  - **Autonomisation des jeunes.** Des mesures seront réservées aux jeunes pour leur permettre de i) s'intégrer dans certaines filières dans le cadre d'activités qui les intéressent, comme le transport, le commerce et la transformation; ii) profiter de possibilités d'emploi dans des activités rurales non agricoles, grâce à un accès à des capitaux, des compétences et des actifs.
  - **Changements climatiques.** L'accent sera mis sur l'adaptation et les avantages connexes sur le plan de l'atténuation, la diversification des cultures et des systèmes d'élevage, la promotion de pratiques agricoles climatiquement rationnelles, l'amélioration des systèmes d'information climatique et les incitations à l'efficacité d'utilisation de l'eau et à la restauration des terres dégradées.

#### **D. Éventail des interventions du FIDA**

34. **Prêts et dons souverains.** On étudiera la possibilité d'utiliser des instruments nouveaux et innovants du FIDA, comme les prêts axés sur les résultats, la programmation en plusieurs phases et les instruments de financement relatifs au renforcement de la résilience et aux risques de catastrophe. Des dons supplémentaires seront également sollicités par l'intermédiaire de partenaires tels que le Mécanisme de financement pour l'envoi de fonds, la Commission européenne et d'autres entités bilatérales. Le Programme élargi d'adaptation de l'agriculture paysanne, axé sur l'atténuation et la résilience et sur les liens entre climat, fragilité, nutrition et inclusion sociale, sera mis en œuvre et les possibilités de faire appel au financement du Fonds vert pour le climat seront étudiées.

35. **Opérations non souveraines.** L'expérience tirée de la participation du secteur privé et de l'exécution du Yield Uganda Investment Fund améliorera l'accès au Programme de participation du secteur privé au financement (guichet des opérations non souveraines du FIDA). Des opérations non souveraines seront également envisagées pour les acteurs du secteur privé qui participent à des filières telles que le poisson ou les produits laitiers et qui sont en mesure de fournir des intrants ou des marchés aux petits exploitants ayant besoin d'investissements et de fonds de roulement pour se développer.
36. **Contribution à l'élaboration des politiques au niveau national.** Les enseignements tirés de l'expérience acquise dans le cadre des projets stimuleront la production et l'utilisation d'éléments probants dans le plaidoyer sur les politiques. La participation active du FIDA à plusieurs groupes de travail<sup>40</sup> sera également un moyen de faire entendre ce plaidoyer. Les possibilités de contribution à l'élaboration des politiques comprennent la présentation d'arguments en faveur de l'augmentation de l'enveloppe budgétaire pour l'agriculture, d'un appui politique et institutionnel au secteur des huiles végétales, de l'examen de la politique en matière d'aliments pour animaux et de l'analyse des questions liées à la sécurité foncière. Le programme d'action sera exécuté avec les principaux partenaires de développement dans le pays.
37. **Gestion des savoirs.** Un plan de gestion des savoirs sera élaboré pour chaque projet d'investissement. Au niveau national, un apprentissage croisé entre les projets sera favorisé à l'occasion d'ateliers annuels, d'examen du portefeuille et de notes d'orientation. Les progrès au regard des ODD pourront être analysés dans le cadre de groupes de travail de partenaires de développement et de groupes de travail sectoriels, au moyen de plateformes en ligne et en partenariat avec l'équipe de pays des Nations Unies. L'élaboration d'une stratégie de gestion des savoirs pour le pays garantira une approche cohérente de l'apprentissage, y compris pour déterminer les possibilités de reproduction à plus grande échelle.
38. **Coopération Sud-Sud et triangulaire.** Le FIDA continuera d'appuyer les échanges au niveau international dans le cadre de ses réseaux et de ses partenariats (production de semences de qualité, inspection et certification des semences), et de sa collaboration avec Semences sans frontières et le secteur privé. Les innovations seront en outre diffusées dans le contexte du Yield Uganda Investment Fund et du partenariat avec l'Inde et l'Afrique du Sud, et au moyen des technologies financières numériques et de l'accès aux services d'assurance des pays de la région. Les possibilités d'apprentissage à partir des innovations introduites dans la région et les pays du Sud seront étudiées.
39. **Communication et visibilité.** Une stratégie de communication sera élaborée et mise en œuvre pour chaque projet, au moyen de divers supports imprimés ou électroniques et des médias sociaux. On augmentera la visibilité par des sites Web, des événements locaux destinés à favoriser les échanges d'informations et des communications sur les principaux investissements.

## V. Innovations et reproduction à plus grande échelle pour des résultats durables

40. **Innovations.** Les innovations comprennent l'encadrement des ménages, les partenariats public-privé pour la formation à la vulgarisation, le renforcement des capacités des groupes locaux de production de semences, le renforcement des capacités des agriculteurs en matière de gestion communautaire des ressources naturelles et d'introduction de technologies reposant sur les énergies renouvelables et les démarches de regroupement visant à augmenter la compétitivité des petits exploitants. Le COSOP est destiné à renforcer les innovations actuelles et à mettre en place des systèmes de production plus rationnels sur le plan climatique. L'utilisation des technologies de l'information et des communications au service du

<sup>40</sup> Groupe des partenaires pour le développement de l'agriculture et groupe de travail sur le secteur agricole; groupe de travail sur le secteur privé; équipe de pays des Nations Unies.

développement dans le secteur ainsi que l'accès aux services financiers et à la finance numérique seront favorisés.

41. **Reproduction à plus grande échelle.** Un modèle efficace de partenariat public-privé-producteurs pour les investissements dans les huiles végétales est actuellement transposé à plus grande échelle (niveau national) dans le cadre du Projet national d'appui à la production d'huile de palme. Le Gouvernement ougandais élargit le modèle de l'exploitation de base dans ses propres programmes, en suivant sa stratégie de zonage agricole. Les possibilités de reproduction à plus grande échelle d'éléments de ce modèle de partenariat public-privé-producteurs, du système d'apprentissage interactif entre femmes et hommes et des approches d'encadrement des ménages seront étudiées et exploitées dans les projets concernant l'élevage et l'aquaculture. Des dons à l'appui d'activités de projet ont été octroyés pour augmenter l'adoption de bonnes pratiques<sup>41</sup>.

## VI. Exécution du COSOP

### A. Enveloppe financière et cibles de cofinancement

42. Le montant total des ressources<sup>42</sup> pour les investissements à réaliser pourrait être compris entre 200 millions d'USD et 280 millions d'USD, du fait des possibles variations des notations de portefeuilles à risque et de la performance du secteur rural. Le FIDA mobilisera des cofinancements pour ses projets auprès d'autres partenaires et de sources de financement de l'action climatique et environnementale.
43. Les projets en cours seront exécutés dans le cadre du COSOP, et des cofinancements seront mobilisés pour les deux nouveaux projets, en coordination avec le Gouvernement ougandais. Ces nouveaux secteurs sont considérés comme pouvant fortement contribuer à la réalisation des objectifs stratégiques.
44. Compte tenu de l'évolution des ratios de cofinancement dans le passé, 220 millions d'USD supplémentaires pourraient être mobilisés auprès de l'ensemble des sources, avec un ratio de cofinancement de 1:0,78 (tableau 1). On recherchera toutefois activement des possibilités de porter le ratio au moins à 1:1,5.

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<sup>41</sup> Activités de gestion durable des terres financées par le Fonds pour l'environnement mondial dans le cadre du Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries et de l'Étude mondiale des approches et des technologies de conservation/pratiques agricoles résilientes face aux changements climatiques appuyées par le réseau Uganda Landscape Network dans le Projet de rétablissement des moyens de subsistance dans la région du Nord encourageant la reproduction de technologies de conservation.

<sup>42</sup> Possibilités avec la Banque mondiale et la BAFD à étudier.



Tableau 1

**Projets en cours ou prévus: financements du FIDA et cofinancements**  
(en millions d'USD)

Projets	Financement du FIDA	Cofinancement		Ratio de cofinancement (projection)
		national	international	
<b>Projets en cours</b>				
Projet en faveur de l'accès aux services financiers des populations rurales qui en sont habituellement exclues	29 000 343	4 934 821		
Projet de rétablissement des moyens de subsistance dans la région du Nord	50 200 000	10 784 000	10 000 000	
Projet national d'appui à la production d'huile de palme	77 030 000	133 412 000		
Projet national d'appui à la production d'oléagineux	99 560 000	4 833 000	36 163 000	
<b>Total – Projets en cours</b>	<b>255 790 343</b>	<b>153 963 821</b>	<b>46 163 000</b>	<b>1:0,78</b>
<b>Projets prévus</b>				
Projet 1 – Aquaculture	140 000 000	60 000 000	50 000 000 <sup>43</sup>	
Projet 2 – Élevage	140 000 000	60 000 000	50 000 000 <sup>44</sup>	
<b>Total– Projets prévus</b>	<b>280 000 000</b>			<b>1:0,785</b>

## B. Ressources consacrées aux activités hors prêts

45. Les activités hors prêts seront principalement portées par celles issues des investissements du FIDA, en collaboration avec le Gouvernement ougandais, et le cas échéant par des dons. Les ressources existantes au titre de la Coopération Sud-Sud et triangulaire seront également utilisées pour promouvoir une série d'activités de coopération technique.

## C. Principaux partenariats stratégiques et coordination du développement

46. Des partenariats seront mis en place avec des organisations nationales, comme l'Organisation nationale de recherche agricole, pour réaliser les objectifs stratégiques du COSOP.
47. Une série de partenariats devraient également être noués avec le secteur privé et des organisations paysannes afin de mobiliser des ressources financières et techniques qui permettront d'accroître l'impact. Le FIDA renforcera son modèle de partenariat public-privé-producteurs dans le Projet national d'appui à la production d'huile de palme (projet en cours) et l'affinera dans de futurs investissements (appendice VIII).
48. Les cofinancements actuels proviennent notamment du Fonds de l'Organisation des pays exportateurs de pétrole pour le développement international et d'Heifer International; d'autres partenaires pourraient les rejoindre. D'importantes possibilités de cofinancement pourraient venir de la Banque mondiale et de la BAfD. La Banque européenne d'investissement se lance également dans de nouveaux domaines tels que l'énergie solaire et l'autonomisation des femmes en Ouganda, et les perspectives de partenariats seront étudiées dans toute la mesure du possible. Les possibilités de collaboration avec l'Union européenne, par l'intermédiaire du Yield Uganda Investment Fund par exemple, seront exploitées.
49. Le présent COSOP a été approuvé par la Coordinatrice résidente des Nations Unies pour l'Ouganda. Le FIDA entend continuer à se coordonner avec l'équipe de pays des Nations Unies au titre du Plan-cadre de coopération des Nations Unies pour le développement durable 2021–2025. Il participera également

<sup>43</sup> Projection.

<sup>44</sup> *Ibid.*

à des plans de travail conjoints avec les organismes des Nations Unies et dans le cadre du Plan de développement national.

50. Le FIDA prévoit de travailler en collaboration étroite avec l'Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO) afin de profiter de son expérience auprès des agriculteurs et des éleveurs pastoraux<sup>45</sup> dans le contexte du Cadre de programmation par pays de la FAO pour l'Ouganda (2021–2025). Le Fonds déterminera les perspectives de collaboration avec le Programme alimentaire mondial pour le renforcement de la résilience des petits exploitants et la conception des projets futurs.

#### **D. Participation des bénéficiaires et transparence**

51. **Participation des bénéficiaires.** Des mécanismes de participation et de collaboration sont prévus à l'intention des communautés dans tous les projets d'investissement. Des enquêtes annuelles sur les résultats et des outils de suivi participatifs permettront d'obtenir des retours réguliers des participants. Des mécanismes de traitement des doléances sont mis en place dans tous les projets afin de donner suite aux plaintes.
52. **Transparence.** On renforcera la transparence et la visibilité des interventions du FIDA et de leurs résultats en mettant en place des mécanismes permettant le partage d'informations avec les bénéficiaires potentiels, en continuant à publier les résultats sur des supports imprimés et électroniques, sur le site Web du Fonds et sur celui des projets, et en décrivant la procédure de traitement des doléances au niveau des projets.

#### **E. Modalités de gestion du programme**

53. Le COSOP sera géré par la Directrice de pays, qui est basée dans le pôle sous-régional du FIDA au Kenya<sup>46</sup>. Le Bureau de pays apportera un appui sur le terrain. Des missions d'appui à l'exécution, de supervision, d'examen à mi-parcours et d'achèvement seront lancées par le FIDA en collaboration avec le Gouvernement ougandais.

#### **F. Suivi-évaluation**

54. Une attention particulière sera portée aux insuffisances des systèmes de suivi-évaluation en ce qui concerne la qualité et la cohérence des données, ainsi qu'aux retards dans la réalisation des études essentielles, comme les études de référence, les examens à mi-parcours et les évaluations de fin de projet. Du personnel expérimenté sera recruté pour le suivi-évaluation au niveau des projets et sera formé aux approches du FIDA. Le cadre de gestion des résultats du COSOP (appendice I) fera l'objet d'un suivi et sera actualisé dans le cadre d'un examen annuel dirigé par le Ministère des finances, de la planification et du développement économique et le FIDA. Les résultats obtenus au niveau des projets seront enregistrés dans les systèmes de suivi-évaluation de ces derniers et éclaireront les examens du COSOP. Le Fonds mènera à bien une mission annuelle de suivi du COSOP ainsi que des examens à mi-parcours et à l'achèvement.

<sup>45</sup> FAO, 2020.

<sup>46</sup> Organisation susceptible d'être modifiée avec la « phase 2.0 » du programme de décentralisation.

## VII. Gestion des risques

Tableau 2  
Risques et mesures d'atténuation

<i>Risques</i>	<i>Niveau de risque</i>	<i>Mesures d'atténuation</i>
<p><b>Politique/gouvernance</b></p> <p>Pressions politiques en faveur d'une augmentation des dépenses et de nouvelles exonérations fiscales ad hoc, qui exercent une pression à la baisse sur des recettes fiscales déjà faibles</p>	Modéré	Apporter une assistance en matière de réformes et de plaider sur les politiques.
<p><b>Risque macroéconomique</b></p> <p>Risques de change et de taux d'intérêt, inflation et instabilité des cours des produits de base et risques liés à l'exposition à la COVID-19, avec un indice de 7,1<sup>47</sup></p>	Élevé	Investir dans les secteurs à forte croissance et dans la création d'emplois par l'intermédiaire des investissements réalisés dans le cadre des projets.
<p><b>Stratégies et politiques sectorielles</b></p> <p>Qualité de l'environnement d'investissement en milieu rural et incitations à l'intention des acteurs du secteur privé à collaborer de manière durable avec les groupes cibles du FIDA et à favoriser des moyens d'existence rémunérateurs et résilients</p> <p>Problèmes liés aux droits fonciers</p> <p>Capacités limitées du personnel de vulgarisation; contraintes liées à la qualité des intrants, aux aliments pour animaux et à l'accès aux services financiers</p>	Modéré	<p>Fournir des incitations au secteur privé par l'intermédiaire des liens avec les petits exploitants, qui apportent les produits requis, en quantité et en qualité, et bénéficient en échange de marchés assurés et de prix acceptables.</p> <p>Apporter un appui pour l'obtention de titres de propriété, au moyen d'activités de sensibilisation.</p> <p>Influencer la concertation sur les politiques, la conception des stratégies sectorielles et des politiques intéressant le programme de pays et investir dans des activités de projet destinées à remédier aux difficultés rencontrées par le secteur.</p>
<p><b>Capacité institutionnelle</b></p> <p>Capacités des unités de gestion de projet au niveau national et capacités d'exécution à l'échelon des autorités locales</p> <p>Qualité des services publics amoindrie du fait de la multiplication des districts</p> <p>Faiblesse des services de vulgarisation du secteur public</p>	Substantiel	<p>Consolider les capacités de planification et de gestion.</p> <p>Élaborer des modèles de partenariat public-privé-producteurs pour développer les filières, en tirant parti des atouts des principales parties prenantes.</p> <p>Renforcer les services de vulgarisation et élaborer d'autres mécanismes de vulgarisation par l'intermédiaire d'associations paysannes de districts, du secteur privé, etc.</p>

<sup>47</sup> Indice de gestion des risques INFORM.

<p><b>Portefeuille</b> Retards d'exécution et manque de durabilité des avantages – l'un des grands points faibles du pays, malgré des progrès au fil du temps</p>	Substantiel	<p>Renforcer les capacités actuelles au niveau des projets, concevoir des systèmes de gestion efficaces. S'attacher à la durabilité des avantages en élaborant des stratégies de retrait adéquates et en veillant à ce que l'ensemble des investissements soient exploités et entretenus avec rigueur.</p>
<p><b>Risque fiduciaire – gestion financière</b> Capacités limitées et incompatibilité des systèmes d'établissement de rapports</p> <p>Contrôle interne, domaine à haut risque ou mettant en jeu les intérêts des parties prenantes; insuffisance des audits internes et des suites données aux recommandations formulées lors des précédents examens</p> <p><b>Risque fiduciaire – passation des marchés</b> Problèmes de capacités au niveau des districts et non-respect des règles et des principes de passation de marchés; suivi insuffisant des marchés; utilisation courante de méthodes de passation de marchés ne faisant pas appel à la concurrence; score élevé du pays au regard de l'indice de perception de la corruption; faiblesse du système national de radiation; retards dans les passations de marchés; insuffisances dans la tenue et le classement des dossiers, et gestion et suivi des contrats globalement déficients</p>	<p>Modéré</p> <p>Substantiel</p>	<p>Évaluer la capacité fiduciaire des entités chargées de l'exécution et le renforcement de leurs capacités; en attendant, utiliser des systèmes de comptabilité couramment disponibles compatibles avec le système intégré d'information de gestion financière.</p> <p>Exiger un examen d'audit interne semestriel et communiquer systématiquement les rapports au FIDA et au Commissaire aux comptes pour examen.</p> <p>Utiliser le cadre du FIDA; supervision rationalisée et totale conformité avec les exigences du Fonds en matière de planification des passations de marchés, d'exécution, et de suivi et d'administration des contrats. Une assistance technique est fortement recommandée, parallèlement à une supervision rigoureuse et à un appui à l'exécution.</p> <p>Améliorer le suivi des passations de marchés en établissant des bases de données accessibles à partir des sites Web des projets financés par le FIDA.</p> <p>Recourir davantage à des procédures de passation de marchés ouvertes et concurrentielles pour renforcer l'efficacité.</p> <p>Atténuer les risques de corruption en veillant à ce que les équipes de tous les projets financés par le Fonds et l'ensemble des fournisseurs et des tierces parties respectent la politique révisée du FIDA en matière de lutte contre la corruption, ainsi que les lois nationales pertinentes en matière de lutte contre la corruption et la fraude.</p> <p>Compléter les dispositions nationales de radiation par les procédures de radiation du FIDA et d'autres institutions financières internationales.</p>
<p><b>Environnement et climat</b> Variabilité plus importante des précipitations, sécheresses et aléas climatiques accrus</p>	Modéré	<p>Promouvoir des pratiques agricoles climatiquement rationnelles et des infrastructures résilientes face aux changements climatiques.</p>
<p><b>Risques sociaux</b> Accaparement par les élites et participation limitée des femmes, des pauvres et des jeunes</p>	Faible	<p>Adopter des critères de ciblage efficaces et veiller à une plus grande adéquation des investissements pour les populations pauvres et marginalisées.</p>
<p><b>Autres risques propres au COSOP</b> Menaces (COVID-19, par exemple) qui sapent l'impact de l'agriculture, du fait de fluctuations des prix, de perturbations de la logistique, du transport, de la transformation, de la fourniture d'intrants et des échanges commerciaux</p>	Modéré	<p>Augmenter le recours aux technologies numériques et aider à l'élaboration de plans de continuité des opérations des projets.</p> <p>Favoriser l'autosuffisance par la production de semences locales et encourager le Gouvernement ougandais à prendre des mesures d'appui en faveur des petits exploitants.</p>
<p><b>Risque global</b></p>	Modéré	

## Appendix I: COSOP results management framework

Country strategy alignment	Key Results for IFAD – Uganda COSOP (2020-2024)			Policy objectives	
	Goal: To contribute to the transformation of rural Uganda, through enhancing sustainable growth, productivity and competitiveness” in selected value chains. It is expected that the country programme will benefit 445,000 <sup>48</sup> smallholders (2.4 million people) of which 1.2 million are expected to be women and 500,000 will be youth.				
	Strategic obj.	Outcome indicators	Milestone Indicators		
<p><b>National Development Plan (2020/21-2024/25)</b> <b>Objectives:</b></p> <p>(i) Enhance value addition in key growth opportunities</p> <p>(ii) Strengthen the private sector capacity to drive growth and create jobs</p> <p>(iii) Consolidate and increase the stock and quality of productive infrastructure</p> <p>(iv) Enhance the productivity and social wellbeing of the population</p> <p>(v) Strengthen the role of the state in guiding and facilitating development.</p>	<p><b>SO1: Support increased production, productivity, value addition, competitiveness and inclusion of smallholders, within selected (vegetable oils; livestock and aquaculture) value chains.</b></p>	<ul style="list-style-type: none"> <li>Increased agricultural production and productivity:               <ul style="list-style-type: none"> <li>- Nb of tons of crude palm oil and oil seeds produced [NOPP, NOSP]</li> <li>- Average yield increase for crops (beans, rice, maize, cassava) [PRELNOR]</li> <li>- 75% of supported farmers reporting increased production [NOSP]</li> <li>- 70% of supported farmers with increased share of production volumes marketed [PRELNOR]</li> </ul> </li> <li>Increased farm gate prices:               <ul style="list-style-type: none"> <li>- Net annual earning per ha of at least US\$ 1,300 for oil palm farmers [NOPP] (baseline VOPD2: 1,389 USD)</li> <li>- Net earnings per ha of at least US\$ 800 for oilseed farmers [NOPP, NOSP]</li> <li>- 90,000 farmers experiencing an increase in income and household assets farmers [NOSP]</li> </ul> </li> <li>Sustainable Farmers' Organizations:               <ul style="list-style-type: none"> <li>- 90% of oil palm Growers' Organizations' costs covered by own income [NOPP]</li> <li>- KOPGT 100% self-sustained by 2024 [NOPP]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Smallholder farmers and their organizations supported to access technical services and engage in the production of targeted commodities:               <ul style="list-style-type: none"> <li>- 11,041 smallholders receiving regular extension services for oil palm production [NOPP]</li> <li>- 120,000 smallholders receiving regular extension services for oil seeds' production (60% women) [NOSP]</li> <li>- 19,700 hectares of land newly brought under oil palm production [NOPP]</li> </ul> </li> <li>Smallholder farmers and their organizations supported in the marketing of targeted commodities               <ul style="list-style-type: none"> <li>- 400 Multi-stakeholders Platforms (MSP) established and brokering deals between stakeholders [NOSP]</li> <li>- 9,887 oil palm farmers selling FFB to processors [NOPP]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Support the development of a national policy to promote the sustainable and equitable development of the oil palm sector.</li> <li>- Identify policy constraints in the support to seeds' certification and the work of the National Seed Certification Service (NSCS)</li> <li>- Review of the 2005 animal feed policy and its application at the regional level</li> <li>- Identify constraints in the operation of VSLAs, SACCOs and regulated financial institutions in the development and provision of innovative products and lending methodologies for agricultural production finance, medium-term investment finance</li> </ul>	
		<ul style="list-style-type: none"> <li>Enhanced access to productive infrastructure:               <ul style="list-style-type: none"> <li>- 350,000 households served with improved or new roads [NOSP]</li> <li>- 80% of beneficiary farmers reporting enhanced access to market, processing, and storage facilities [NOPP, NOSP, PRELNOR]</li> </ul> </li> <li>100% of infrastructure with functional O&amp;M Committees in place</li> </ul>	<ul style="list-style-type: none"> <li>Essential market-access and marketing infrastructure built or rehabilitated:               <ul style="list-style-type: none"> <li>- 4,725 km of community access roads opened/rehabilitated [NOPP, NOSP, PRELNOR]</li> <li>- 11 market, processing or storage facilities constructed [PRELNOR]</li> </ul> </li> </ul>		
		<ul style="list-style-type: none"> <li>Sustainable SACCOs and VSLAs providing savings and credit services to their members:               <ul style="list-style-type: none"> <li>- 80% of VSLAs still operational after 3 years [NOSP]</li> <li>- 60% of supported VSLAs linked with SACCOs or Financial Institutions for credit access [NOSP]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>75 Village Savings and Loans Associations (VSLA) established or strengthened, with 120,000 members [NOSP]</li> </ul>		

<sup>48</sup> Number of targeted households: PRELNOR: 155,000 hhs; NOPP: 30,837 hhs; NOSP: 120,000 hhs; New projects: 260,000 hhs. The total figure of 445,000 households does not include the estimated 350,000 additional households who will benefit, under NOSP, only from the new roads and not the entire package of activities. The specific outcome and output targets of new projects will be integrated upon project's approval.

		<ul style="list-style-type: none"> <li>Enhanced access to credit by smallholders: <ul style="list-style-type: none"> <li>60% of women farmers and 40% of young farmers supported accessing credit [NOSP]</li> <li>60% of oil palm and oil seeds farmers linked with credit sources [NOPP]</li> </ul> </li> </ul>		<p>and insurance against risks especially climate risks, etc.</p> <ul style="list-style-type: none"> <li>Policy engagement on tenure security and access to land for women and youth for commercialization.</li> </ul>
	<p><b>SO2: Strengthen environmental sustainability and climate resilience of poor rural people's livelihoods and economic activities.</b></p>	<ul style="list-style-type: none"> <li>Enhanced smallholders' capacities to manage the natural resource base sustainably and adapt to climate change: <ul style="list-style-type: none"> <li>80% of trained farmers applying SLM techniques [NOSP, NOPP]</li> <li>55% of supported households reporting adoption of environmentally sustainable and climate resilient technologies [PRELNOR]</li> </ul> </li> <li>Oil palm plantations are operated without damaging the environment: <ul style="list-style-type: none"> <li>100% compliance with Environmental and Social standards (ESS) in all oil palm plantations [NOPP].</li> </ul> </li> <li>Area under innovative water catchment investments.</li> </ul>	<ul style="list-style-type: none"> <li>Smallholder farmers trained in soil and water conservation practices and adaptation to climate change <ul style="list-style-type: none"> <li>29,887 smallholders trained in Sustainable Land Management (SLM) techniques [NOSP, NOPP*]</li> <li>200,000 ha of land under climate resilient practices [NOSP, NOPP*] *NOPP target to be defined in 2021</li> </ul> </li> <li>1,800 Farmers' Groups with 715,000 members engaged in NRM and climate risk management activities [PRELNOR].</li> <li>Number of investments that are innovative or scale up traditional natural resource management projects into landscape water catchment rehabilitation projects.</li> </ul>	
	<p><b>SO3: Enhance sustainable livelihood development for marginalized and poor households especially, women and youth.</b></p>	<ul style="list-style-type: none"> <li>Enhanced food production or nutritional status for vulnerable households: <ul style="list-style-type: none"> <li>60% of supported vulnerable households reporting increase in food production [PRELNOR]</li> <li>50% of supported households reporting an improvement in minimum dietary diversity [NOSP]</li> <li>15,310 vulnerable households reporting an increase in food production or in income-generating activities [NOPP]</li> </ul> </li> <li>Enhanced access to income-generating activities: <ul style="list-style-type: none"> <li>15,310 vulnerable households reporting an increase in income-generating activities [NOPP]</li> <li>1,046 Farmers' Groups self-sustained [PRELNOR]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>154,066 highly vulnerable households mentored to improve their livelihoods' means: <ul style="list-style-type: none"> <li>34,066 households mentored [PRELNOR, NOPP, NOSP]</li> <li>120,000 households trained in financial literacy, and supported to improve their nutrition [NOSP]</li> </ul> </li> <li>143,922 households trained in income generating activities [NOSP, NOPP]</li> </ul>	

## Appendix II: Transition scenarios

### A. Transition Scenarios

The purpose of this Appendix is to offer an understanding of likely and possible country trajectories and to identify their implications for IFAD's country programme, over the COSOP period. In the context of COVID-19, the IMF presents only one scenario for the medium-term economic outlook, due to the uncertainty related to COVID-19.<sup>49</sup>

**Table 1: Projections for key macro-economic and demographic variables<sup>50</sup>**

Case	Baseline Scenario	Debt Sustainability (Alternative) Scenario (applicable only for the debt indicators)
Avg. GDP growth (2021-2024)	5.4%	n.a.
Public debt (as % of GDP) (2021-2024)	47.4%	34.8%
Debt service ratio (2021)	53.2%	49.0%
Inflation rate (%) (2021)	4.7%	n.a.
Rural population <sup>51</sup>	36,254,000 (2021) 41,367,000 (2027) Annual growth rate: 2.26% (2020-2025)	
Investment Climate for rural business <sup>52</sup>	<b>3.5/6</b> <ul style="list-style-type: none"> <li>World Bank Doing Business: Uganda ranked 116<sup>th</sup> out of 190 countries. Uganda considerably enhanced the monitoring and regulation of power outages, which has had a positive impact on its business climate.</li> <li>The Bank of Uganda introduced several key measures to support private sector businesses. These measures are aimed at: (i) reducing insolvency due to lack of credit; (ii) lifting limitations on the restructuring of credit facilities at financial institutions, which may be at risk of going into distress, (iii) giving exceptional permission to supervised financial institutions to restructure corporates and individuals loans, including a moratorium on loan repayment for borrowers affected by COVID-19, and (iv) temporarily deferring tax payments by the most affected sectors, which is expected to help the businesses to sustain a level of cash flow to remain operational and not to lay off staff.</li> </ul>	
Vulnerability to shocks <sup>53</sup>	<b>2.5/6</b> <ul style="list-style-type: none"> <li>Uganda remains vulnerable to endogenous and exogenous shocks. These shocks include financial shocks (wide financial gaps in 2020/2021), and extreme weather events. In addition, its economy continues to be severely affected by the unexpected COVID-19 pandemic, as well as by the 2020 desert locust invasion.</li> </ul>	

#### → Baseline scenario:

- Before the COVID-19 pandemic, growth was projected to marginally decrease from 6.5% in 2019 to 6.2% in 2020, and stabilize at this level in the long-term, notably driven by infrastructure and oil investments. However, the COVID-19 pandemic has severely affected the Ugandan economy and in this regard the outlook remains highly uncertain. Indeed, growth is expected to decrease sharply to 3.3% in FY2019/20, with key economic sectors, including tourism, transport, trade, and

<sup>49</sup> [Uganda: Request for Disbursement under the Rapid Credit Facility-Press Release: Staff Report; and Statement by the Executive Director for Uganda, May 2020](#). Alternative scenarios were provided only in the Debt Sustainability Analysis, for the debt-related indicators.

<sup>50</sup> Ibid.

<sup>51</sup> [UN DESA, World Urbanization Prospects 2018](#)

<sup>52</sup> [World Bank, Doing Business Annual Report 2020: Uganda: Request for Disbursement under the Rapid Credit Facility-Press Release: Staff Report; and Statement by the Executive Director for Uganda, May 2020](#)

<sup>53</sup> [Uganda: Request for Disbursement under the Rapid Credit Facility-Press Release: Staff Report; and Statement by the Executive Director for Uganda, May 2020](#)

agriculture, experiencing a slowdown. The adverse impact of COVID-19 will persist in FY2020/21, although a slight rebound is projected for GDP growth at 3.7%.

- The current account deficit is projected at 10.1% of GDP in FY2019/20, due to the decline in oil, gold and coffee exports; income from tourism, and remittances. Private sector credit growth is also expected to decline to 8.9% in FY2019/20, but gradually pick up to support the economic recovery over the medium-term, subject to the COVID-19 situation improving worldwide.

→ **Debt sustainability (alternative) scenario**<sup>54</sup>

- Uganda will remain at **low risk of debt distress**. Its fiscal deficit is foreseen to deteriorate during FY2020/21, with the debt stock increasing to respond to COVID-19-related financing needs (e.g. tax incentives; and increased health expenditure & social protection). However, it is improbable that debt indicators could reach their historical averages in the medium-term, which would maintain the public debt around 35% of GDP in FY2020/21. All debt variables are expected to remain below their respective indicative thresholds, under the baseline and alternative scenarios. However, the situation will need to be carefully monitored – under the stress test scenarios, multiple debt indicators will reach close to their respective thresholds.
- The debt service-to-revenue remains high and indicates increased vulnerabilities, with budget revenues declining due to COVID-19. Nonetheless, near-term external financing needs are assumed to be covered by drawing down current reserve buffers, IMF and World Bank resources, and support from other development partners [e.g. G20 Debt Service Suspension Initiative, (DSSI) due to COVID-19].

→ **Risks to the medium-term outlook**.<sup>55</sup> The unexpected COVID-19 pandemic represents a significant risk to Uganda's medium-term outlook. Indeed, the challenging external environment is reducing remittances and foreign direct investments. Moreover, the heavy rains in early 2020 and the ongoing desert locust invasion have been damaging to the agriculture sector, and COVID-19 has further impacted on this important economic sector. The weakening economic conditions, emanating from the pandemic, have put significant pressures on revenue collection, expenditures, reserves, and the exchange rate, resulting in urgent broad external and fiscal financing needs.

In addition to the COVID-related risks, the evolution of the oil price is a serious risk factor for Uganda as it may contribute to further postponing the launch of oil production. Finally, the early 2021 general elections also bring considerable uncertainty regarding short-term economic activity and government spending.

→ **The most likely scenario would be the baseline.**

**B. Projected Implications for IFAD's country programme**

(a) *Lending terms and conditions:*

Highly concessional terms: ( maturity period of 40 years, grace period 10 years and fixed service charge as determined at the date of approval of the financing).

(b) *PBAS allocation*

Uganda has already fully utilized its IFAD11 PBAS allocation of US\$ 99.6M for IFAD11. Since its debt projections, even under stress test scenario, remain within the acceptable thresholds, it is not foreseen that Uganda will opt not to use its future PBAS allocations.

<sup>54</sup> Baseline under the COVID-19 pandemic framework, and alternative scenarios with debt variables at their historical levels, and under stress tests.

<sup>55</sup> [Uganda: Request for Disbursement under the Rapid Credit Facility-Press Release; Staff Report; and Statement by the Executive Director for Uganda, May 2020](#)



(c) *COSOP priorities and products*

- If Uganda remains within the baseline scenario, the government may not require any additional investment project in the short-term, since it might prioritize other sectors, due to COVID-19

(d) *Co-financing opportunities and partnerships*

- The World Bank increased its lending commitments to Uganda, from US\$ 150M in 2019 to US\$ 721M in 2020.<sup>56</sup> Moreover, the World Bank Group has approved an additional US\$ 300M to close the COVID-19 financing gap and support economic recovery in June 2020. This could represent strong co-financing opportunities with the World Bank, both through IDA and the IFC.<sup>57</sup> In addition, opportunities of co-financing with China and India with vibrant capital landscape for Development Finance in Uganda will be explored.

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<sup>56</sup> [World Bank Overview for Uganda, Aug. 12, 2020](#)

<sup>57</sup> [WB, Press Release No 2020/158/AFR, Jun. 20, 2020](#)

## Appendix III: Agricultural and rural sector issues

### Overview

1. Agriculture employs 70 percent of the population, contributes a quarter of the national GDP, accounts for 46 percent of export earnings and is the main source of raw materials for the country's largely agro-based industries. The crop sector contributes 62% to agriculture GDP, livestock 13%, fisheries 8%, forestry 15%, and others 2%. The agriculture sector is dominated by smallholdings which represents 68 percent of farming households. Average farm size is 1.35 hectares (UBOS 2018). However, there are wide disparities in the land distribution with 66.2 percent of households operating less than 1 Ha of agricultural land and only 13 percent of households farming more than 2 Ha of agricultural land. Most household's practice a mixed farming system and grow a range of crops comprising cereals, legumes, root crops, bananas and local vegetables with some livestock especially small ruminants and poultry. On participation of smallholders' farmers in key value chains; 55% cultivate maize, 54% grow beans, 29% are involved in cassava and 25% cultivate coffee. In the livestock sub-sector, out of the 7.8 million agricultural households, 2.4 million (30%) keep cattle, 3.1 (40%) rear goats and 3.4 million own poultry. The production system is generally characterized by low input use under rainfed conditions. According to the 2018 Annual Agricultural Survey (AAS) only 2 percent of the agricultural households use irrigation, 23 percent plant improved seeds, and 21% use agro-chemicals. For tillage and farm power, the hand hoe is the main production tool. Roughly 10% of farmers use animal traction, and only 1.2% use tractors.<sup>58</sup>
2. When engagement in agriculture is considered by gender of household head, within female-headed agricultural households, the percentage of agricultural household heads involved in agricultural activities (89%) is higher compared to 79% male agricultural household heads within male-headed agricultural households (UBOS 2020). Overall, women contribute 56% of agricultural labour but access 0.23 hectares less land than those managed by their male counterparts (USAID/MAAIF 2018). In contrast, the participation of youth in agriculture is low. About 38% of youth in agricultural households in Uganda were mainly engaged in agricultural activities (UBOS, 2020). Yet 64% of the unemployed are youth<sup>59</sup>. There is no reliable statistics on youth involvement in priority value chains, however, they participate as agriculture as individual primary producers, employees, as independent service providers, as members of cooperatives and owners of small enterprises.
3. Production and productivity of most commodities are significantly below the potential and the levels indicated in research and field trials. Studies have established that for the majority of crops, smallholders get only 30 percent of research station yields (USAID Uganda and MAAIF, 2018). The low farm productivity is caused by:
  - Inadequately resourced research and extension services with limit capacity to develop, package, disseminate improved technologies essential for increasing production and productivity and household incomes. AAS shows that only 12 percent of farming householders reported accessing extension services during 2017.
  - Inability of small holder farmers to access capital for investment in production and marketing activities.
  - Limited access and rights to land especially for women and youth impeding long-term investments and improvements in land;

<sup>58</sup> World Bank, 2018 – closing the Potential – Performance divide of Ugandan Agriculture

<sup>59</sup> MAAIF, National Strategy for Youth Employment in Agriculture, 2017

- Poor road and transport infrastructure that restricts access to markets and services, particularly during the rainy seasons.
  - Climate impacts characterized by droughts, floods, and unreliable and poorly distributed rainfalls which disrupts production cycles and limits yields and outputs.
  - High post-harvest losses of up to 30 percent due partly to insufficient household-level storage and poor post-harvest handling practices (USAID Uganda and MAAIF, 2018). Tied to this is the high prevalence of Aflatoxins in grains and legumes that undermine food safety and competitiveness of Uganda's products in regional and international markets.
4. Provided some of challenges and constraints in the sector are addressed, Uganda's agricultural sector is positioned to grow as it has the potential to capitalize on the opportunities in regional agricultural exports to South Sudan and Kenya, and to other neighbouring countries facilitated by growing trade linkages within the East African Community.

### Poverty and Food Security

5. The 2016 UNHS national poverty put national poverty level at 21.4%. However, these were regional/geographical differences. Poverty was highest in eastern and northern regions at 36% and 33% respectively and lowest in central (5%) and western Uganda (11%). Regarding food security, findings from the 2018 AAS survey showed that the highest incidence of food shortages was reported in north east and northern regions of Uganda - 82% in Karamoja sub-region, 78% in Teso sub-region and 65% in Lango sub-region. Western and central regions reported the lowest incidence – Bunyoro sub-region was at 26% and central sub-region was reported 19%. The key reasons for food shortages was loss of crop and/or insufficient production, followed by lack of capital (17%) and lack of adequate land (12%). This is corroborated by the findings that in all sub-regions of the country, the percentage of agricultural households reporting shocks was higher than the percentage of Ag HHs reporting a food shortage. The shocks include weather related phenomena such as droughts, floods, hailstorms and erratic or heavy rains. Others were pests and disease outbreaks and illnesses within households affecting labour availability. To address food insecurity, interventions will be required to address these shocks.

### Policy and Regulatory Framework

6. Uganda's agriculture sector is anchored on **Vision 2040** which envisages a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years. This transformation is to be achieved, among others, through a modern and indigenous knowledge-based agriculture as articulated in the **National Agricultural Policy** whose vision is "a competitive, profitable and sustainable agricultural sector" that will be realized by "transforming the sector from subsistence farming to commercial agriculture". This vision is operationalized through periodic national and sector development plans - the **National Development Plan and the Agricultural Sector Strategic Plan** now entering their third cycle for the period 2020/21 – 2024/25. GOU has also formulated several sub-sector policies that cover commodities and services such as for Coffee, Fisheries and Tea. A key constraint is the weak implementation and enforcement of existing policies due to inadequate capacity of government and limited human and financial resources. Innovative ways of policy implementation need to be explored including self-regulation and sharing responsibilities between the public and private sector.

## Public and Private Institutions

7. The agricultural and rural sector in Uganda spans several Ministries, Departments and Agencies with the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF) having central responsibility. MAAIF's role is to create an enabling environment for the agricultural sector through policy formulation and implementation, sector planning, sector regulation and performance monitoring. These functions are executed directly by MAAIF and/or delegated to its seven semi-autonomous agencies; three of which are commodity focused (coffee, cotton and dairy), while the rest are service related (research, input distribution and promotion of value addition, and disease control). Besides MAAIF, other MDAs with vital roles in the sector include the Ministry of Trade, Industry and Cooperatives (MTIC) with responsibility for marketing, trade, and standards development through its Agency Uganda National Bureau of Standards ; the Ministry of Water and Environment for Climate Change adaptation and water for production, and the Ministry of Works and Transport for roads and transport infrastructure. Critical for ground level implementation of national policies, plans, standards and regulations are local governments at district, municipal and sub-county levels. In a recent Cabinet decision, the parish level which is the second lowest tier above the village level has also been identified as critical for the last mile delivery of services and is expected to play a role in the cluster approach to agricultural-led transformation of the rural areas.
  
8. Like the rest of the Ugandan civil service, agricultural sector public institutions are generally weak, and lack required skills, tools and financial resources required for delivery of services to the population. At local government levels, where implementation takes place, the rapid multiplication of administrative units without commensurate resources have left most with low staff levels incapable of effective public service delivery. Extension is one of those affected. The 2015 reform of extension transferred the responsibility to MAAIF which led to the creating of the Directorate of Agricultural Extension Services. Subsequent to this the National Agricultural Extension Policy and Strategy were formulated which provides strategic guidance to the service. The key pillars of the policy are pluralistic delivery and value chain focused approach. The pluralistic delivery allows for public and non-state actors to participate. Under public delivery, the Ministry's focuses on policy direction, technical backstopping and quality assurance while actual delivery is carried out by staff of local government. With a target of 5,000 staff positions and 4,000 recruited, the ratio of extension worker to farming households is still high at 1:1800 compared to the FAO standard of 1:500. The extension workers also do not have adequate transport and operational fund to reach out to farmers.
  
9. The real business of agriculture is carried out by the private sector which comprises of producers, aggregators, processors, wholesalers/retailers, and exporters, allied agribusinesses such as input dealers, financial institutions, etc. The private sector is organized as individual firms, farmer groups and associations, commodity platforms and cooperatives. Also categorized as Micro, Small and Medium Enterprises (MSMEs) the private sector in Uganda is dominated by MSMEs estimated at 1.1 million entities employing approximately 2.5 million people<sup>60</sup> and contributing to over 20% of our GDP. In terms of sector involvement, MSMEs in agriculture lead with 16%<sup>61</sup> while the next sector or business category is around 10%. Within the agricultural sector, the main activities are crop and animal productions as well as related supporting services. Given their number, the potential for MSMEs to create employment is considerable. The private sector also suffers several weaknesses including weak governance, inadequately skilled human resources, and are challenged with accessing capital due

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<sup>60</sup> NDP III, 2020

<sup>61</sup> FSD Africa, et al – National Small Business Survey in Uganda, 2015

to low compliance on statutory and business practices. As articulated in NDP III, GOU intends to develop the capacity of the private sector to increase their competitiveness to drive inclusive growth in the sector.

### **Opportunities for IFAD Investments**

10. With lessons gained from implementing projects in the previous COSOPs where IFAD supported Uganda to successfully develop an entirely new value chain, the new COSOP will be fully aligned to attain competitiveness, value addition and growth in an inclusive manner that integrates the marginalized groups, women and youth into the development process and ensures they benefit from the results. Out of the 10 priority commodities prioritized in NDP III, MAAIF has reprioritized maize, coffee, fish and dairy. The projects expected to contribute to these outcomes include: NOPP (on-going); a NOSP (awaiting GOU approval); and at least two others that are planned during the current COSOP period aquaculture, livestock with a focus on the dairy value chain. The rationale for these choices is outlined below.

### **Vegetable Oils**

The vegetable oil sub-sectors still have a huge backlog in investments. Current annual edible oil consumption is estimated at 222,600 metric tons, while domestic production is at 80,000 tons leaving a gap of 142,600 tons presently covered by imports valued at USD 91 million. Moreover, if the consumption rises to the recommended 15 kg per capita from the current 5.5 kg per capita both the volume and value of imports will triple unless investments are made in production and processing. Apart from edible oil, there is also great demand for high quality animal feeds as seed cake - a byproduct of the extraction process which accounts for 70% of the initial raw material. Given the relative availability of arable land suitable for cultivation of oils seeds, this gap can be closed through domestic production that will help utilise the more than 50% idle capacity that exists in operating oil mills. All these are consistent with the Governments post COVID – 19 national strategy of import substitution and export enhancement. To realize this, it is vital for existing and upcoming projects to address the constraints in the vegetable oil sub-sector which includes low production and productivity, limited access to improved inputs, inadequate access to agricultural financing and use of rudimentary production tools. Also, very important is to ensure growth in the sub-sector is inclusive. Currently women are marginalized in the oil palm value chain. To increase their participation, measures should be taken increase their access to land either by convincing men to give part of their land to women to establish own plantations or through government intervention to assist women to acquire their own land.

### **Livestock**

Productivity and growth in the livestock sector have strong income multipliers and poverty reduction impacts besides contributing to human food and nutrition security, acting as a buffer to mitigate the impacts of fluctuations in crop production and enhancing total household labour productivity.<sup>62</sup> The Livestock sector contributes 13% of agriculture GDP in Uganda of which dairy contributes 50%. Uganda currently produces 2.5 billion litres annually, out of which 20% is consumed at the farm, 80% is marketed and 33% of the marketed milk is processed into various milk and dairy products. At the current per capita consumption of 63 liters, Uganda needs 2.58 billion litres to meet this target. When the WHO recommended per capita consumption of 200 liters is considered, the quantity required is 8.2 billion liters. Moreover, Uganda's exports of dairy products is growing rapidly. From USD 50 million in 2015/16, exports rose to US\$ 150 million in FY

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<sup>62</sup> FAO – Pro-poor Livestock Initiative (2012),

2018/19 (MAAIF, 2020). These therefore present a strong case for more investments in the dairy sub-sector. Arising from cultural norms, the livestock sector is male dominated. The COSOP should come up with interventions that upgrade these value chains to be more productive and beneficial to women. These may include training and supporting them to acquire fast growing breeds, improved nutrition, and management as well as disease and vector control. For dairy specifically, a recent National Science Foundation study<sup>63</sup> found that ownership of dairy cows enhanced important dimensions of women's empowerment and gender equity that benefited women and households. It also provided a means for women to disrupt entrenched social norms related to gender roles within the household and agriculture. But it also revealed that women's labor responsibilities for dairy cows disempowered some women by increasing their workload. COSOP should therefore focus on interventions that make available highly nutritious fodder and pastures nearer to the households as well as water points as well as promoting water harvesting within the homesteads.

### **Aquaculture**

Fish is an important commodity in Uganda not only as a source of protein for millions but also a key source of foreign exchange earnings. In 2019, Uganda earned USD 177 million (MAAIF, 2020) from the export of 27,000 tons of fish and fish products. The total production from natural waters bodies in 2019 was 642,000 tons (MAAIF) while output from aquaculture was estimated at 120,000 tons representing 16% of total national production. These are produced by about 20,000 aquaculture farmers from 25,000 ponds, and over 3,000 cages. The total sustainable fisheries yield from Uganda's lakes is estimated to be 500,000 metric tons compared to a national demand of 1.1 m tons, 1.8 m tons at regional level and 150 m tons at global level. The huge supply gaps in the various markets can only be sustainably produced through aquaculture development. Besides the nutrition and national income benefits, aquaculture has a potential for inclusiveness because it requires small pieces of land which women and youth, normally excluded, can reasonably access. Women also play important roles in aquaculture value chain nodes particularly in production, processing and retailing but they do so with rudimentary technologies which consume a lot of their time. The COSOP should introduce more efficient technologies to ease women's workload in these tasks.

With suitable water quality and temperature and indigenous species especially tilapia and catfish that are in high demand, Uganda has the comparative advantage to significantly increase its aquaculture production. However, the key constraint of inadequate supply of quality fish seed and feeds needs to be addressed. Feed constitutes more than 60% of the production cost yet currently Uganda does not have adequate capacity to produce within the country and the imported feeds are too costly for the farmers to afford. The by products from the vegetable processing will help in addressing this challenge.

### **Overarching Strategies to address women's workload**

Besides the value chain-specific strategies to address the workload in the selected value chains, the new COSOP will adopt the following strategies to address this challenge.

**Household Mentoring approach/GALS:** continue to work with individual households to change mindset and identify barriers that limit the household's economic potential. Through this participatory methodology, households will identify the behavior that they

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I. <sup>63</sup> National Science Foundation, May 2020: Dairy Livestock Interventions for Food Security in Uganda:

What are the Implications for Women's Empowerment?

wish to change – including those through which gender inequality are manifested. This will include issues such as women’s workload, lack of control over productive resources, limited participation in decision-making, involvement in lower income or unpaid activities and gender-based violence.

**Promote GAPs that encourage sharing of responsibilities.** For example, available evidence suggests that where row planting is adopted as a GAP, men have been more willing to participate in weeding crops such as sesame and groundnuts that were originally the domain of women because traditionally the weeding of all broadcasted crops is assigned to women.

**Mechanization of primary processing:** Farm level primary processing such as drying, shelling, threshing and winnowing are predominantly the role of women. Promotion of appropriate post-harvest handling technologies such as threshers and shellers will greatly reduce the workload of women. This has been clearly demonstrated in maize where mobile shellers that move from household to household is now widely adopted attracting numerous service providers leading to drastic reduction in the cost making it more affordable

## Appendix IV: SECAP Background Study, including NDC analysis and targeting strategy

1. This COSOP covers the period between 2021 and 2027. The overall objective of this framework is to reduce poverty by empowering poor rural people to participate in the transformation of the agricultural sector and rural development, as well as to enhance their resilience. It is aligned to the recently developed policies, mainly the third National Development Plan (NDPIII) and the Agriculture Sector Strategic Plan (ASSP).
2. Within this COSOP, IFAD will contribute to national targets for achieving sustainable development goals and targets for gainful employment, productivity and economic transformation while adapting the agricultural sector to the adverse effects of climate change and contributing to the mitigation efforts. Ongoing and future programmes will scale up innovations and interventions on gender and youth empowerment, nutrition security and mainstreaming natural resource management and climate smart agriculture.
3. **Approach and Methodology.** The approach and methodology used for conducting this background study include (i) desk review of relevant national policies, strategies and commitments to the Rio conventions; (ii) analysis of ongoing projects within IFAD and development partners portfolios; (iii) consultations of national stakeholders, civil society organisations and farmers organisations (iv) review of youth, gender and nutrition manuals and guidelines and (v) analysis of the existing institutional context, country programme evaluations and climate change vulnerability assessments.

### Part 1 - Situational analysis and main challenges

#### 1.1 Socio-economic situation and underlying causes

4. Demographics: Uganda's population is estimated at 42.72 million (WB, 2018), with a growth rate of 3.3%, which is above Africa's average. This demographic growth hindered the positive efforts on poverty reduction in terms of absolute numbers<sup>64</sup>. Uganda's population is significantly rural (76%), with the Western and Eastern regions hosting slightly more than a quarter of the total population each (25.5% and 26.1% respectively (UNHS, 2018)). The rural household (HH) is composed of 4.8 persons on average<sup>2</sup>.
5. Poverty: National poverty estimates mask wide variations across regions. In 2017, 21.4% of the population was living under the national poverty line (UBOS, 2018). The incidence of poverty remains higher in rural areas, which contribute 89% of the national poverty (UNHS, 2018). At regional level, the highest incidence of poverty is in the Eastern region (36%), previously the northern region was the poorest (ibid). Although national poverty has decreased, improvements have been slower in the poorer Northern and Eastern regions<sup>1</sup>. Conflict stabilisation in Northern Uganda in 2008 positively impacted crop income<sup>1</sup>. At sub-regional level, Karamoja has the highest incidence of poverty (60% of population), followed by Bukedi (44%) and Busoga (38%) (UNHS, 2018). Acholi and West Nile also concentrate high levels of poverty (Fig. 1). The Northern and Eastern regions of Uganda have the highest percentage of working age population (20,9% and 20% respectively) as well as some of the highest ratios of dependency nationwide (107 and 107.3)<sup>65</sup>, which shows the enhanced need to leverage on the working population of these regions to shelter vulnerable households from poverty.

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<sup>64</sup> WB, 2016.

<sup>65</sup> Labour Force Survey, UBOS 2018



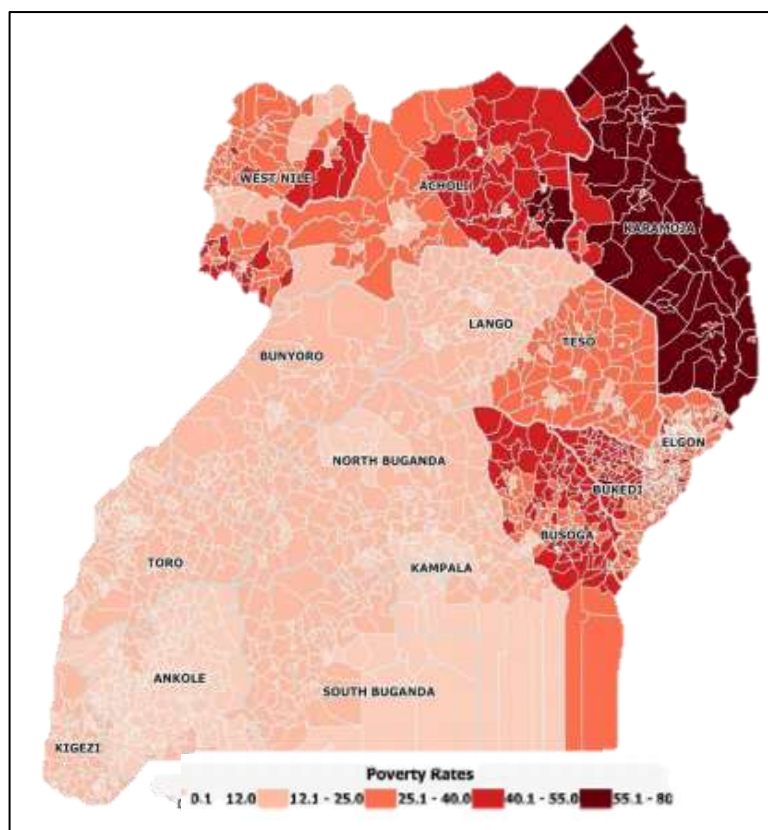


Figure 1: UBOS 2016/17 poverty maps at the sub-county level<sup>66</sup>

6. **Land governance:** Four distinct forms of land tenure exist<sup>67</sup>. The Leasehold tenure (2% of lands), land owned for a fixed amount of time. The freehold tenure (4%) - land held by an individual registered on the certificate of title as the land owner for life<sup>68</sup>. Both types are mostly found in urban areas and in the South West (WB, 2015). The Mailo tenure (14%) confers indefinite land ownership rights based on occupancy of tenants who become recognized by law with rights similar to the landlord. It is mainly found in urban areas or in Central Uganda in Bukedi region. Finally, the Customary tenure, the most common (80%), is when land is owned based on the customary practices, and is legally recognized although not officially registered. It is mostly found in south western Uganda, and in northern and north eastern Uganda<sup>69</sup>. Land used to be passed through inheritance, gift or proof of long-term occupancy, but the population growth and market dynamics change the dynamics of land access<sup>70</sup> and hinder secure access to land.
7. **Livelihoods and type of employment:** The Ugandan agricultural sector comprises small, medium and large farms with different levels of efficiency. Smallholders are the majority, with average farm size of 1.51ha nationally<sup>71</sup>. Households usually earn income through informal, low-investment, low productivity activities such as traditional crop farming<sup>1</sup>. The biggest share of agriculture related employment are in Karamoja (68.2%), Western (59.2%) and Central (51.3%)<sup>2</sup>. Most of the rural population is self-employed (79.8%), compared to 19.5% in paid employment and 5.4% contributing family workers (2.9% in

<sup>66</sup> [https://www.ubos.org/wp-content/uploads/publications/02\\_2020Presentation\\_-\\_Uganda\\_Poverty\\_Maps\\_2016-20177.pdf](https://www.ubos.org/wp-content/uploads/publications/02_2020Presentation_-_Uganda_Poverty_Maps_2016-20177.pdf)

<sup>67</sup> Constitution of Uganda (1995).

<sup>68</sup> [https://www.iser-uganda.org/images/downloads/Handbook\\_on\\_Land-Rights\\_Interests\\_and\\_Acquisition\\_Processes\\_in\\_Uganda.pdf](https://www.iser-uganda.org/images/downloads/Handbook_on_Land-Rights_Interests_and_Acquisition_Processes_in_Uganda.pdf)

<sup>69</sup> WB, 2015 : <http://documents1.worldbank.org/curated/en/58507146800009216/pdf/99060-WP-P155327-Box393200B-OUO-8-V2-UEU6-Fact-sheet-final.pdf>

<sup>70</sup> See Tumushabe et al, 2017

<sup>71</sup> [http://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country](http://www.fao.org/faostat/en/#rankings/commodities_by_country)

2013<sup>2</sup>). The main reason of being self-employed in rural areas is not finding wage or salary job (42.9%)<sup>2</sup>. The majority (41.2%) of the rural population lives on subsistence agriculture, representing 38.7% of women and 27.1% of men<sup>2</sup>. The highest rates of the population in subsistence agriculture work are in Bukedi (70.1%), Elgon (63.1%), Teso (59.2%), Lango (54.2%), Acholi (53.9%) and Busoga (53.2%)<sup>2</sup>. The main crops are cereals, coffee, plantains, cassava, sweet potatoes, beans; and the GoU prioritizes investments in beef, dairy cattle, poultry and goats as well as aquaculture (FAO, 2019<sup>72</sup>; MAAIF, 2018).

8. Agricultural productivity is constrained by a combination of institutional and economic and agro-ecological constraints. Weak road infrastructures and lack of transportation hinder the connectivity to markets and suppliers (FAO, 2018); poor quality or expensive inputs and post-harvest facilities lead to poorer quality outputs and lower earnings. Furthermore, smallholders have very limited access to credit, savings or payment plans<sup>73</sup>. More than half of most smallholders' income (59%) is generated on-farm, with crop production being the most common source, followed by livestock (FAO, 2018). The agro-pastoral production system dominates the livestock production in Uganda, with cattle production being 49% agro pastoral and 41% pastoral (FAO, 2019b). Cattle represents 19% of pastoral HH income revenue (mostly in the Northeast), and 12% for agro-pastoral. On average, pastoralists herd 3.6 Tropical Livestock Units (TLU) for their livelihood (FAO, 2018). About 58% of population owns livestock, 92% of which are subsistence farmers (FAO 2019b). The weighted median livestock unit per hectare is higher for Cattle (1.5TLU) and Poultry (0.1TLU), and lower for pigs (0.1TLU) and goats (0.2TLU)<sup>4</sup>. There is an estimated 12 000 farmers involved in aquaculture, the majority (60%) remain at subsistence level<sup>74</sup>.
9. **Gender empowerment** – Women represent 51.7% of the Ugandan population, and 31 % of HHs nationally are female-headed (30 % in rural areas) (UNHS 2017). Gender is crucial to understand individual and community dynamics surrounding agricultural productivity, but it is equally important to understand the heterogeneity women situations.
10. **Marital status:** The marital status is correlated to access to land, use of time, control over the income and of its use within the HH (Oduol et al, 2017). Women marry almost four times earlier than men, and only 23% girls aged 15 or more are not married, compared to 36% of men (DHS, 2016). Married women tend to lack access and control over incomes, given men's control over marketing activities, or due to lesser bargaining power in the HH<sup>75</sup>. Compared to divorced and widowed women, married women often have more access to resources and family labour. Women in polygamous marriages have to share the plot of land from the husband, which lowers productivity and income. Widows and divorced women have more decision power and control over their income, yet they tend to be poorer, and have less access to assets and agricultural information (UNHS, 2018).
11. **Health, reproduction and Gender Based Violence (GBV):** Maternal mortality rates have decreased but remain a health risk to Ugandan women, who go through six births on average<sup>1</sup>. Early pregnancies are still prevalent, and women are reported to have little control over their reproductive rights. This leads to issues such as close pregnancies, with their associated risks for the health of the mothers and other young children in the HH (WB, 2016, USAID, 2016). It also increases the risk of education dropouts for teenage mothers (WB, 2016, xi). Acceptance of domestic violence is still high, even more so among women, yet its acceptance has steeply declined since 2000 (DHS, 2016). Among ever-partnered women between 15 to 49 years, half of them experienced intimate partner physical and/or sexual violence at least once in their lifetime. GBV is more prevalent in

<sup>72</sup> <http://www.fao.org/3/ca5420en/ca5420en.pdf>

<sup>73</sup> <https://www.cgap.org/sites/default/files/publications/Uganda%20CGAP%20Smallholder%20Household%20Survey%20Report.pdf>

<sup>74</sup> FAO, 2019 : [http://www.fao.org/fishery/countrysector/naso\\_uganda/en](http://www.fao.org/fishery/countrysector/naso_uganda/en)

<sup>75</sup> See : Vorley et al. 2015; Oduol et al, 2017.

post conflict settings in Northern Uganda (UNFPA, 2018). Sexual exploitation and abuse reporting is captured under GBV with the root causes being gender and power inequalities. The main contributing factors are social and cultural norms, beliefs and practices, changes as well as challenges related to the forced displacement, poverty, poor living conditions, lack of livelihood and ability to meeting basic needs, lack of education, alcohol and drug abuse and lack of knowledge about the applicable legal framework. During the last years, awareness and capacities have improved and multi-sectoral response as well as key services are available (UNHCR, 2016).

12. Livelihoods and assets: Women are responsible for about 70% of overall agriculture GDP, and contribute to 90 % of the national food output (only 50% percent for the total cash crop output (USAID, 2011)). Approximately 70% of smallholder farmers are women, compared to only 53% of rural men working in agriculture (USAID, 2011). Female-owned plots and female-headed HHs tend to have lower productivity (Peterman et al, 2011), which can be attributed to differences in crop choice and in factors of production, such as women's labour constraints and lack of access to agricultural inputs and extension. Women also tend to be less educated and literate than men, with 69.9% of women above 10 years old being literate, against 77.5% of men (UBOS, 2018b). Hence, female-heads of HHs tend to be involved in lower skilled jobs, or labour intensive tasks which increase their risk of poverty<sup>76</sup>. Most of the women reporting ownership of agricultural assets identify non-mechanised farm equipment (85.7%), poultry (82.3%), and 67.1% own agricultural land, which is lower than their ownership for most of the other asset types (apart from mechanised farm equipment) (USAID, 2013). Unequal land access indeed disproportionately affects women under customary law<sup>77</sup>. Due to the barriers they face women tend to be more risk-adverse regarding new technologies or practices (Katungi, et al. 2008). Thus gender norms might play a bigger role in low crop productivity than purely technical or economic criteria.
13. Women usually manage food crops, while men usually manage higher value crops (e.g.: root tuber, banana, potatoes)<sup>78</sup>. Even if women are in cash crops, they can face discriminatory practices and if a crop associated with women gets higher value on the market, it is likely to be captured by men<sup>79</sup>. Women tend to lack control over income and benefits from it, especially because men tend to control the marketing activities and their revenue, or tend to control the HH income and its use, more likely so as the HH is poor or experiences hunger<sup>80</sup>. In terms of financing, 66 % of women report having access to credit from any source, with the most common being friends or relatives (41.3 %) and group-based micro-finance (31.8 %). In mixed HH, most women participate in the decision to borrow (69.4 %) as well as the way to use the loan (73.3 %) (UNHS 2017). Nevertheless the WEIA<sup>81</sup> measures that women have the least achievement in "Access to and Decision on credit" (32%), as parity in decisions it depends on the nature of the decision. Thus, women's actual influence can vary by crop and level of profitability and gender blind value chain development activities may hinder women's benefit from market opportunities, or could even have negative effects<sup>16</sup>.
14. Workload and division of labour: Women mostly work in planting, weeding, harvesting, post-harvest processing, storage and food preparation, while men focus on land clearing and marketing of cash crops (USAID, 2013). The proportion of subsistence agriculture workers involved in other non-economic activities concern 98.1% of females compared to 69.6% of males<sup>2</sup>. Furthermore, women tend to work in the family or husband's crop, taking care of their own plot on their remaining length of time (Oduol et al, 2017). This gendered

<sup>76</sup> See : USAID, 2013; Oduol et al, 2017.

<sup>77</sup> See Oxfam, 2019

<sup>78</sup> Kasente et al. 2001; USAID, 2013; Wanda, 2016.

<sup>79</sup> See : Wanda, 2016; Nkuji et al., 2011; Oduol et al, 2017

<sup>80</sup> See : Vorley et al. 2015, USAID, 2013; Oduol et al, 2017.

<sup>81</sup> WEAI: Women empowerment in Agriculture; in Feed The Future, USAID, 2013.

division of crops and labour strongly hinders women, who find themselves either confined to lower revenue crops or whom lower productivity is emphasized by their time constraints (Njuki et al. 2011). Women above 5 years old are expected to take on them the biggest share of HH work, which heavily hinders their time burden<sup>2</sup>. In addition, women traditionally have the responsibility for feeding the HH (Nkuji et al., 2011) which reinforces time constraints and higher pressure in case of HH poverty or low agriculture productivity.

15. **Youth** are defined as individuals between 18-30 years<sup>82</sup>, or as individuals aged 12 to 30 who require societal support in passage to adulthood<sup>83</sup>. Uganda is the second youngest population in the world with 48.7% under the age of 15<sup>1</sup> and 70% under the age of 30 (UNFPA, 2020). About 80% of the youth live in rural areas (UNFPA, 2017) mainly in Western (24.1%), Northern (20.4%) and Eastern Uganda (19.4%)<sup>2</sup>. The youngest population is found in Karamoja where a mean 3.4 HH members are between 0-17, in an average HH of 5,4 persons.
16. Gender: Young women are more likely to be in domestic and reproductive roles and less likely to be in school, employed, or to own land (Meinzen-Dick et al 2019). Additionally, economic shock in HH has a bigger impact on girls' school enrolment and academic performance than boys, as they are usually used as a variable buffer in the HH (Bjorkman-Nyqvist, 2013). Young women are more likely to rely on subsistence agriculture (36.3%) than men (25%)<sup>2</sup> and are twice as likely to be unemployed<sup>84</sup>. As such, programmes targeted at increasing the opportunities for rural youth should consider gender differences in constraints and needs.
17. Education attainment: Educational attainment has been increasing, suggesting that young people are being educated at higher rates than in the past (UNHS 2018). Yet, about 80% of male youth and 83.6% of female youth are out of school, and almost twice more female youth have never been to school (8.7%) compared to their males counterparts (4.8%)<sup>2</sup>. Most young people have only reached primary education (58%), and even when they do the quality of education is not sufficient in literacy and numeracy. In terms of labour skills, up to 67.5% of youth don't have specialised training, 8.3% have a specialisation only, 20.3% have trade or technical skills only, and 3.8% have trade or technical skills with specialisation<sup>2</sup>. In fact, only 37% of rural youth in employment have an education that is matching with their job requirements, and 59.8% of the youth in employment in agriculture, forestry and fishery are under educated for their job<sup>2</sup>.
18. Employment status and livelihoods: Agriculture and related jobs are likely to dominate the employment opportunities for rural youth, yet young people will face additional constraints to their livelihoods, such as environmental risks, climate change, land fragmentation and degradation (Brooks et al. 2019). Most rural youth (55.1%) work in the agriculture, forestry and fishing industry<sup>2</sup>. More of those aged 14 – 17 are subsistence agriculture workers (68.4%), than those aged 18-30 (35.3%). The prevalence of youth in subsistence agriculture is especially high in Eastern Uganda (47.9%), Karamoja (45.6%) and Northern Uganda (39.2%)<sup>2</sup>. The majority of youth work as subsistence family workers with no wages accruing to them, and informal employment accounts for the highest proportion of employed youths outside agriculture (Ahaibwe G. and Mbowa S., 2014), partly due to their low qualifications levels (Mallet et al, 2017). Therefore, the majority of rural youth is self-employed (54.1%), compared to 31% who are paid employees, and 13.2% who are contributing family workers. The rates of self-employment are strikingly high in Karamoja (70.7%), Northern (58.8%) and Western Uganda (58.3%). This suggests a situation whereby young people have limited labour opportunities, and are constrained to use self-employment as a coping mechanism to generate revenues (Mallet et al, 2019). Self-employment status will include rural youth from modest farming families (including child-mothers) and low-skilled/self-employed youth in survival enterprises. On the other hand,

<sup>82</sup> Section 1 of the National Youth Council Act Cap 319, Laws of Uganda, Constitution (1995).

<sup>83</sup> Ministry of Labour, Gender and Social Development (2001), National Youth Policy, p9 (SID, 2015 : 15)

<sup>84</sup> See : Ahaibwe G. and Mbowa S., 2014

wage employment will more likely include low-skilled youth in unskilled jobs and young apprentices in individual enterprises (Fund for Youth employment, 2019).

19. **Unemployment and underemployment:** Urban youth are more likely to be unemployed (12%) than rural youth (3%) (Ahaibwe G. and Mbowa S., 2014). These low figures should be taken with caution, as a large proportion of youth have given up the search for jobs and are more likely to be discouraged and hence not captured by the unemployment statistics<sup>2</sup>. In fact most of young people are neither in employment nor in education training (NEET), with a prevalence of 35.7% of the 18-19, and 31% of the 20-24 years old, and an average of 46.9% of rural youth overall<sup>2</sup>. This is a much more adequate representation on the unsatisfactory quality of the labour market for young people. Interestingly, unemployment is higher as the level of education increases; since the structural transformation is not sufficient to offer them inadequate job (Ahaibwe G. and Mbowa S., 2014). Young people tend to work in jobs that do not fully utilize their skills, earn low pay and do not work full time as desired. Hence, focusing on unemployment measures fails to take into consideration the reality of vulnerable employment, with low pay and precarious status, in which youth are currently engaged since many cannot afford to be openly unemployed (Ahaibwe G. and Mbowa S., 2014). In fact, despite agriculture being the main economic driver of Uganda, only 12% of the youth want to become farmers, due the negative perception on difficulties related the agricultural sector<sup>85</sup>.
20. **Child labour:** Uganda has made progress in eliminating the worst forms of child labour. In the agriculture sector the tasks involving child labour include cultivating, harvesting and acting as scarecrows in rice fields; working with livestock, including herding cattle; fishing, including catching, smoking, and selling fish, and paddling and loading boats and; producing charcoal. The 2016, Children (Amendment) Act, establishes age 16 as the minimum age for work. GoU developed regulations to implement the Act, which apply to children working with a formal employment relationship. Despite the established institutional mechanisms for the enforcement of laws and regulations on child labour gaps exist within the authority of the MGLSD that may hinder adequate enforcement of their child labour laws. Gaps exist in these social programs, including the adequacy of efforts to address the problem in all sectors. Social programs need to be expanded to address the scope of the child labour problem, particularly in agriculture<sup>86</sup>.
21. **Challenges:** The business climate and markets are limited, which affects SMEs and hinders employment prospects, already limited by the labour force growth<sup>87</sup>. The pejorative attitude directed toward young people and the exploitative nature of some apprenticeship schemes are also problematic<sup>88</sup>. Additionally, young people's lack of appropriate skills and quality education as well as limited access to land, capital, tailored financial products and financial assets are major constraints<sup>23</sup>. People below 35 years old are also more likely to migrate for reasons such as following family, income, marriage, and education (UNHS 2017). Programmes seem to propose options for youth, whilst rarely hearing their voice and aspirations<sup>23</sup>, and there is a lack research to back up the narrative that youth ought to drive the economic development of the country thanks to their innovative thinking and entrepreneur mind-set<sup>89</sup>.
22. **Opportunities:** In order to sustain their livelihoods and work toward their economic goals, young people tend to undertake a mixed approach of remunerative activities. It allows to mitigate risk and to maximize viable opportunities, and has implications for programmes

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<sup>85</sup> See : Aga Khan University ; Youth Report Survey, 2016 (<https://www.aku.edu/eai/Pages/uganda.aspx> ); Chemonics, 2017 : (<https://www.chemonics.com/blog/fostering-youth-led-farmer-services-enterprises-uganda/>).

<sup>86</sup> See: Bureau of international Labour Affairs, Uganda, 2017

<sup>87</sup> See : (Fund for Youth employment, 2019; Ahaibwe G. and Mbowa S., 2014.

<sup>88</sup> See : International Youth Fund, 2011; Save the children, 2018.

<sup>89</sup> See : Sumberg and Hunt, 2012. <https://bulletin.ids.ac.uk/index.php/idsbo/article/view/265>

that promote specialization in a particular skill or crop (Mastercard Foundation, 2018). Social networks are another important element to leverage as they allow young people to get support (financial, mentoring, guidance...) and can become an avenue for youth to demonstrate their changing status in the community (ibid). Hindered by limited access to land, young people can establish farmer service enterprises, provided that they have necessary social safety nets and adequate infrastructure to not be relegated into survival self-enterprise. Young people can also engage in pre-production, production, post-harvest, and marketing services to farmers often previously unserved (Mallet et al, 2017). For example, supporting integrated youth agribusiness hubs can foster youth employment by combining innovative technologies, developing talent, building know how, facilitating access to capital, enhancing business skills and access to finance and other services (IFAD, 2019). It can support employment in agribusiness through self-employment (agro-enterprises across the value chain) and wage employment (IFAD, 2019).

23. **Indigenous peoples:** The indigenous peoples in Uganda comprise ancient groups of hunters gatherers such as the Benets (8,500 individuals) in the northeast and the Batwa (also called Twa or Bayanda) in the southwest, in the Kisoro, Rukungiri and Kabale district (Mukasa, 2014). The Batwa account for approximately 6,700 individuals (IWGIA, 2019), and live as squatters on public land since their eviction from their ancestral lands in the 1990s<sup>90</sup>. Landlessness has driven them to live in overcrowded and temporary shelter with high prevalence of malaria, alcoholism and waterborne diseases (Care Uganda, 2011). For the Batwa youth, these conditions are related to high drop-out rates from school, early marriages and long-term inter-generational discrimination (ibid). Funding of schools or clinics does not benefit Batwa people who face discrimination (Zaninka, 2001, 184).
24. Uganda also has minority groups, such as the Ik (around 13,939 individuals), the Karamojong (988,429 individuals) and the Basongora (around 15,897 individuals) (IWGIA, 2019). The Ik live on the edge of the Karamoja and Turkana region, along the border between Uganda and Kenya. The Basongoras are a livestock community and live adjacent to Rwenzori Mountain in western Uganda (IWGIA, 2019). They are usually returnees from neighbour countries, who had left Uganda to escape the conflicts in the North. When they came back to Uganda, they found their lands occupied and became landless. Some of them live in protected areas as squatters (ACPHR, 2006). The Karamojong, the main nomadic pastoral community in Uganda, live in the northeast (ACHPR, 2006). As pastoralists, livestock is a central factor for their food security and financial capital. As such they especially are vulnerable to climate change impact on their livelihoods. This adds up to the fact that the community is already located in one of the poorest area of Uganda. Sedentarisation policies are particularly affecting the Karamojong community, whose freedom of movement is limited, putting further pressure on their livelihood<sup>91</sup> (MRG, 2018)
25. The Constitution (1995) recognizes all ethnic groups as indigenous, which limits political framing of IPs struggles, who are rather referred to as ethnic minorities. Additionally, the legal framework over land and natural resources in Uganda<sup>92</sup>, safeguards the customary interests and traditional use of land, but restricts the customary forest land rights of indigenous peoples (Mwanga, Mukhwana, Zaninka, & Kidd, 2009, p. 483; Mukasa, 2014). Uganda has not yet adopted the United Nations Declaration on the Rights of Indigenous Peoples in 2007 (IWGIA, 2019). However, the country is signatory of the Elimination of All Forms of Racial Discrimination and the African Charter on Human and Peoples' Rights, and the article 20 of the Uganda Constitution is against all sorts of discriminatory practices.

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<sup>90</sup> <https://www.ifad.org/en/ipaf-detail/asset/40222701>

<sup>91</sup> <https://www.iwgia.org/en/uganda/3342-for-karamojong-pastoralism-is-our-future-not-our-past.html>

<sup>92</sup> The Land Act of 1998 and the National Environment Statute of 1995.

## 26. Marginalised groups

**IDPs** The northern part of Uganda has experienced conflicts that have left many people displaced. For example 20% of the Acholi people are still displaced and those who returned found their land occupied (MRGI, 2018<sup>93</sup>).

27. **HIV/ AIDS:** Uganda has a rate of HIV/AIDS of 5.8% for population between 15-49 years, with women being more affected (7.1%) than men (4.3%). There is still stigma attached to HIV/AIDS positive individuals who can face discrimination that can also impact the HH. AIDS-related deaths decreased by 58% since 2010<sup>94</sup>. Additionally, of the 1.5 million people living with HIV in Uganda, 170,000 are between the ages of 15 and 24 years, and the disease affects young women over twice as much (4.9%) as young men (2.1%) (Vu et al, 2017). The rate of new HIV infections among 15- to 24-year-olds is one of the highest in the world, yet many gaps remain in the care and support services available to HIV-positive adolescents (ibid).
28. **Persons with disabilities (PwD):** Uganda Bureau of Statistics Labour Force Survey estimates that 19% of all persons aged 5 years and above are disabled (2018). PwD are two times more likely to not attend school than the average rate for people without disability (UBOS, 2014). Ethnic minorities are facing this reality in disproportionate ways. For example, 54.8 % of Karamojong children with disabilities never attended school at all<sup>95</sup>. The ratification in 2008 of the UN Convention on the Rights of Persons with Disabilities (CRPD) by the GoU sets a positive political signal. However, inconsistencies and ambiguities remain in the legal frameworks, that can be used to discriminate against people with disability, and there is a need to increase general awareness on the rights and dignity of PwD in order to reduce the prevalence of stereotypes and discriminations (CRPD, 2016).
29. **Nutrition** - A total of 66.3% of Uganda's population is moderately or severely food insecure<sup>96</sup> and rural HHs are twice as likely to be food poor (40%) than urban HHs (26%), with Karamoja (70%) and Bukedi (58%) having the highest rates (UNHS,2018). Child underweight is higher in Karamoja (26.3%), West Nile (16%) and Acholi (15.5%) (UNICEF Uganda,2018). Hence, although the NDP II<sup>97</sup> considers Uganda to be mostly food secure, there is still room for improvement. Uganda is also experiencing the double burden of malnutrition with 4.1% of obesity <sup>34</sup>. It is mainly found in urban areas, but is expected to increase as HHs become wealthier. Uganda's Mean Dietary Energy Consumption (DEC) stands at 2,226 kcal/person/day, the lowest intake per person being in Elgon (1792 kcal), Karamoja (1986 kcal) and Busoga (1931 kcal) (UNHSS, 2018). The share of food from own production is the highest in Kigezi (53.1%), Ankole (48%), Buyoro (47.7%) (ibid). The average diet is rather poor in micronutrient-rich foods and is mostly composed of staples (55% of DEC) such as plantain, starchy roots (cassava, sweet potatoes) and cereals (maize, millet, sorghum). Pulses, nuts, green leafy vegetables and animal products (meat, fish, eggs) complement the diet in smaller quantities (36% of DEC) (UNICEF Uganda, 2018; UNHS, 2018). Food access is influenced by seasonal patterns, inadequate market infrastructure and post-harvest facilities, and food prices; and it can still be difficult to access adequate amount of food at some moments of the year. Relative prices of foods also affect the quality of diets as HHs switch to cheaper but less nutritious staples<sup>98</sup>.
30. **Stunting:** Children's malnutrition at young age and during pregnancy impacts heavily the child survival, growth and long-term well-being. It also has extensive impact on the human capital. Children stunting (low height for age) prevalence is 29% nationwide and is higher

<sup>93</sup> <https://minorityrights.org/minorities/acholi/>

<sup>94</sup> <https://www.unaids.org/en/regionscountries/countries/uganda>

<sup>95</sup> <https://minorityrights.org/2019/12/18/sdq-disabilities-uganda/> (MRG, 2019)

<sup>96</sup> <http://www.fao.org/faostat/en/#data/FS>

<sup>97</sup> SECOND NATIONAL DEVELOPMENT PLAN (NDPII), 2015/16 – 2019/20, Uganda Vision 2040 <http://npa.go.ug/wp-content/uploads/NDPII-Final.pdf>

<sup>98</sup> See : Benson et al, 2008.

in rural areas (30%) than in urban areas (24%) (UNHS, 2018). Areas with the most prevalence of stunting are Tooro (40.6%), Karamoja (36.2%), Bunyoro (34.5%) and West Nile (33.9%) (DHS, 2016 ; UNICEF 2018). The level of poverty influences child stunting, but exceptions could be explained by better young child feeding practices, which highlight the role of nutrition awareness (UNICEF Uganda, 2013). Stunting is more prevalent as children are older, peaking at 37 % among children 18-35 months<sup>99</sup>. Mother's education is also an important factor as 37% of children born to a mother with no education are affected, compared to only 10% when mothers are educated up to secondary level<sup>34</sup>. Maternal thinness can also lead to low birth weight and reduced child height through intrauterine growth restriction.

31. Wasting: The rate for child wasting (low weight for height) is at 4% nationally. A relatively low national prevalence of U5 child global acute malnutrition (GAM), or wasting, masked a high national prevalence of severe wasting (1.3%) (UNICEF Uganda, 2019). Additionally, major disparities are noticeable in the poorest parts of the country, with a rate close to 10% in West Nile and Karamoja (UNICEF 2018). Wasting is often associated with poverty (UNICEF Uganda, 2018), therefore these two sub regions have most likely experienced major negative shocks to production and/or income. In fact, the proportion of the population relying on subsistence agriculture in Karamoja increased from 6% to 51% between 2011 and 2016, which stresses the need to better understand the vulnerabilities associated with shifts in livelihoods approaches (UNICEF Uganda, 2018).
32. Micronutrient: Anaemia is a nutritional problem that can be driven by low iron intake or by non-nutrition factors like malaria and negatively impacts child growth (Feed the Future, 2013). The starchy characteristics of the Ugandan diet provides very little bio- available iron. Nation-wide, 53% of children under five and 32% of women of reproductive age are anaemic (UBOS & ICF, 2018), the highest rates being concentrated in the North. Mixed adult HHs and female adult only HHs report similar anaemia prevalence (Feed the future, 2013) and there is less variation by wealth than geography. This suggests that poverty and HH food insecurity are not the only causes of anaemia and it is suggested that the malaria vector control interventions can correlate with lower anaemia prevalence (UNICEF Uganda; 2018). Even though coverage of iron supplementation (minimum 90 days) for pregnant women increased (4% in 2011 to 23% in 2016), anaemia prevalence for women has nevertheless increased (23% in 2011 to 32 % in 2016). Lastly, women and children between 2-5 years are still found to lack consumption of micronutrient-rich foods, like animal source foods and vegetables and overall they do not consume enough foods containing vitamin A and B12, iron, zinc and calcium<sup>100</sup>.
33. Child feeding practices and breastfeeding: The inadequacy of diets of children 6 months to 2 years is a major challenge, as only 15% receive sufficient diversity and meal frequency to meet the minimum requirements (UNICEF Uganda; 2019). Sub-regions with high prevalence of stunting and wasting, usually have very low rates of adequate child feeding. Good breastfeeding practices are also correlated to the mother's level of education (ibid). Additionally, although most children 0–5 months are exclusively breastfed (66%), the percentage drops to 43% for the children 4–5 months, and only 15% of children 6–23 months receive a minimum acceptable diet (UBOS and ICF 2018; USAID, 2018). There are also strong regional variation, as 93% of children in Karamoja are breastfed within 1 hour of birth, compared to 50% in Bukedi. Ultimately, young children tend to not be fed enough food, and the food they do receive is not enough nutrient rich and animal source (UNICEF Uganda, 2018).
34. Causes of malnutrition: Women are central in improving nutrition, yet gender inequality worsens food insecurity. For example, early pregnancies have serious consequences as

<sup>99</sup> <https://www.usaid.gov/sites/default/files/documents/1864/Uganda-Nutrition-Profile-Apr2018-508.pdf>

<sup>100</sup> See : Harvey, Rambelosen, & Dary, 2010 <http://www.gainhealth.org/wp-content/uploads/2014/04/44.-Uganda-2008-Food-Consumption-Survey-Report.pdf>



children born to very young mothers have higher chances to be malnourished, sick or even to decease, compared to those born to older mothers (WB, 2016 ; USAID 2018). Education of mothers is also crucial to impact the feeding malpractices (UNICEF Uganda, 2018). Livelihoods can also affect nutritional outcomes of the household. For example, income from non-agricultural self-employment, as opposed to wage labour, have been associated with lower stunting rates (Kirk et al., 2018). In Western Uganda, home gardens enable women to choose the crop, deliver food for the family and generate additional revenue by selling some lower value products. All of which makes gardens a source of diet diversity (Whitney et al., 2018). Livestock ownership increases animal source food consumption (Azzari et al, 2015). Lastly, access to quality water, health services and sanitation play an important role. Coverage of health services increased, but their quality is still unsatisfactory, especially in advising maternal and infant health and feeding practices (UNICEF Uganda 2019). Access to improved sources of water/potable water is important in reducing the risk of stunting among children. Yet, while half the population has access to at least a basic drinking water service; only 7.1% of the population has access to safely managed drinking water services<sup>31</sup>. The most frequent source of drinking water per residence is public tap/stand pipe (45%) and unimproved sources (26%) (DHS, 2016).

## 1.2 Environment and climate

35. Uganda is divided into ten agro-ecological zones. The northern part of the country is mainly drylands, para savannah and grasslands while the central part is predominantly grasslands, plains, rangelands and highlands. The southern region is dominated by farmlands and rangelands Figure 2.

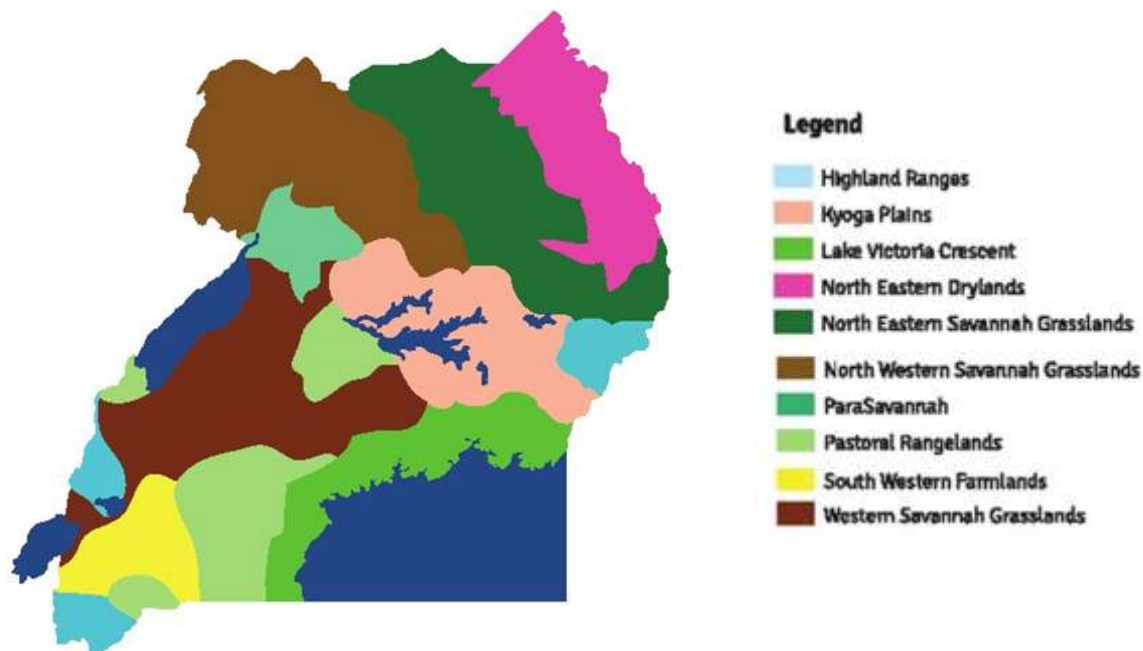


Figure 2 Agro-ecological zones of Uganda

36. The rangelands with semi-arid and dry sub-humid conditions receive low and unreliable rainfall ranging between 450 - 800 mm and drought is a common recurrent phenomenon thus the vegetation is sparse. Based on 2015 figures, agriculture is the largest use of land covering an area of 11.4Mha (48%), Figure 3.

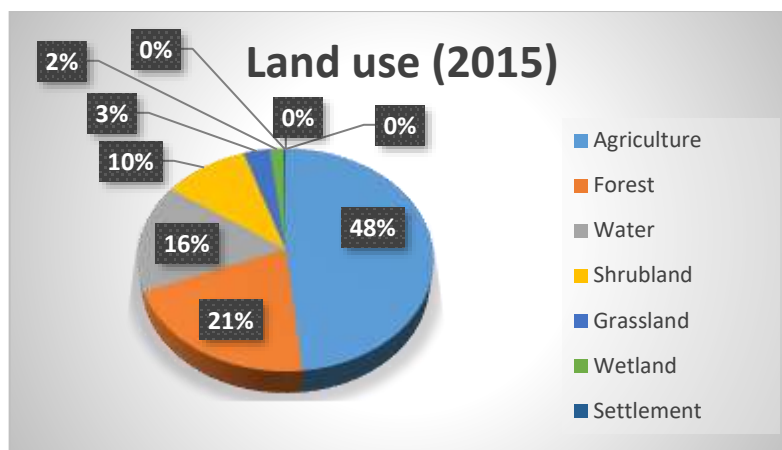


Figure 3 – Land uses in Uganda

37. **Forests** make up the second largest land use classification, however they are declining. In 2010, Uganda's tree cover was 6.93Mha, extending over 29% of its land area. In 2015 data showed 2.08Mha of forest, occupying 8.6% of the land area (FAO). As of 2016, 1.2% the national tree cover was intact forest. Between 2001 and 2019, Uganda lost 844,000ha of relative tree cover, signifying a decrease of 11% since 2000 and representing 0.22% of the global total. In 2019, Uganda lost 63,300ha of tree cover, equivalent to 12.6Mt of CO<sub>2</sub> of emissions (Forest watch). The decline in woody cover has also been noted in Protected Areas resulting in loss of habitat.
38. The primary causes of deforestation are urbanization/ industrialization, domestic energy demands and expansive agricultural activities due to increasing population. The population pressure results in overharvesting and encroachment. Approximately 90 per cent of the rural population depend on firewood for their domestic energy needs and a large proportion of urban dwellers depend on charcoal. The high population growth also drives communities to establish farms and settlements very close to the boundaries of the Protected Areas. The proximity engenders human and wildlife conflict with animals especially elephants, hippos and buffaloes destroying crops. In order to address these challenges, renewable sources of domestic energy, sustainable intensification agricultural practices and improved natural resources management need to be promoted.
39. **Grasslands/savannas** cover more than 50% of the land area of Uganda and are dominated in different locations by species of grasses, palms or acacias. The tropical grasslands, consisting of wet and dry natural systems are predominantly located in the "Cattle Corridor", which extends from the north-east through central to the south-west. This area is primarily pastoral livelihoods. The drylands also lie in the Cattle Corridor and are characterised by overgrazing on natural pasture, deforestation, inappropriate farming systems and bush burning. The drylands are considered to be the second most fragile ecosystem in Uganda, after the highlands due to pressure on the land especially at watering points, along livestock routes and on hilltops. The land tenure system in most of dry lands is communal (State of the Environment report, 2005).
40. Some of the main causes of degradation in grasslands are pastoralists' activities, which generally result in overgrazing and overstocking particularly in the North-eastern and central region drylands. Overgrazing also leads to the emergence of low-value grass species and vegetation with subsequent declines in carrying capacity of the land and therefore low productivity. Except in the north, much of the Cattle Corridor has problems of vegetation loss and soil compaction leading to erosion. The widespread erosion in the degraded lands has adverse impacts such as low crop yields, poor animal health and yields, loss of livestock and other animals, all of which undermine the rural livelihoods. Majority of farmers have inadequate knowledge and skills in improved farming methods. Improved management of the rangelands, productivity of the livestock and knowledge of the carry

capacity of the lands would reduce the overgrazing and overstocking thus alleviating the pressures on the grasslands.

41. **Water resources:** About 20% of the surface area of Uganda is under water comprising lakes, swamps and rivers. The country is fairly water secure, however, localised scarcity does occur for example in pastoral areas such as the Cattle Corridor where a significant proportion lack water for domestic and livestock use. In addition, the over abstraction of surface water resources changes the flow regimes and water quality of rivers in various parts of the country. These changes have adverse impacts on the aquatic life and ecological functions of the water bodies. The natural qualities of surface water bodies has also gradually been altered by human activities and water uses leading to slow setting pollution. Ground water data quality is limited to the collection and analysis of samples from small-scale rural water supplies abstracting from local aquifers in the basement complex.
42. Apart from the rapid decline in fertility and productivity of the land, soil erosion has also led to the siltation of lakes, rivers and streams. The water quality is also affected by pollution from urbanisation and industrial activities. The consequences of decreasing water quality include decline in fish catches and fish biodiversity. The disappearance of fish species, the deterioration in fish habitats and breeding grounds have been partly caused by the deterioration in water quality in bodies such as Lake Victoria. The re-invasion of aquatic weeds, in particular the water hyacinth and catchments degradation is also a concern in the basin (State of Environment report). Concerted efforts in monitoring and minimising both point and non-point pollution sources are required.
43. Uganda applies the Integrated Water Resources Management (IWRM) principles to ensure availability of water resources for all uses. Four Water Resources Management Zones have been delineated and catchment management committees formed with a mandate to develop management plans to guide the decision making at the local level. The IWRM principles are applied by the stakeholders with innovative approaches for sustainable water use while supporting livelihoods. In terms of water resources development, one priority for the Government is hydropower and therefore trade-offs may be necessary for sustainable use.
44. Uganda's **wetlands** cover about 10% of the surface area and have several uses including irrigated crop cultivation, as the deposit sediments and nutrients maintain soil fertility, fish farming, source of papyrus and brick making. Ecologically the wetlands have water treatment, water table regulation and purification functions and serve as wildlife habitats.
45. The main pressures on the wetlands emanate from conversion for agriculture production and cattle farming, which poses risks on the provision of ecosystems services and the rural livelihoods. Assumed ownership of some wetlands by individuals also limits the benefits from the ecosystem services. Uganda's Government recognises it's role to conserve wetlands and sustainably utilize them under the Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat. It aims to promote the conservation of wetlands in order to sustain their ecological and socio-economic functions for the present and future well-being of the people.
46. **Biodiversity:** Uganda's endemic species are primarily associated with high mountains, forests, and the Albertine Rift Valley. Uganda has 159 species listed in the IUCN Red List, 2008; which includes 38 plants, 21 mammals, 18 birds, 6 amphibians, 54 fishes, 10 molluscs and 12 being other invertebrates (NBSAP II). The naturally vegetated areas contain the bulk of the species and ecosystems in officially designated protected areas or private/public land. These include various subsets of forests, wetlands, grasslands/savannas and open water. The critical and unique naturally vegetated areas that require conservation are the Albertine Rift, Lake Victoria, Sango Bay ecosystem and the dry montane forests. The main threats to biodiversity include habitat loss, modification

and alteration along with unsustainable harvesting, pollution and introduction of alien species.

47. **Fisheries:** Some of Uganda's water bodies like Lake Victoria face challenges of over fishing, trans- boundary conflicts and decreasing quality of fish. The fish biodiversity in Uganda is dominated by the cichlid family consisting of 324 species of which 292 are endemic to Lake Victoria. Fish species contribute to aquatic biodiversity, however, the introduction of the Nile perch in Lakes Victoria and Kyoga has led to concerns over the declining fisheries biodiversity. Promotion of aquaculture can reduce the pressure on the natural water bodies and contribute to the aquatic biodiversity.
48. **Land** Approximately 20 % of Uganda is mapped as degradation hot spots with localised areas showing early signs of declining land productivity in the Karamoja and West Nile regions, Figure 4. Other locations are stable but stressed and areas of declining productivity have been delineated by Water Management Zones including L. Albert, L. Kyoga, Upper Nile and L. Victoria. Mining activities, which are carried out by artisanal and small scale miners who employ crude, indiscriminate and inappropriate methods of mining that contribute to land degradation. The methods entail clearance of the surface vegetation and the subsequent excavation. The artisanal mining areas are not restored and thus also result in degraded lands and erosion. Land degradation and declining productivity can be reversed through improved soil and water conservation measures, improved agricultural practices such as integrated soil fertility management, and rehabilitation activities.

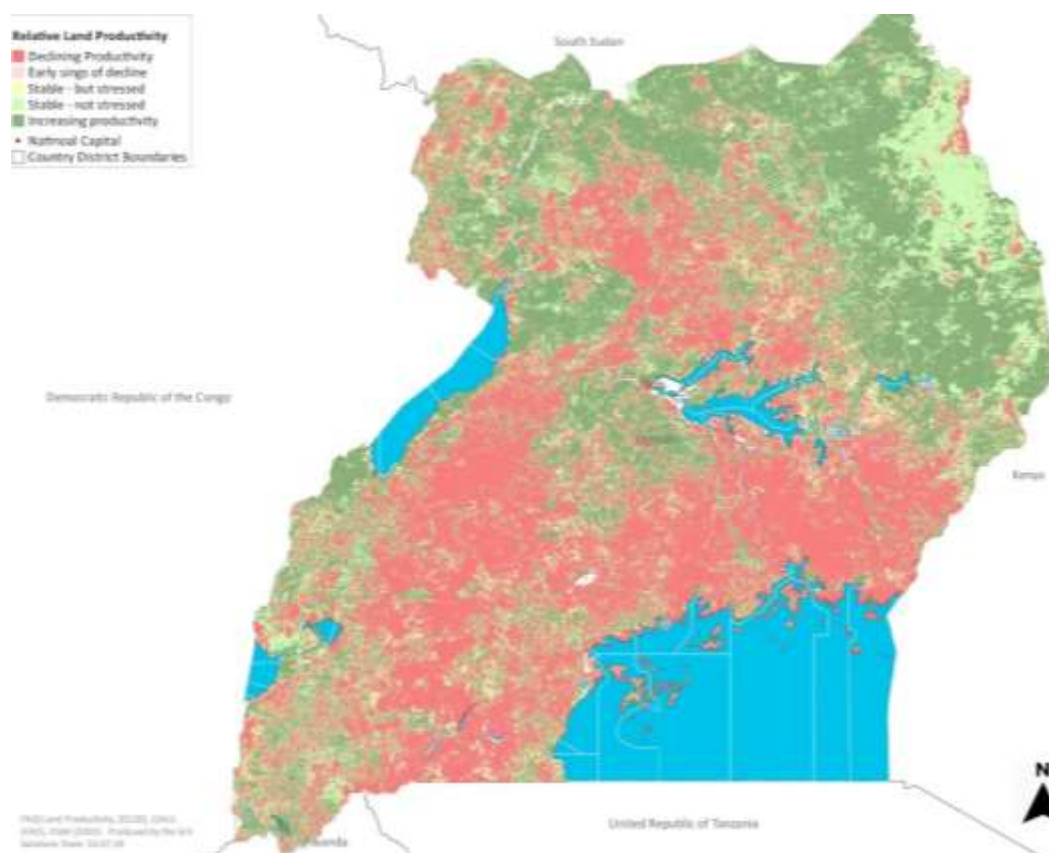


Figure 4 Relative Land Productivity

49. **Climate change** impacts in Uganda include changing weather patterns, decreasing water levels and increased frequency of extreme weather events. Climate projections for the country based on the models used in the IPCC Fifth Assessment Report (IPCC AR5) indicate an increase in near-surface temperature in the order of +2°C over the next 50 years under Representative Concentration Pathway (RCP) 4.5; and in the order of +2.5°C in the next 50 years under RCP 8.5 (Uganda Nationally Determined Contributions, 2015). Average

temperature (TMean) will increase in all regions during the period from 'Historical' to 'Mid-Century 2050' timepoints by at least 1.5°C. The hottest months of January, February and March are predicted to increase by 1.7 °C, relative to a Historical average of 24.4–25.2 °C. Similar increases of 1.6–2.1 °C are predicted for all other months of the year (Climate Risk Assessment, Agriculture Sector of Uganda, University of Cape Town/ IFAD, 2019).

50. The overall effect of the increases in TMean is likely to result in complex impacts on the agricultural sector, particularly when considered in combination with the predicted decreases in precipitation. The large increases in temperature (1.7–2.0°C) in the rainy season months of March-May and August-October will increase crop water demand and evapotranspiration losses of water from agricultural soils, coinciding with the reduced rainfall predicted for the same months. This effect is likely to increase the risks of crop failure as a result of inadequate or erratic rainfall during the establishment of rainfed crops. Furthermore, the increased average temperatures are likely to include increased frequency or severity of heat waves and unusually hot days, further contributing to evapotranspirative losses of water and crop stress. Despite the potential for negative consequences on the range of crops traditionally grown in Uganda, there is also the possibility of positive effects resulting from temperature increases, which may allow for the increased production of warm-climate crops and cultivars that might otherwise be unsuitable for Uganda's conditions (Climate Risk Assessment, Agriculture Sector of Uganda. University of Cape Town/ IFAD,. 2019).

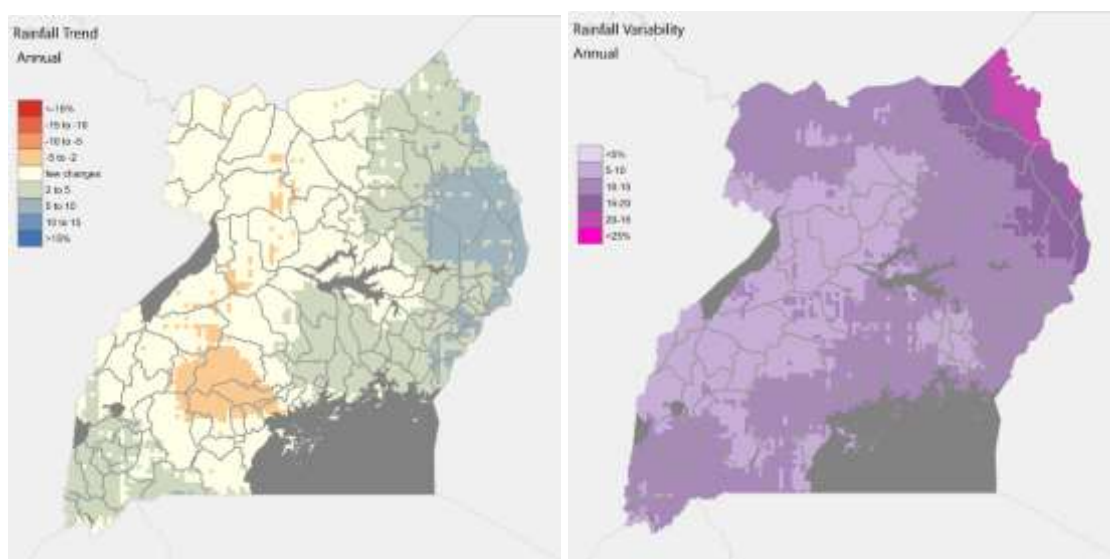


Figure 5 Rainfall trends and variability

51. The IPCC AR5 models also predict a slight decrease in total annual rainfall in most parts of the country, with slightly wetter conditions over the west and north-west under both RCP 4.5 and RCP 8.5. In contrast, during the dry season months of November to February, total rainfall is predicted to increase slightly, by ~11 mm over the 4-month period under the RCP 8.5. The drop in total rainfall over Lake Victoria may be significant, -20% from present (Uganda Nationally Determined Contributions, 2015). However, in addition to the predicted trend of reduced rainfall during the traditional growing seasons (commencing in March and August/September, respectively) climate change will result in an increase in monthly rainfall during the months of November, December, January and February. These results may be indicative of a delay in the onset of the traditional rainy seasons, or alternatively may indicate that rainy seasons (particularly the second season, August – October) may effectively be extended for one to two months. These effects are likely to vary on an interannual basis as well as spatially within each season, and the consequent impacts on agricultural activities cannot be predicted with certainty (Climate Risk Assessment, Agriculture Sector of Uganda, University of Cape Town/ IFAD, 2019).

52. In terms of agricultural productivity impacts, the average reduction in national rainfall predicted for the months of March-May and August-October may result in inadequate rainfall to support effective establishment of crops during the period which is traditionally associated with the start of each growing season. The positive anomalies (i.e. predicted increases) in monthly rainfall in the months of November – January may indicate an extension in the duration of the second rainy season, thereby providing farmers with the option to extend or stagger the timing of crop establishment. The anomalies in precipitation at the onset of the first rainy season, notably the months of April and May, appear to be greatest in the Northeast of the country, and along the Eastern and Central region borders, particularly near Lake Victoria. The anomalies at the onset of the second rainy season are comparatively more evenly distributed across the regions, however, anomalies are slightly greater in the central parts of the Northern and Eastern regions (Climate Risk Assessment, Agriculture Sector of Uganda, University of Cape Town/ IFAD, 2019).
53. Uganda's land-use change and forestry sector is a net source of CO<sub>2</sub>, emitting an average of 25.5tCO<sub>2</sub>e per year from 1990 to 2016, representing 44% of the total national greenhouse gas emissions over the same period. Uganda has a total carbon store of 2.15Gt, with most of the carbon stored in soils (Global Forestwatch).
54. In the Nationally Determined Contributions (NDC) submitted for the Paris Agreement, Uganda reiterated adaptation to climate change is a priority. Mitigation targets were included with the larger part being conditional on external support. The adaptation priorities in the Agriculture sector include expanding extension services, climate information and early warning systems, Climate Smart Agriculture (CSA), diversification of crops and livestock, value addition, post-harvest handling and storage and access to markets, including micro-finances, rangeland management, small scale water infrastructure and research on climate resilient crops and animal breeds.
55. The adaptation priorities in the water sector include improving water use efficiency; ensuring water supply to key economic sectors, especially agriculture, and domestic use, including water harvesting and storage; managing water resource systems, including wetlands, particularly in cities, in such a way that floods are prevented and existing resources conserved (through the establishment of an Integrated Water Resources Management system). The energy sector priorities include extending electricity or expanding use of off-grid solar system to support water supply, value addition on agricultural products and irrigation. The adaptation budgets in these sectors were estimated at USD 936.8 million for 2021-2025 and USD 932.1 million for 2026-2030 with Climate Smart Agriculture (2015-2025) investments estimated at United States 476.0 million.
56. The mitigation priorities include strengthening institutions responsible for wetlands management and conservation and increasing wetland coverage to 12% by 2030, from approximately 10.9% in 2014, through demarcation, gazettement and restoration of degraded wetlands. In the agriculture sector the mitigation priorities are Climate Smart Agriculture techniques for cropping (Agricultural soils: 36% of national GHG emissions (13.5 Million tons of carbon dioxide equivalent per year (MtCO<sub>2</sub>eq/yr)) in 2000), Livestock breeding research and manure management practices (Enteric fermentation: 19% of national GHG emissions (7 Million tons of carbon dioxide equivalent per year (MtCO<sub>2</sub>eq/yr) in 2000. Projected to increase by 4 times by 2030).
57. The impacts of climate change will be mainly on production. However, given the value chain approach of IFAD interventions an analysis was conducted on the potential impacts along the value chains for the main agricultural commodities in Uganda. The analysis focused on crop suitability mapping for the main crops that are of interest to the smallholders and the results are summarised below.

58. For the livestock systems, climate change projections indicate some increases in net primary productivity in the highlands, and some reductions in the drier areas<sup>101</sup>. Other projections indicate widespread negative impacts on forage quality and thus on livestock productivity, with cascading impacts on incomes and food security. In addition to climate change effects on the quantity and quality of feeds, other effects are anticipated on water availability in livestock systems, and on the distribution and severity of livestock diseases and their vectors. The cattle sector accounts for about 38% of Uganda's emissions, mostly from enteric fermentation and manure management. Improved pasture management using rotational grazing or other methods of reducing open grazing can have mitigation benefits through decreasing the emission intensity of milk and meat. Combining livestock with agroforestry can increase livestock productivity and carbon sequestration in the system. Feed improvement, forage development, and livestock breed improvement can all have substantial effects on emissions intensity reduction as well as increasing the productivity and resilience of livestock systems.
59. Fisheries and aquaculture are vulnerable to climate change<sup>102</sup>. Aquaculture in Uganda is promoted as a promising commercial venture to meet consumer demand for fish and support community livelihoods. However, the aquaculture value chain shows weaknesses in input supply and delivery, resulting in low productivity. A combination of climate-related threats may further weaken input supply and threaten pond productivity. In the fisheries sub-sector, storms and high winds on the lakes are dangerous for fishers and result in input, infrastructure and gear destruction. Any increase in frequency or intensity would be detrimental to the fishing community. The impacts on production resulting from climate change and variability are complex. The potential impacts include changes in stream and groundwater temperature; change in hydrology regimes, a function of land use, precipitation, soil moisture and evapotranspiration; hydrologic variability; eutrophication; higher growth rates; higher incidence of disease and changes in water quality. The specific potential outcomes will be shifts in primary and secondary production; changes in food web structure; disease and species invasion; decreased breeding areas and less predictable seasonality of lakes. Adaptation options such as improved efficiency in the use of water, training in water storage/ harvesting, encourage non-consumptive water use aquaculture, improved management of wetlands/ lakeshore areas, improved post-harvest technology, provision of climate resilient infrastructure and support for diversified livelihoods can be promoted through project level interventions.

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<sup>101</sup> Thornton, P et al., 2019, Program for climate-smart livestock systems, Country stocktake: Uganda, International Livestock Research Institute

<sup>102</sup> Timmers, B. 2019, Impacts of Climate Change and Variability on Fish Value Chains in Uganda, WorldFish Centre

**Table 1. Summarised effects of climate change on future suitable area and suitability index scores of crops in Uganda (RCP 8.5)**

<b>Crop</b>	<b>Climate change effect on extent of suitable areas</b>	<b>Climate change effect on annual production (T/yr)</b>	<b>Most vulnerable regions</b>
<b>Groundnut</b>	Widespread 'good' to 'excellent' historical suitability, Moderate decrease in suitability for Season 1, mild increase for Season 2, by the Mid-Century Future	Loss of <b>3,611 tonnes</b> from Central and Western. Positive impacts in Eastern and Northern	<b>Central, Western</b> Positive impacts in Eastern and Northern
<b>Sesame</b>	Widespread 'good' to 'excellent' historical suitability, Moderate decrease in suitability for Season 1, mild increase for Season 2, by the Mid-Century Future	Loss of <b>3 tonnes</b> from Central region. Positive impacts in Eastern and Northern	<b>Central</b> Negligible impacts in Western, Positive impacts in Eastern and Northern
<b>Soyabean</b>	Widespread 'good' to 'excellent' historical suitability across the country in Season 1, mild decreases to suitability by Mid-Century Future; 'Good' to 'excellent' historical suitability across the country in Season 2, except for Northern region, mild increases to suitability by Mid-Century Future	Loss of <b>151 tonnes</b> from Western region. Positive impacts in Central, Eastern, Northern regions	<b>Western</b> Positive impacts in Central, Eastern, Northern regions
<b>Beans</b>	Widespread historical suitability, Moderate decrease in suitability for Season 1, mild decrease for Season 2, by the Mid-Century Future	Loss of <b>116,400 tonnes</b>	<b>Northern,</b> Mild impacts projected for Central, Eastern and Western
<b>Maize</b>	Widespread 'good' to 'excellent' historical suitability, Mild decreases in suitability for Season 1 and Season 2, by the Mid-Century Future	Loss of <b>88 572 tonnes</b>	Central, Northern, Eastern
<b>Cassava</b>	Widespread excellent historical suitability, Mild decreases in productivity in North by Mid-Century Future, mild increases in productivity for the rest of the country	Loss of <b>44,199 tonnes</b> from Northern region. Positive impacts in the Central, Eastern, Western regions	<b>Northern,</b> Mild positive impacts in the Central, Eastern, Western regions
<b>Sweet potato</b>	Widespread 'good' to 'excellent' historical suitability across the country in Season 1, mild decreases to suitability by Mid-Century Future; 'Moderate' to 'good' historical suitability across the country in Season 2, except for Northern region, mild increases to suitability by Mid-Century Future	Loss of <b>69,000 tonnes</b> from Central and Western region. Positive impacts in the Northern and Eastern regions	<b>Central and Western</b> Positive impacts in the Northern and Eastern regions
<b>Plantains</b>	Widespread 'good' to 'excellent' historical suitability, Mild increased suitability in Season 1 and Season 2, by the Mid-Century Future, in all regions except Northern	Loss of <b>849 tonnes</b> from Northern region. Mild positive impacts in the Central, Eastern, Western regions	<b>Northern</b> Mild positive impacts in the Central, Eastern, Western regions
<b>Sunflower</b>	Widespread 'good' to 'excellent' historical suitability across the country in Season 1, mild decreases to suitability by Mid-Century Future; 'Moderate' to 'good' historical suitability across the country in Season 2, except Karamoja in Northern region, mild increases to suitability by Mid-Century Future	Minor positive effects predicted for all regions	
<b>Sorghum</b>	Good to excellent, widespread historical suitability, Minor increases in suitability in the North during Season 1, decreases during Season 2, minor increases in Central, Eastern and Western during both seasons, in the period up to Mid-Century Future	Minor positive effects predicted for all regions	



## Part 2. Institutions and legal framework

### 2.1 Institutions

60. Gender and Youth: The Ministry of Gender, Labour and Social Development is responsible for the promotion of gender equality in the country based on the notion of equality between men and women expressed by the constitution and the Gender Policy of 2007. Focal points for gender are then disseminated across ministries. The Directorate of Gender and Community Development within this Ministry has the mandate to empower communities in various domains through its representatives at District, County and Sub-county levels.
61. Nutrition Coordination mechanism: The multisector Nutrition Action Plan falls under the mandate of the Office of the Prime Minister. A Multisector Coordination Committee engages eight implementing line Ministries as well as other non-governmental, public and private sector stakeholders. Nutrition related activities are coordinated and implemented by different players within the various sectors in coordination with government and sector authorities at every level.
62. Environment and climate change: The National Environment Management Authority (NEMA) is a semi-autonomous institution and the principal agency with the mandate of coordinating, monitoring, regulating and supervising environmental management in the country. NEMA spearheads the development of environmental policies, laws, regulations, standards and guidelines; and guides sound environment management ensuring sustainable development contributing to the National Vision, the NDP, regional and global commitments including SDGs. The structures in Uganda are decentralised and Districts develop their own environment action plans and appoint environment and natural resources management officers in charge of land, forestry, environment, wetlands, etc.
63. Under the Ministry of Water and Environment, the Directorate of Water Resources Management is responsible for managing and developing the water resources in an integrated and sustainable manner in order to provide water of adequate quantity and quality for all social and economic needs for the present and future generations. The Directorate of Environmental Affairs (DEA) is responsible for environmental policy, regulation, coordination, inspection, supervision and monitoring of the environment and natural resources as well as the restoration of degraded ecosystems and mitigating and adapting to climate change. DEA consists of three departments of Environmental Support Services, Forestry Sector Support and Wetlands Management.
64. Uganda's Climate Change Department (CCD) was established to strengthen implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. The Department co-ordinates climate change mitigation and adaptation actions in different sectors including monitoring. CCD creates awareness among various stakeholders to enable them internalize their roles and responsibilities. It promotes and cooperates in the development, application and diffusion, including transfer of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of green-house gases in all the relevant sectors. CCD also prepares for adaptation to the adverse effects of climate change by guiding the development of elaborate, appropriate and integrated plans for key sectors as well as the rehabilitation of areas affected by drought, desertification and floods.
65. The Environment and Natural Resources (ENR)-Civil Society Organisations (CSO) Network in Uganda has a Secretariat hosted by Environmental Alert. The Network has three main objectives: to proactively influence conservation and development policies and programmes for good governance, effective management and sustainable utilization of Uganda's environmental resources; build a credible and recognised Network within the Environment and Natural Resources Sector and; strengthen ENR-CSO Network and members' capacity to implement the mission i.e. mobilising CSOs to effectively promote

good governance, effective management and sustainable utilisation of Uganda's natural resources.

## 2.2 Policy and regulatory frameworks

66. Labour and employment: National Youth Policy (NYP) (2001) ; National Employment Policy, 2011 ;Employment Act No. 6 (2006) ; Business, Technical, Vocational Education and Training (BTJET) Act 2008; Youth Livelihood Programme; Uganda Women Entrepreneurship Programme ;Private Sector Foundation Uganda; National Strategy for Youth Employment in Agriculture (NSYEA)
67. Nutrition: Uganda Nutrition Action Plan (UNAP), Health Sector Development Plan (2015/16-2019/20), Food and Nutrition Policy (2003), National Agriculture Policy (2013), National Agriculture Extension Policy (2016) , National Nutrition Planning Guidelines (2015), Local Government Planning Guidelines (2014), Integrated Management of Acute Malnutrition Guidelines (2016), Policy Guidelines on Infant and Young Child Feeding (IYCF) (2015), Guidelines on School Feeding and Nutrition Intervention Programme in Universal Primary Education (UPE) and Universal Post-Primary Education and Training (UPPET) (2013), National Nutrition Advocacy and Communication Strategy (2015–2019), Multi-Sectoral Nutrition Action Planning Training Module (2017) , Multi-Sectoral Nutrition Coordination Committee Orientation Package (2017).
68. Land: The Constitution of Uganda, 1995 ; The Land Act, Cap 227; The Land Acquisition Act, Cap 226 ; The Land Policy, 2013 ; The Registration of Titles Act, Cap 230 ; The Mining Act, 2003 ; The Petroleum (Exploration, Development and Production) Act, 2013 ; The Electricity Act, 1999 ; The Investment Code Act, Cap 92 ; The Road Act, 1964 ; The Access to Roads Act, Cap 350 ; The Traditional Rulers (Restitution of Assets and Properties) Act, Cap 247 ; The Succession Act, Cap 162 ; The Illiterates Protection Act, Cap 78 ; The Survey Act, Cap 232 ; The National Forestry and Tree Planting Act, No. 8 of 2003 ; The Physical Planning Act, No. 8 of 2010.
69. Nationally Determined Contributions (NDC): In its NDC, Uganda will continue to work on reducing vulnerability and addressing adaptation in agriculture and livestock, forestry, infrastructure (with an emphasis on human settlements, social infrastructure and transport), water, energy, health and disaster risk management. Sustainable Land Management (SLM) and Climate Smart Agriculture (CSA) will be scaled up to increase resilience at the grassroots level. As part of the climate change mitigation efforts the focus is on the implementation of a series of policies and measures in the energy supply, forestry and wetland sectors. In the business-as-usual scenario the estimated emissions in 2030 will be 77.3 Million tons of carbon dioxide equivalent per year (MtCO<sub>2</sub>eq/yr).The identified policies and measures could potentially have cumulative impact resulting in approximately 22% reduction of national green-house gas emissions in 2030 compared to business-as-usual.
70. Land Degradation Neutrality (LDN): The targets for the country to be Land Degradation Neutral in 2030 compared to 2015 baseline include: 21% tree or forest cover by 2030 (in line with Vision 2040 and NDC); 12 % wetland cover by 2030 (in line with Vision 2040 and NDC); 50% reduction in areas of declining or stressed land productivity and; maintaining or improving the level of soil organic carbon at country level. These targets will be achieved through promoting Climate Smart Agriculture, rehabilitation/reclamation of degraded rangelands / watersheds, rehabilitation of degraded sites in Albertine Region (oil industry infrastructure development), agro-forestry, contour and grass bunds, Sustainable Land Management practices - general (mulching; intercropping; rotations; integrated nutrient management; grassland improvement etc), Sustainable Water Harvesting and Micro-irrigation, rehabilitation of degraded wetlands, afforestation, reforestation, Private and Local Community Forests/ /Farm forestry and commercial tree planting.

71. National Biodiversity Strategy and Action Plans (NBSAPs): The key national policy framework for management of biodiversity in Uganda is the National Environment Policy (1994) that provides for the institutional structure as well as policy measures for biodiversity management. The policy objectives are operationalised through the NBSAPs. The strategic objectives of the NBSAP II (2015-2025) are: (i) to strengthen stakeholder co-ordination and frameworks for biodiversity management; (ii) to facilitate and enhance capacity for research, monitoring, information management and exchange on biodiversity; (iii) to put in place measures to reduce and manage negative impacts on biodiversity; (iv) to promote the sustainable use and equitable sharing of costs and benefits of biodiversity; (v) to enhance awareness and education on biodiversity issues among the various stakeholders; (vi) to harness modern biotechnology for socio-economic development with adequate safety measures for human health and the environment; and, (vii) to promote innovative sustainable funding mechanisms to mobilize resources for implementing the Strategy and action Plan.
72. Water Policy: The existing Water Policy is under review and the law will be amended. The review of the policy will enable the emphasis on catchment management committees and their responsibilities, water pricing for key water users and a holistic and participatory approach to water resources management. The policy will also articulate the Government ownership of water resources and prioritisation of drinking water for the Ugandan population in any water resources development.
73. Wetlands: Uganda's wetlands policy (1995) calls for: no drainage of wetlands unless more important environmental management requirements supersede; sustainable use to ensure that benefits of wetlands are maintained for the foreseeable future; environmentally sound management of wetlands to ensure that other aspects of the environment are not adversely affected; equitable distribution of wetland benefits; the application of environmental impact assessment procedures on all activities to be carried out in a wetland to ensure that wetland development is well planned and managed.

### **2.3 Programmes and partnerships**

74. The ongoing programmes by Government and Development Partners with the potential for synergies include the African Growth and Opportunity Act and Everything but Arms, which can be explored to boost exports and create jobs. Farmer Field Schools (approach led by FAO) including those targeted at the youth also provide opportunities for collaboration in the capacity development for farmers and establishing sustainable peer to peer learning and exchange platforms for the smallholders. The various NGOs and CSOs active in the agriculture sector can also serve as partners in the operationalisation and reach of the Gender Action Learning System that has been adopted in IFAD projects and can be institutionalised. Another area for partnership is nutrition through the Scaling up Nutrition platform in collaboration with UNICEF and other Development Partners.
75. The Climate Change and Environmental partnerships include resource mobilization under the Green Climate Fund and the Global Environment facility. This can be explored further once the subsequent IFAD investments are agreed upon with the Government. Partnerships can also be strengthened with Environmental NGOs that can support the community based natural resources management activities. Other opportunities lie in the renewable energy sector based on approaches developed and piloted by development partners such as SNV, which can be further explored in the context of the livestock investment envisaged for IFAD12.

## Part 3 - Strategic recommendations

### 3.1 Lessons learnt from IFAD previous COSOP

76. In the COSOP 2013-2019 the geographic targeting has developed coherence and consistency of engagement across the projects, focused on the areas with the highest incident of poverty (north) and/ or with the greatest density of population (east). In terms of target groups, IFAD CSPE mission (July 2020) noticed a significant increase in gender balanced participation in supported organizations, women empowerment as well as women income and cash activity. The mission also noticed that some youth increased voice, income and food security, but that efforts were limited by lack of strategies, monitoring and reporting. The use of HH methodologies has also been analysed as efficient (GALS, HH mentoring...) for youth and women. In terms of attention points, IFAD's strategy of working primarily with commercial farmers for the main project components, might have hindered the engagement of the vulnerable groups. Also, the participation of the beneficiaries is not monitored during implementation and can miss on important indicators and the outreach of the poorest HH through HH mentoring remains limited. Second, the positive results in gender provide IFAD with the opportunity to build a strategy on this to perform even better in gender transformation.

77. The previous COSOP included five projects: DLSP (2007-2014), ATAAS (2011-2018), VODP2 (2010-2019), PROFIRA (2014-2021), NOPP (2019- 2029).

**Table 2: Lessons learned in Social Inclusion per project**

Project	Lessons learned that are relevant for the new COSOP
VODP 2 (2010- 2019)  ORMS Lessons learned	<b>Oil seeds component:</b> The projects' diversity approach to extension and advisory support contributes to change in attitude, technology adoption, diffusion and sustainability. Collaboration with community/farmer groups proved to be more sustainable with direct linkage to research. Supporting commercialized production and market linkages development through Higher Level Farmer organization and linkage with off-takers and financial institutions leads to viable business-oriented transactions. Facilitating linkages among value chain actors is key for project sustainability. <b>Oil palm development component:</b> The projects PPP approach shows that donor/government/private sector funded projects' support inclusion of rural producers as partners rather than as clients/beneficiaries generates more rewards and better outcomes. More strategic interventions (access to land) can impact gender equality and social inclusion by enabling women to participate in commercial ventures.
PROFIRA (2014- 2021) Sup. mission July 2020	<b>Youth:</b> Youth benefit from trainings on financial literacy and Income Generating Activities. <b>Gender:</b> Gender Action and Learning Systems (GALS) methodology was successfully piloted in West Nile region, and developed a good practice case study on adoption of GALS approach (E.g. inclusion of the husbands, trainings focused on women's participation in decisions about credit, purchase, sale and transfer of assets; as well as on equitable workload).
PRELNOR (2015- 2022)  ORMS Lessons learnt	<b>Mentoring and Training Capacity:</b> GALS training has helped to change the HH dynamics and gender relations for many of the targeted families. The factor which has made the critical difference is the availability and support of the Village level mentors and community-based facilitators. The staff capacity for delivering the training was in-turn assisted by their own training in these topics underscoring the importance of a strong team of trainers and mentors. <b>Integrating indigenous systems with modern weather systems:</b> The PMU and UNMA are integrating indigenous/local climate and weather information with conventional information, as farmers are already using indigenous/local knowledge in making weather/climate forecasts. This will help in cross-checking information, detect

	changing weather patterns to ensure that communities do not solely depend on indigenous knowledge, and learn from both systems to enhance adaptive capacities. <b>Sustainability of farmer Groups:</b> If they are organized and trained to deliver a sustained service/ product which is important for the livelihoods and well-being of the communities, they tend to be much more sustainable beyond project completion.
NOPP (2019- 2029) Sup.Mission (Oct. 2019)	<b>Gender:</b> Need to build capacity of the field officers and local district authorities on social development issues (gender, youth, nutrition) to facilitate appropriate mainstreaming at the district and lower level. Interaction with the district local government officers indicated lack of capacity and financial support to further develop social development activities.

### Lessons learnt in Climate and Environment

78. Community based natural resources management planning engenders empowerment and decision making. The implementation of the plans requires strengthening of the community organisations and social capital. The benefits of the implementation includes improved agricultural productive systems and control of practices such as slash and burn that focus on short term gains.
79. The decentralised system for natural resources and environment management provides the potential for improved risk management in the IFAD interventions. However the local level officers can be supported through capacity building to ensure the right skill sets and their effective engagement in project level activities within their mandates facilitated further.
80. The multiple benefits from climate resilient infrastructure such as “green roads’ can be further optimised. Green roads, which entail water harvesting at key points along rural roads, create new sources of water for irrigation purposes and livestock as well as improving the drainage systems and thus the sustainability of the infrastructure.
81. Investments in commercial crops such as oil palm and seeds require particular attention to on farm diversification and access to improved varieties. This approach will enhance the resilience to climate related shocks and also improve environmental and natural resources management.
82. **Lessons learnt from the Government of Uganda** The GoU identified private enterprise development as a critical strategy for economic growth and job creation for youth (IDS, 2018) and thus developed The Youth Livelihood Program and Youth Livelihood Fund. Both faced issues related to the insufficient quality of the business proposals submitted by the beneficiaries. Disbursement schedules mismatched the youth enterprises growths path and speed. Youth complained they received insufficient training/guidance in business and financial management, which made them vulnerable to predatory intermediaries. They also criticized a general lack of information and advice to inform on business opportunities (IDS, 2018).

### **3.2 Strategic orientation**

83. Based on the NDC priorities IFAD can contribute to both climate change adaptation and mitigation priorities and targets. The investments in agriculture productivity in the oil palm and seeds sector and the restoration of rural livelihoods would contribute to addressing the climate change vulnerability through access to improved varieties and climate resilient infrastructure. The envisaged aquaculture and livestock investments can also contribute to reducing the vulnerability in these sub-sectors through the infrastructure development and improved water availability. The investments will also contribute to climate change mitigation targets through improved soil fertility management for the agriculture production and improved feed and manure management in the livestock sector.

84. IFAD investments in agricultural productivity for livelihoods restoration and oil seeds can contribute to the LDN targets through the integrated soil fertility management and improved soil and water conservation measures as part of the natural resources management. These sustainable land management activities will improve the soil organic carbon and reduce the areas of declining or stressed land productivity. In addition the envisaged livestock sector investments can contribute to reducing the amount of degraded lands particularly in the cattle corridor and provide renewable energy sources.
85. The main contribution to the NBSAP objectives will be through the localised measures to reduce and manage negative impacts on biodiversity. The adherence to IFAD's Social, Environment and Climate Assessment Procedures and national regulations will entail the screening of project level activities and articulation of risk management measures.

### **3.3. Strategic actions and targeting**

86. Recommendations on targeting: In terms of implementation, it is recommended to guide IFAD intervention in Uganda by the Gender, Youth and Nutrition action plans as well as IFAD 11 commitments (gender, youth, nutrition and climate).
87. For social inclusion it is suggested to focus on (a) the most vulnerable, poorest HHs relying on rain fed subsistence agriculture who are willing and able to engage in productive economic activities. Due to the lack of safety nets and access to market or productivity enhancing technology and information, they are particularly vulnerable to climate and economic shocks; (b) the poorest, least educated men, women and youth, especially in areas where there is a lot of dependency ratio, as there is a need that the head of HH is able to provide productive agriculture and feed/ have income for the dependant. As such, supporting small scale players along the selected commodity value chains can help strengthen linkages and create employment opportunities for the rural poor, as well as smallholder and rural poor organizations (eg: farmer groups, women's groups, youth groups, community savings and credit groups, Village Savings and Loan Associations (VSLAs) and Credit Cooperative organizations SACCOs). Both groups will bring specific attention to women and youth. It is advised to continue using mentoring, graduation and GALS HH methodologies.
88. Geographic targeting should consider poverty, food security, population (density and age) and post-conflict context. The regions that thus seem to need priority are Northern and North Eastern as well Eastern, suggesting a continuation from the current previous targeting strategy. It is suggested to focus more specifically on the following sub-regions: Karamoja, Acholi, Bukedi, Busoga, West Nile. Additionally, it is recommended to take into consideration areas that have a comparative advantage for specific pro-poor and gender/youth sensitive value chains, which will also require to utilize commodity hubs zoning.
89. In terms of general strategy, it is recommended to ensure participation through local partnerships, farmer organizations, and community groups to avoid elite capture and encourage participatory engagement. Additionally, focusing on strategic livelihoods and commodities that have the most potential for productivity, value addition, income and employment, in a way that can support the transformation of the most vulnerable HHs. More specific recommendations are detailed below.
90. Recommendations to enhance rural youth employment and empowerment:
- Context sensitive targeting: Account for the variability of needs capacity and constraints of local youth (location, age, gender, ethnic background, disability...).
  - Promote non-productive employment across the value chain (on farm and off farm).
  - Support market and demand-driven employability knowledge and skills.
  - Provide mentoring guidance and support.
  - Include the family and community: Families and communities have a role to play in some barriers to entry faced by young people and their engagement can leverage these effects.

- Develop a business supportive environment.
  - Support access to assets, innovations and technologies.
  - Support the development of agribusiness Hubs: This is anchored to IFADs Rural youth Action Plan to support youth employment through public-private partnership approach.
  - Include young people's aspiration in programming to foster long-term implication.
91. Recommendations to empower rural women and girls:
- Promote gender transformative actions through Household methodologies.
  - Promote gender sensitive value chains, activities and technologies: Looking at different commodity options and their relative opportunities for men and women, as well as the potential impact regarding the intra-household relations and resource flows.
  - Develop capacity: Enhance access to asset, social networks, labour saving technologies, climate related sensitization and smart practices.
  - Reinforce gender mainstreaming in public services and extension services.
  - Reinforce representation of women: at the community level (Farmers organisations,) and in official representations (extension services, local administrations).
92. Recommendations for nutrition and food security:
- Encourage programs that promote nutritionally diverse foods
  - Promote crop varieties with high nutritional values and benefits
  - Promote and support more accessible and affordable post-harvest facilities, storages and technologies at the household level.
  - Support value addition innovations of nutrient-rich foods (vegetable, fruits, milk, fish...)
  - Strengthen nutrition awareness and education programs at the household level.
  - Strengthen women's education, empowerment and influence within the household.
  - Integrate WASH activities into forthcoming and existing programs.
  - Contribute to fill the existing research gap on linkages between nutrition and gender in agriculture.
93. Environment, natural resources management and climate change: In order to address the challenges of land degradation associated with pastoralists and the livestock sector, it is recommended that investments include improved rangeland, feed and manure management and water access. The interventions should be informed by assessments of the carrying capacity of rangelands to improve the natural resources management. These measures will also contribute to the climate change adaptation and mitigation targets set out in Uganda's NDC.
94. Investments targeting improved agricultural productivity should promote sustainable intensification as opposed to the expansive agriculture production to reduce the adverse impacts of land use change. This approach will reduce the pressure on natural resources and contribute to the climate change mitigation efforts. Particular attention should also be paid to wetlands in the target areas to limit the degradation of these important habitats.
95. Aquaculture investments should promote aquatic biodiversity and incorporate climate risk analysis to inform the siting and design of any infrastructure. The risk analysis will also ensure climate smart aquaculture and water use efficiency techniques are articulated and integrated.
96. The adaptive capacity of smallholder varies across the regions with the northern region having the least. To improve the capacity it is recommended that technical support and assistance be provided for farmers to adopt climate smart agriculture practices and technologies. This includes improved knowledge and capacity of farmers to monitor and respond to common pests and diseases, adoption of soil and water conservation measures and integrated soil fertility management. Climate smart agriculture techniques will also contribute to improved natural resources management and climate change mitigation targets articulated in the NDC.

97. Given the moderate to severe decreases in production for several important staple crops it is recommended that IFAD interventions, which aim to improve food and nutrition security through enhanced agricultural production include specific climate change adaptation measures. These measures should include development and promotion of locally-adapted especially early maturing varieties within diversified, multi-crop and intercrop combinations. Diverse inter-cropping and crop rotation strategies also contribute positively to soil fertility. To ensure food and nutrition security, climate-resilient food crops can be promoted alongside potential cash crops.
98. Value chain investments should focus on climate proofing incorporating production, storage, processing and marketing stages of the chain. Specific considerations should be given to the siting, design and construction of any infrastructure included in the investments to promote climate resilience and reduce post-harvest losses.
99. Climate financing opportunities in Uganda are mainly through the Green Climate Fund (GCF). The focus of the co-financing from the GCF could be on promoting climate smart agriculture practices and water use efficiency, reducing the green-house gas emissions in the livestock sector through the improved animal husbandry, feed and manure management and climate resilient infrastructure for the livestock and aquaculture sub-sectors. Uganda currently has an ongoing project with the Adaptation Fund and the Global Environment Facility resources for the 7<sup>th</sup> cycle are already committed though the 8<sup>th</sup> cycle may provide some opportunities that can be explored during the COSOP period.

### 3.4 Monitoring, Evaluation and Learning.

100. The main performance indicators for the social inclusion themes are as follows:

#### Youth

- *Disaggregation by age (eg: 15-20, 20-25, 25-30, such as in UNOBS statistics).*
- *Use of alternative indicator to youth engagement (measurements of the NEET indicator<sup>103</sup>).*
- *Use of qualitative disaggregation: address the heterogeneity of youth based on gender, level of education, ethnicity and disability.*

101. Gender :

- *Disaggregation of HHs by :*
  - a. *Marital status:* The use of female headship alone as an indicator of the gender of the farmer, plot manager or HH is not relevant to the complex familial structure of households and differentiated dynamics of marital status.
  - b. *Type of crop:* important to go beyond measuring changes in income to focusing on changes in production system, distribution of the income and the use of the income.
- *Women labour burden:* To evaluate impact of the programmes (eg. crop and value chain promotion).

102. Environment and climate change:

The main performance indicators related to the environment and climate change include:

- The number of beneficiaries/HH adopting environment and climate friendly technologies;
- Number of beneficiaries/ HH with improved access to water for productive use;
- The amount of land under climate resilient practices;
- Amount of degraded lands/rangelands that are rehabilitated and;
- The number of climate resilient infrastructure developed.

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<sup>103</sup> (Not in Employment or Education Training)



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### Social Inclusion :

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## **APPENDIX V: FRAGILITY ASSESSMENT NOTE**

Not Applicable

## Appendix VI: Agreement at Completion Point

### CSPE Republic of Uganda

#### Agreement at Completion Point

##### A. Introduction

1. This is the second country strategy and programme evaluation (CSPE) in the Republic of Uganda conducted by the Independent Office of Evaluation of IFAD (IOE). The main objectives of the CSPE were to: (i) assess the results and performance of the country strategic opportunities programme (COSOP) 2013–2020 and the IFAD-financed programme in Uganda for the same period; and (ii) generate findings and recommendations for the next COSOP and the future partnership between the Government of Uganda and IFAD for enhanced development effectiveness and rural poverty eradication. The CSPE also assessed the extent to which: (i) the recommendations of the 2013 Country Programme Evaluation were followed up, and (ii) programme performance has improved.
2. The CSPE assessed the IFAD-Government partnership pursued under the 2013 COSOP. To inform the assessment, the CSPE covered: (i) the lending portfolio (US\$1.45 billion<sup>104</sup> across nine loans approved or effective between 2013 and 2019); (ii) non-lending activities (knowledge management, policy dialogue, partnership-building, and selected grants); and (iii) performance of IFAD and the Government.
3. This agreement at completion point (ACP) contains recommendations based on the evaluation findings and conclusions presented in the CSPE report, as well as proposed follow-up actions as agreed by IFAD and the Government. The ACP is signed by the Government of Uganda (represented by Minister of Finance, Ministry of Finance, Planning and Economic Development) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). The signed ACP is an integral part of the CSPE report in which the evaluation findings are presented in detail, and will be submitted to the IFAD Executive Board as an annex to the new country strategic opportunity programme for Uganda. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.

##### B. Recommendations and proposed follow-up actions.

4. **Recommendation 1: Expand IFAD's effective value chain approach to other commodities with greater beneficiary outreach potential.** There are opportunities to expand marketing hubs to the entire country and regionally, built around key commodities identified in the Third National Development Plan, e.g. livestock, especially dairy; horticulture; and fisheries. IFAD should: (i) identify

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<sup>104</sup> IFAD financing in the same period is a total of US\$430 million

opportunities for small-scale producers to improve income diversity around production and processing; (ii) enhance access to reliable markets and raise product quality; (iii) expand mechanisms such as the Yield Fund to help build private sector capacity; and (iv) strengthen synergies between the programmes, where relevant and practical.

#### **Proposed follow up.**

The new COSOP (2021-2027), covering two PBAS cycles will explore the opportunities, in value chain development, of key commodities identified by the Government of Uganda. Currently the following have been identified – vegetable oils; livestock and fisheries. While this is not a definitive list, the commodities chosen for investments will take into account the following aspects: (i) greatest relevance for smallholders, including women and youth, ensuring increases in incomes and/or employment; (ii) geographical targeting where highest levels of poverty exists; and (iii) high potential for growth while dovetailing existing investments (past and current).

The first strategic objective of the COSOP, therefore, focuses on the aspects of increasing production, productivity, value addition, competitiveness and inclusion of smallholders. In line with the NDP III, significant investments in productive physical and marketing infrastructure are expected, ensuring accessibility to markets.

Mechanisms such as the Yield Fund, will be actively pursued under the new COSOP (two potential NSO operations are currently in the pipeline) as supplementary funding to the investments over the next two PBAS cycles. These will be assessed in relevant chosen value chains to ensure potential to provide inputs or markets (fish, dairy to small holders but need investment capital (processing capacity such as cold storage, milk chillers, transport) and working capital (to purchase milk and crops) to grow.

To ensure synergies between programmes, and to ensure a consistent learning approach across the lending and non-lending portfolio, including identifying opportunities for scaling up, the new COSOP includes the development of a country level strategy for knowledge management. This will include mechanisms for inter/intra cross learning between IFAD projects and projects of other development partners.

Responsible partners:

Government of Uganda and IFAD

Timeline:

Beginning in 2021, until the end of the COSOP i.e. 2027

5. **Recommendation 2. Mainstream climate change more extensively with direct approaches in the new COSOP, given the growing urgency in Uganda.** . Climate change has been indirectly addressed in the past COSOPs. IFAD's portfolio going forward contains more category A projects than before. Therefore IFAD should: (i) build into the next COSOP stronger support for the

measures under the Social, Environmental and Climate Assessment Procedures, including social and environmental safeguards, as well as the technical expertise to supervise category A projects; and (ii) partner with the most appropriate government entities (Ministry of Water and Environment, Ministry of Works and Transport), non-government and donor partners to undertake climate mitigation and adaptation measures more directly around the supported value chains.

**Proposed follow up.**

The second strategic objective in the new COSOP addresses the issues of climate adaptation and mitigation by ensuring a strengthening of environmental sustainability and climate change resilience of poor rural people's livelihoods and economic activities and enterprises.

Current measures for the appropriate technical expertise, in the Category A project are in place and followed closely by the projects and IFAD country teams. While IFAD projects do not have investments implemented by the Ministries of Water and Environment or Ministry of Works and Transport. Linkages to those Ministries are made, as required, by the main implementing partners within the existing projects through formal channels and/or through their representation in project steering committees and at the District Local Government level.

The SECAP, within the new COSOP, addresses specific challenges in potential value chains that for consideration over the next two investment periods. It also provides recommendations and the required additional assessments at the time of project/programme development, to ensure that all measures also contribute to the climate change adaptation and mitigation targets set out in Uganda's Nationally Determined Contributions (NDC).

Value chain investments should focus on climate proofing incorporating production, storage, processing and marketing stages of the chain. Specific considerations should be given to the siting, design and construction of any infrastructure included in the investments to promote climate resilience and reduce post-harvest losses.

In the Nationally Determined Contributions (NDC) submitted for the Paris Agreement, Uganda reiterated adaptation to climate change is a priority. Mitigation targets were included with the larger part being conditional on external support. Therefore, the Climate Change and Environmental partnerships include resource mobilization under the Green Climate Fund and the Global Environment facility. This can be explored further once the subsequent IFAD investments are agreed upon with the Government.

Within the COSOP, IFAD will contribute to national targets for achieving sustainable development goals and targets for gainful employment, productivity and economic transformation while adapting the agricultural sector to the adverse effects of climate change and contributing to the mitigation efforts. IFAD intends to introduce more climate-smart production systems, and introduce the use of ICT4D for the agriculture sector for access to extension, market and weather information as well as access to financial services and digital finance.

Responsible partners:

Government of Uganda and IFAD

Timeline:

On-going and through 2027

6. **Recommendation 3. Deliver more transformative approaches and interventions tailored to the specific needs of women and youths.** This could be pursued by: (i) including strategies and targets on these aspects in the new COSOP; (ii) mainstreaming and scaling up proven methods such as GALS and household mentoring; (iii) greater cross-project learning and use of specialized service partners to identify opportunities around constraints such as land and ownership norms; (iv) strengthening staffing in the project management unit to support and monitor the work of service providers; and (v) ensuring IFAD, in particular the Environment, Climate, Gender and Social Inclusion Division (ECG), provides better and more consistent technical oversight on gender and youth.

**Proposed follow up.**

While specific strategies and targets for women and youth will be explored during the development of the investments under the new COSOP, the COSOP does set out a strategic objective of enhancing sustainable livelihood development for marginalized and poor households, especially women and the youth, for the period 2021-2027. The core activities will include support for household mentoring and graduation strategies within the selected value chains for greater inclusion of the marginalized, women and youth. In line with IFAD's intention to ensure that its projects take a more gender transformative approach, women's empowerment will be promoted through increasing women's access to decision-making, assets especially land tenure rights, access to finance and skills.

The overarching target group identified, within the COSOP, are primarily, (i) poor smallholder households who have the willingness and potential to engage in productive economic activities; (ii) women and youth, interested in engaging in productive enterprises; (iii) small and medium scale players<sup>105</sup> along the selected commodity VCs, who can help strengthen linkages and create employment opportunities for the rural poor and (iv) farmer groups, women's groups, youth groups, community savings and credit groups.

As is currently practiced, and will continue, technical assistance will be rolled out to project staff (harnessing the Grants currently being implemented in the portfolio) to strengthen PMU staff in the aspects of gender and youth transformation.

The Environment, Climate, Gender and Social Inclusion Division is actively involved and will continue to remain actively involved in the IFAD Uganda portfolio as they are a member of the project delivery team.

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<sup>105</sup> As facilitators to the core target group as well as direct beneficiaries for non-sovereign lending



Responsible partners:

IFAD and Government of Uganda

Timeline:

On-going and until 2027

7. **Recommendation 4. Develop a non-lending strategy that systematizes KM, partnerships and country policy engagement and provides the necessary resources for its implementation.** In order to foster innovation and scaling up within Uganda, IFAD needs to have a KM system that captures project experiences and innovations so that they can be shared with partners and also used as evidence for policy engagement. This requires a documented strategy, and a stronger country presence that includes the Country Director in Uganda. IFAD's decentralized model also requires greater coordination within IFAD. Therefore, relevant divisions (ECG, the Research and Impact Assessment Division and the Sustainable Production, Markets and Institutions Division) should be more involved in the KM process to support non-lending aims by leveraging financial and human resources from IFAD headquarters as well as the regional hub in Nairobi.

#### **Proposed follow up.**

Knowledge management, which has predominantly centred around project specific activities, will be broadened and enhanced under the new COSOP. The following enhancements will be operationalized: (i) knowledge management will help disseminate the successful elements of climate resilient practices and technologies; (ii) each investment project will develop its own knowledge management plan (if one is not available); and (iii) at the country level, the cross-learning between projects will be shared through annual workshops/ portfolio reviews, policy briefs and development partner and sector working groups.

To ensure a consistent learning approach across the lending and non-lending portfolio, including identifying opportunities for scaling up, the country team will develop a KM strategy for the country programme, in full collaboration with partners on the ground and other IFAD divisions. IFAD will continue to support international exchanges through its networks and partnerships. These opportunities for exchange will be provided to IFAD's primary target group, farmer organizations, financial service providers and government functionaries. Specific opportunities for learning from innovations in the region and through South-South Cooperation will be explored.

As IFAD's is in the process of updating the strategy for decentralization, which will determine IFAD's country presence in Uganda.

Responsible partners: IFAD; Project teams

Timeline: The country level strategy for knowledge management will be developed by 2022; while other activities are currently on going and will continue through 2027.

8. **Recommendation 5. Strengthen M&E, reporting and financial management to bolster governance and anti-corruption measures and improve the assessment of results, especially at impact level.** Relevant IFAD divisions should ensure risk mitigation around procurement, staff advances and related areas of financial management. In order to take a programmatic approach and to leverage IFAD's full capacities and resources, the ICO requires a KM/M&E officer who can: (i) strengthen M&E systems in projects to ensure timely reporting and better documentation that will underpin improved governance and anti-corruption measures; (ii) aggregate results across the portfolio (for lending and non-lending) and share them with the Government and other partners; (iii) capture resources at regional/global levels (e.g. grants) for capacity development; (iv) support stronger design and analysis of impact studies to improve their statistical accuracy and delivery of more robust results, as well as include impact on reducing malnutrition; and (v) extend the use of new monitoring methods by improving the use of web-based systems, drone monitoring, etc.

**Proposed follow up.**

The strengthening of M&E and fiduciary aspects within the portfolio commenced about 15 months ago, with addressing the specific weaknesses being identified either through missions or by the projects themselves. This will continue through 2021 and will wean down once the results emerging from the projects indicate higher levels of quality in those areas.

A knowledge management officer, present at the Nairobi hub office, has been supporting the KM agenda on the portfolio in the last 12 months. This is expected to continue with increased involvement and therefore, just now, it is not foreseen to hire a separate person for knowledge management at the country office in Uganda.

Responsible partners: IFAD and Government of Uganda

Timeline: On-going and through 2022

Signed by:

**Honourable Matia Kasaija**  
**Minister of Finance, Planning and Economic Development**  
**Ministry of Finance, Planning and Economic Development**  
**of the Republic of Uganda**

\_\_\_\_\_ **Date:** \_\_\_\_\_

and

**Mr Donal Brown**  
**Associate Vice-President**  
**Programme Management Department**  
**International Fund for Agricultural Development**

\_\_\_\_\_ **Date:** \_\_\_\_\_

## **Appendix VII: COSOP preparation process**

1. The COSOP was undertaken remotely due to the travel restrictions imposed as a result of the COVID-19 pandemic. The COSOP team included one national consultant, to work on the SSTC agenda, and on the national context, and assist in arranging for the meetings in Uganda.
2. The team held virtual meetings, individually and collectively, with key stakeholders from the Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Local Government, Ministry of Water and Environment and the Ministry of Finance, Planning and Economic Development. The Mission also met with several of the key financing agencies such as the African Development Bank, World Bank, USAID, SNV and representatives of several of the UN agencies including the office of the UN Resident Co-ordinator, the Resident representative of the Food and Agriculture Organization and the World Food Programme. The team was able to present the draft COSOP, for inputs, at a session of the Donor Agriculture Sector Working Group meeting as well as the UN Country Team meeting. A separate consultation with CSOs and NGOs was also held.
3. The COSOP design team also met with the team undertaking the Country Strategy Programme Evaluation (CSPE) and was present during the virtual de-briefing by the CSPE team to the Government. This allowed the mission an opportunity to assess Government views about IFAD's future directions, and have an early insight into the CSPE findings. The mission also capitalised on the findings of recent supervision missions to Uganda and interacted with the team members on these missions to capitalise on the findings and draw lessons learnt for the future COSOP. The mission also made use of the strong technical capacity within the technical experts in IFAD to incorporate findings with reference to land tenure, climate change and natural resource management aspects.
4. A stakeholder workshop chaired by the Ministry of Finance Planning and Economic Development was held remotely on September 8, 2020. The participants were appraised of the key strategic directions that IFAD had charted for its country programme based on the current context, the national priorities, the targets to be achieved with respect to the SDGs, etc. The country programme was based on IFAD's comparative advantage and lessons learnt from its country experience. The presentation on the COSOP was followed by questions from the participants, suggestions and recommendations. These have been included in the revised version of the COSOP. A list of the participants is overleaf.
5. A COSOP validation meeting was held remotely on February 12, 2021 with GoU, chaired by the Ministry of Finance Planning and Economic Development. The Country Director presented the latest changes made to the new COSOP document. The participants were invited to make final comments, which have been incorporated into this version.

### Consultations with the GoU

<b>Name</b>	<b>Position</b>	<b>Agency</b>
Maris Wanyera	Ag. Director, Debt and Cash Policy	MFPED
Fred Twesiime	Ass. Commissioner, Development Assistance and Regional Cooperation	MFPED
Henry Mbuguta	Ass. Commissioner, Financial Services	MFPED
Molly Apio	Desk Officer, IFAD	MFPED
Teddy Alako	Desk Officer, Agriculture	MFPED
Golooba Lwanga	Economist, Financial Services Department	MFPED
Pius Kasaijja Wakabi	Permanent Secretary	MAAIF
Ben Kumumanya	Permanent Secretary	MOLG
Joyce Ikwaput	Acting Commissioner, Aquaculture Management and Development	MAAIF
Emmanuel Iyamulemye Niyibigira	Managing Director	Uganda Coffee Development Authority (UCDA)
Fred Mayanja	Commissioner, Policy and Planning	MAAIF
Dr. Edward Rukunya	Ag. Director, Fisheries Resources	MAAIF
Emmanuel Mukama	Monitoring, Evaluation and Learning Manager	NOPP
Edmund Kananura	Director of Quality and Regulatory Services	UCDA
Jacqueline Naggayi	Monitoring, Evaluation and Learning Manager	PROFIRA
James Epilo	Former Oil Seeds Coordinator	VODP2
John Michael Higenyi	Project Engineer	NOPP
Dr. Juliet Sentumbwe	Ag. Director, Animal Resources	MAAIF
David Balironda	Manager	KOPGT
Kirungi		
Moses Ssonko	Senior Economist	MFPED
Meddie Lutaaya	Procurement Manager	NOPP
Peter Mutaawe	Accountant	MFPED
Robert Khaukha	Ass. Commissioner, Policy and Planning	MAAIF
Balaam Mwijukye	Ass. Commissioner, Policy and Planning	MoLG
Colin Agabalinda	Operations Manager	PROFIRA
Connie Masaba	Project Manager	NOPP
Cresensia Asekenye	M&E Specialist	PRELNOR
Godfrey Obura	Ag. Project Manager	PRELNOR
Robert Charles Aguma	Environment Health Safety Officer	NOPP
Emmanuel Kimbowa	Senior Economist	MAAIF
Angella Rwabutomize Matsiko	Principal Economist	MFPED

### Consultations with members of the Agriculture Development Partner Group

<b>Name</b>	<b>Position</b>	<b>Agency</b>
Nadia Cannata	Head of Section, Rural Development	EU
Adolfo Alonso Cires	Finance and Investments Manager	EU

Martin Fowler	Senior Agriculture Advisor, Economic Growth Office	USAID
Regina Mackenzie	Director, Economic Growth Office	USAID
Antonio Querido	Resident Representative	FAO
Dominique Reumkens	Associate Professional Officer	FAO
Priya Gujadhur	Deputy Country Representative	FAO
Charles Owach	Assistant Representative/ Programmes	FAO
Martin Maugustin	FAO International Project Manager – AgrilInvest Project	FAO
Kennedy Igbokwe	Project Manager, Climate Change Adaptation and Mitigation	FAO
Line Kaspersen	Investment Support Officer	FAO
Kathryn Clark	Food Security and Livelihoods Coordinator	FAO
Sam Okuthe	Emergency Centre for Transboundary Animal Diseases (ECTAD) Country Team Leader	FAO
Leonidas Hitimana	Project Coordinator – Sawlog Production Grant Scheme (SPGS)	FAO
Sergio Rivero	Programme Officer – Energy and Environment	FAO
Jean-Marie Byakweli	Policy Officer – FIRST Project	FAO
Dominique Reumkens	Associate Professional Officer	FAO
Abdul Jawad Saboor	Ecosystems Management Specialist	FAO
Anno Galema	First Secretary, Food Security and Private Sector Development	EKN
Armin Kloeckner	Head of Programme, Agriculture and Rural Finance/GIZ	GIZ
Miyuki Yamashita	Head, Food Systems/Resilience	WFP
Pushina Kunda Ng'andwe	Senior Rural Development Specialist	WORLD BANK
Asaph Nuwagira	Senior Agriculture and Rural Development Specialist	AFRICAN DEVELOPMENT BANK
David Löw	Attaché, Development Cooperation	EMBASSY OF GERMANY

### Consultations with UNCT members

<b>Name</b>	<b>Position</b>	<b>UN Agency</b>
Rosa Malango	Resident Coordinator	UNRC
Elsie Attafuah	Resident Representative	UNDP
Karusa Kiragu	Country Director	UNAIDS
Maxime Houinatro	Country Representative	UN Women
Dmitry Pozhidaev	Regional Programme Advisor	UNCDF

### Consultations with CSOs and NGOs

Name	Position	Organization
William Matovu	Country Director	Heifer International
Pamela Ebanyat	Acting Country Director, Uganda	Send a Cow Uganda
Agong Ray Bruno	Executive Director	Uganda Oilseeds Producers Association
Beatrice Lajana	Coordinator	Gulu and Omoro District Farmers Organizaiton Association
Pamela Katoro	Country Director, Uganda	IIRR
Hilda Bako Cadribo	Coordinator	Adjumani District Farmers Association
Roselyn Nyamutale	Country Manager	Sasakawa Africa Association
Joseph Bbemba		Sasakawa Africa Association
Jacqueline Mbabazi	CEO	Association of Microfinance Institutions of Uganda (AMFIU)

### COSOP Delivery Team

Name	Position	Division
Sara Mbago-Bhunu	Regional Director	East and Southern Africa (ESA)
Shirley Chinien	Regional Economist	ESA
Lakshmi Moola	Country Director	ESA
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Laura Carbone	Liaison Assistant	ESA
Ritah Tumuhimbise	Administrative Assistant	ESA
Paxina Chileshe	Regional Climate and Environment Specialist	Environment, Climate, Gender and Social Inclusion (ECG)
Tom Anyonge	Lead Technical Specialist - Youth	ECG
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Aissata Bangoura	Finance Officer	Financial Management (FMD)
Marieclaire Colaiacomo	Senior Procurement Officer	ESA
Maliha Hussein	Economist	Lead Consultant
Milton Ogeda	SSTC and Agriculture Economist	Consultant
Maria Donnat	M&E and Knowledge Management	Consultant
Albab Abdella Ahmed	SSTC Analyst	ESA
Amandine Cremel	Junior Professional Officer (Youth)	ECG

## Appendix VIII: Strategic Partnerships

<b>Partnering objectives</b>	<b>Partners/networks/platforms</b>	<b>Partnership results and outcomes</b>	<b>Justification for partnership</b>	<b>Monitoring and reporting (to be completed for CRR and CCR)</b>
Engaging in policy and influencing development agendas	MAAIF / MLHUD  Agriculture Credit Facility in the Bank of Uganda, Agriculture Insurance Consortium, financing institutions and insurance providers  EU  Center for International Forestry Research  International Land Coalition members and partners (FAO, WB, CIFOR, ALPC, UNECA, AfDB the tenure Desk at IFAD)	Increase the proportion of households, women and youth with secure access to land.  Access to affordable credit and credible insurance products for smallholder farmers and SMEs.  Policy and regulatory framework in livestock and aquaculture facilitate linkages with the private sector and developing agriculture finance policy.  Secure women's land rights through gender transformative approaches Promote tenure security for commercialization of agriculture and access to land for women and youth  Improved policy frameworks	Security of land tenure is a critical factor in encouraging investments on land and in empowerment of women and youth.  Achieve the NDP III objectives of increasing productivity and incomes from agriculture.  Conducive policy and regulatory framework for development of the and encouraging private sector investment.  Key aspect for empowering women in the country as part of SDG 5.  Key aspect for poverty eradication (SDG 1), food security (SDG 2) and women's empowerment (SDG 5)  Support smallholders and fisheries sectors,	
Leveraging Co-financing	World Bank Heifer International GCF, EU, OFID, AfDB IFAD NSO window/ABC Fund	Increase in financial resources available for growth and development of Uganda.	Potential for securing additional funds.	
Enabling coordinated country-led processes	UNCT Agriculture Sector Working Group.  Integrated Seed Sector Development (ISSD) programme  FAO	Achievement of the SDGs.  Develop a network of NSCS-accredited private seed inspectors and labs.  Livestock Feed inventory and balance. Early warning systems. Climate change adaptation and mitigation Knowledge Management Systems for climate change.	Consistent with the commitment undertaken to pursue the United Nations Sustainable Development Cooperation Framework.  Introduce a private sector-based seed inspection function  Sustainable livestock sector  Climate resilient agriculture communities and food security.	
Developing and brokering knowledge and innovation (including SSTC)	Kuehne Foundation (HELP Logistics) Heifer International Agtech and Fintech Companies  Financial Sector Deepening (FSD-Uganda)	Strengthen supply chain aspects.  Technical assistance through catalytic grants for financial product development.	Commercial orientation and enhance competitiveness of agriculture sector.  Scaling up for innovations through a co-creation model.	
Strengthening private sector engagement	National Oil Palm Growers Large nucleus farmers Private sector firms	Increase incomes and productivity of selected value chains.	Achieve the NDP III objectives of increasing productivity and incomes from agriculture	



Mainstreaming women, youth and nutrition	Oxfam (under the Grant Empower@Scale); Facilitate linkages with other partners in the enhancement of youth employment and nutrition such as the Embassy of the Netherlands; USAID; GiZ	Ensure linkages at the local level, to further enhance mainstreaming investments, within IFAD designs.	On-going investments in the areas of women and youth employment enhancement and income generation as well as targeted nutrition investments.	
Enhancing visibility	MAAIF, MLG and implementing partners.	Recognition of the role of the financing agencies.	Strengthen appreciation of the role of international partners.	

## **Appendix IX: South-South and Triangular Cooperation Strategy**

### **I. Introduction**

The effective implementation of the 2030 Global Agenda requires innovation, new partnerships, knowledge-sharing and scaling up of proven approaches. South-South and triangular cooperation (SSTC) –promotes collaboration among countries of the South. Through SSTC, countries can share knowledge, technology, policies and other resources. SSTC has enormous potential for agriculture and rural development in developing countries as it can unlock diverse experiences and provide solutions to pressing development challenges. IFAD promotes SSTC as a key mechanism for delivering relevant, targeted and cost-effective development solutions and other resources to beneficiaries and partners across the globe. IFAD considers that South-South Triangular Cooperation can help provide important opportunities to the countries that it works.

### **II. Opportunities for rural development investment promotion and technical exchanges**

The majority of Uganda's population (80%) living in rural areas derive their livelihoods (70%) from agriculture and agro-based industries. To this end, the opportunities for SSTC that will be identified for the country will be sought in agriculture as well small and medium scale enterprise development as well as off-farm employment generation for youth in high value added activities. Through SSTC, the country programme will explore how countries with similar development trajectories have enhanced rural transformation through improved value addition, commercialization and increased competition. Where available, the country programme will identify additional sources of funding such as through the China-IFAD South-South and Triangular Cooperation Facility established in 2018. Collaboration will be sought with other countries in the region.

Several SSTC initiatives have been executed in Uganda using varying models from those imbedded in projects to standalone initiatives funded through trust funds. FAO and China have been working together to provide technical assistance and knowledge sharing through deployment of Chinese experts and technicians at the MAAIF headquarters and at the district level to test and promote technologies and practices covering fox-tail millet, rice, water harvesting and aquaculture. The collaboration is in its third phase and is promoting marketing and trade as well as value addition in selected commodities, promoting investments through B2B collaboration and removing policy and regulatory impediments to trade and investment. From 2014 – 2017, Uganda, China and UKAID under a triangular cooperating agreement, implemented a project called Agricultural Technology Transfer (AgriTT) focusing on improving cassava production, processing and utilization. The project introduced technologies from China for cassava slicing, drying, and product development. Though were initially fraught with challenges but the technologies were eventually adapted and are helping to advance cassava value addition in Uganda. The World Bank has supported linkage between Uganda and India on agricultural mechanization while EU supported knowledge sharing between Uganda and Malawi and Philippines on dairy and aquaculture respectively.

### **IFAD Funded Projects**

Under the Oil Palm project, Malaysia Palm Oil Council shared materials for research and technical aspects of palm oil production. Additionally, the Round Table for Sustainable Oil Palm - a private sector association with membership from Malaysia, Singapore and Indonesia - shared knowledge on environmental and social compliance. Through VODP II, PROCASUR through the learning route approach supported several knowledge and learning activities including sending two participants to Zimbabwe to learn climate smart agriculture, securing women land rights, conducting a coffee case study on the NUCAFE

model and hosting a conference on PPP. In summary, SSTC initiatives implemented in Uganda so far have contributed to knowledge sharing for increased production and productivity, climate smart agriculture, trade and investments.

### **III. SSTC engagement rationale**

Uganda has development challenges and opportunities which some countries in the south underwent through in recent decades and years and created solutions to solve them. Such solutions developed in the southern hemisphere have a greater potential for adaptation and adoption, and accelerated impact due to the similar historic, biophysical, social, cultural and economic conditions. Through SSTC arrangements, Uganda will engage countries that have relevant solution and are willing to share in fields such as technologies, skills and knowledge, innovative policies and strategies; and ultimately leading to enhanced investment and trade.

### **IV. Partnerships and Initiatives**

IFAD will develop partnerships under its ongoing and planned projects through applying for and leveraging trust funds from cooperating countries such as the China. The scope of the SSTC activities will comprise technical assistance, knowledge sharing, investment promotion and trade. Below are some indicative areas that will be explored.

- Palm oil, vegetable oil, livestock and aquaculture.
- Quality seed production, seed inspection and certification. There is potential for partnership with Seed Without Borders and the private sector.
- Animal feed production and trade. Uganda has a comparative advantage in production of feed for the entire Eastern Africa Region given its potential for grain production and oil seeds.
- Expanding innovations around Uganda Yield Fund through partnership with India and South Africa.
- Digital Fintech and access to financial and insurance services.

### **V. Conclusion**

The opportunities for SSTC under the new COSOP as outlined above are still tentative and indicative. More work remains to be done in identifying and elaborating concrete areas of engagement. This will be achieved through further consultations with potential partners followed by scoping for the best source and fit-for-purpose technologies, knowledge and investment opportunities for mutual benefit of the partners. For the future the country programme will integrate SSTC into country programmes (project design and implementation, identify the regional initiatives regarding SSTC and how best to ink with them, identify sources of grants and piloting and scaling-up innovative SSTC approaches through grant-funded programmes and pursue SSTC through further partnership-building and resource mobilization.

## Appendix X: Country at a glance

<b>Uganda</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2018</b>
<b>World view</b>				
Population, total (millions)	17.35	23.65	32.43	42.72
Population growth (annual %)	3.5	3	3.2	3.7
Surface area (sq. km) (thousands)	241.6	241.6	241.6	241.6
Population density (people per sq. km of land area)	86.9	118.4	161.7	213.1
Poverty headcount ratio at national poverty lines (% of population)	56.4	33.8	24.5	21.4
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	57.7	66.9	44.6	41.7
GNI, Atlas method (current US\$) (billions)	5.64	6.4	21.79	31.94
GNI per capita, Atlas method (current US\$)	320	270	670	750
GNI, PPP (current international \$) (billions)	11.49	26.5	66.35	90.18
GNI per capita, PPP (current international \$)	660	1,120	2,050	2,110
<b>People</b>				
Income share held by lowest 20%	4.9	5.9	5.9	6.1
Life expectancy at birth, total (years)	46	46	57	63
Fertility rate, total (births per woman)	7.1	6.9	6.1	5
Adolescent fertility rate (births per 1,000 women ages 15-19)	176	172	139	116
Contraceptive prevalence, any methods (% of women ages 15-49)	5	23	30	42
Births attended by skilled health staff (% of total)	38	36	57	74
Mortality rate, under-5 (per 1,000 live births)	185	148	77	46
Prevalence of underweight, weight for age (% of children under 5)	19.7	19.2	14.1	10.4
Immunization, measles (% of children ages 12-23 months)	52	57	73	86
Primary completion rate, total (% of relevant age group)	..	60	57	53
School enrollment, primary (% gross)	71	131.5	122	102.7
School enrollment, secondary (% gross)	12	10	25	..
School enrollment, primary and secondary (gross), gender parity index (GPI)	1	1	1	..
Prevalence of HIV, total (% of population ages 15-49)	10.3	8.3	6.8	5.7
<b>Environment</b>				

Forest area (sq. km) (thousands)	47.5	38.7	27.5	19.4
Terrestrial and marine protected areas (% of total territorial area)	..	..	..	16.1
Annual freshwater withdrawals, total (% of internal resources)	..	0.8	1.6	..
Urban population growth (annual %)	7.2	5.8	5.8	6.2
Energy use (kg of oil equivalent per capita)	..	..	..	..
CO2 emissions (metric tons per capita)	0.04	0.06	0.12	0.14
Electric power consumption (kWh per capita)	..	..	..	..
<b>Economy</b>				
GDP (current US\$) (billions)	4.3	6.19	26.46	32.77
GDP growth (annual %)	6.5	3.1	5.6	6.2
Inflation, GDP deflator (annual %)	44.4	11.1	5.6	4.1
Agriculture, forestry, and fishing, value added (% of GDP)	53	28	32	23
Industry (including construction), value added (% of GDP)	10	21	25	27
Exports of goods and services (% of GDP)	7	11	14	15
Imports of goods and services (% of GDP)	19	22	25	22
Gross capital formation (% of GDP)	13	19	24	25
Revenue, excluding grants (% of GDP)	..	..	..	12.5
Net lending (+) / net borrowing (-) (% of GDP)	..	..	..	-2.7
<b>States and markets</b>				
Time required to start a business (days)	..	36	26	24
Domestic credit provided by financial sector (% of GDP)	..	..	13.6	22.1
Tax revenue (% of GDP)	..	..	..	11.7
Military expenditure (% of GDP)	3	2.4	3	1.4
Mobile cellular subscriptions (per 100 people)	0	0.5	39.6	57.3
Individuals using the Internet (% of population)	0	0.2	12.5	23.7
High-technology exports (% of manufactured exports)	..	..	3	4
Statistical Capacity score (Overall average)	..	..	70	71
<b>Global links</b>				
Merchandise trade (% of GDP)	10	31	24	30
Net barter terms of trade index (2000 = 100)	146	100	114	111
External debt stocks, total (DOD, current US\$) (millions)	2,606	3,535	2,979	12,330
Total debt service (% of exports of goods, services and primary income)	81.4	10.6	1.8	12.2

Net migration (thousands)	110	-250	-300	843
Personal remittances, received (current US\$) (millions)	..	238	771	1,338
Foreign direct investment, net inflows (BoP, current US\$) (millions)	-6	161	544	1,055
Net official development assistance received (current US\$) (millions)	663.1	855.9	1,690.10	1,940.80

Source: World Development Indicators database

Figures in blue refer to periods other than those specified.

**Country: Uganda**

**Data from database: World Development Indicators**

**Last Updated:07/01/2020**

## Appendix XI: Financial Management Issues

COUNTRY	Uganda	COSOP	2021 - 2027
<b>COUNTRY PORTFOLIO PERFORMANCE</b>			
<b>Country – FM KPIs:</b>			
<i>FM Inherent Risk:</i>	<b>HIGH</b>	<p><b>TI (2019):</b> The 2019 CPI score for Uganda is 28/100, placing the country below the average score of 32 points for Sub-Saharan Africa. On a global scale, Uganda is ranked 137th out of 180 countries. There is a slight improvement from the 2018 CPI score of 26/100 and 149/180 for the global ranking. The better scoring might be the result of the country's anti-corruption efforts to improve the country's performance.</p> <p><b>Country and Policy Institutional Assessment (CPIA) (2018):</b> The overall CPIA score for Uganda in 2018 is 3.7, placing the country above the regional average of 3.1. Uganda highest performance indicator is in its economic management (monetary and exchange rate, fiscal, and debt policies). The lowest performance indicator is in its public sector Management and Institutions. This is especially evident in the quality of public administration and transparency, accountability, and corruption in the Public Sector.</p> <p><b>PEFA (2016):</b> The PEFA assessment indicates that since Public Financial Management (PFM) Reform Action Plan has been operationalized, the PFM system in Uganda is strong. Since the 2012 PEFA review, total revenue forecasting has significantly improved. However, there are important weaknesses with risk management and sector's strategies associated with multi-year budgeting. The revenue agencies have developed effective processes and procedures that affect the execution of the budget, though estimations for each revenue category are not completely accurate. Concerning expenditure, despite the government's effort, arrears continue to grow and are high as a percentage of expenditure, indicating the need for even greater controls. Another strength in Uganda is the Office of the Auditor General carries out financial and compliance audits. The office implements auditing standards to govern its work with audit plans and strong staff development programs. The only gap is external audit scrutiny of the audit reports by the Public Accounts Committee is not current, indicating the accountability cycle remains incomplete with several Treasury Memorandums unissued.</p> <p>In summary, the comparison of the assessments indicates that between the two PEFAs credibility has improved as revenues are now well in line with budget estimates. Debt recording and reporting has also improved. Internal control and internal audit have also advanced, despite resource constraints. The main area of backsliding is in arrears, tax audits and reconciliation of assets.</p> <p><b>IMF/WB-Debt Sustainability Analysis (May 2019):</b> Even though, Uganda's debt carrying capacity has been raised from medium to strong, Uganda remains at low risk of debt distress. Uncertainties around spending pressures, contingent liabilities, or a growth shock could push public debt above the authorities' ceiling in the Charter of Fiscal Responsibility (50 percent of GDP in net present value terms). External liabilities consisted mostly of public sector loans and public portfolio debt liabilities, which are mostly concessional loans from multilateral and bilateral creditors. Public sector loans accounted for around three quarters of the external debt, equivalent to 28.7 percent of GDP as of end of 2017. The Foreign Direct Investment (FDI) stock is also a major component of external liabilities and is concentrated in the oil sector. The debt sustainability analysis indicates that Uganda faces a low risk of debt distress based on an assessment of public and</p>	
<i>1Country Disbursement Ratio (rolling-year)</i>	6.9%		
<i>Outstanding Ineligible Expenditure</i>	70,561 USD		
<i>Outstanding Advances (Projects in Expired Status)</i>			
<i>Applicable PBAS cycle:</i>	IFAD11		
<i>PBAS Available allocation:</i>	USD 99.6 million		

external debt, with vulnerabilities coming from risks related to contingent liabilities, growth, export shocks and fiscal implementation.

1 Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.

**CURRENT LENDING TERMS** Highly Concessional

**PORTFOLIO, FM RISK & PERFORMANCE**

**Existing Portfolio:**

Project	Financing instrument	FLX Status (2)	Lending Terms	Currency	Amount (million)	% Disbursed	Completion date
VODP 2	L-I--806-	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	33.5	99.95	31/12/2019
PROFIRA	L-I--900-	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	19.3	85.33	31/12/2021
PRELNOR	200000032400	DSBL	ASAP GRANTS	XDR	6.77	64.49	30/09/2022
PRELNOR	200000094700	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	34	58.51	30/09/2022
CCA/WOCCU for PROFIRA	200000026600	DSBL	IFAD FUNDED GRANTS	USD	1	96.44	31/03/2020
NOPP	200000229100	DSBL	LOAN COMPONENT GRANTS	USD	1.21	0.00	31/03/2029
NOPP	200000229200	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	USD	75.82	8.03	31/03/2029
NOSP	200000328100	APPR	HIGHLY CONCESSIONAL BY CURRENCY	XDR	72.3	0	31/12/2027

Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds
VODP 2	Substantial	Moderately Unsatisfactory	Mod. satisfactory	Moderately Satisfactory	Highly Satisfactory
PROFIRA	Low	Satisfactory	Satisfactory	Moderately Satisfactory	Satisfactory
PRELNOR	Substantial	Moderately Unsatisfactory	Mod. satisfactory	Moderately Satisfactory	Moderately Satisfactory
CCA/WOCCU for PROFIRA	Substantial	Satisfactory	Mod. unsatisfactory	Highly satisfactory	Not Specified
NOPP	Substantial	Moderately Satisfactory	Not Specified	Moderately unsatisfactory	Moderately Satisfactory
NOSP	Substantial	N/A	N/A	N/A	N/A

**AUDITS:**

External audits are conducted by the Auditor General who has been carrying out the external audit of IFAD projects. The audit will be conducted based on guidelines provided in the IFAD handbook for financial management and auditing for projects, and the terms of reference will require the Fund's No Objection. IFAD handbook on the audit will be shared with the Auditor General to enhance their reviews. The audits by OAG are carried out following the



International Standards of Supreme Audit Institutions (ISSAIs) and relevant ethical requirements. Following these standards enables the auditor to express an opinion as to whether or not the financial statements are prepared, in all material respects, in accordance with an identified or applicable financial reporting framework and (or) statutory requirements.

Internal audits are across the ministries, departments and agencies that are under the direct supervision of the Internal Auditor General at the Ministry of Finance Planning and Economic Development (MoFPED). IAG reports to the Permanent Secretary and Secretary to the Treasury. In addition to its legal and regulatory platform, IAG has audit programmes, audit documentation, reporting and follow up activities, as described in international standards.

#### **SUPERVISION / IMPLEMENTATION SUPPORT**

VODP II closed in August 2020, after obtaining a two months extension of the closure date due to the pandemic. The last external audit report, which is due by 30 November 2020 remains before completion of the full closure process. The last Supervision Mission rated the Quality of financial management as moderately unsatisfactory (3). The rating is mainly the result of the miss-management of fertilizers inventory and farmers' loan ledgers for KOPGT, an implementing partner.

PROFIRA's, the best performing project in Uganda and an exemplary IFAD managed project was rated satisfactory in the last supervision mission. This rating is consistent with the project's FM performance since inception, which is the result of a strong internal controls system in place strengthened by routine internal audits by a private firm.

PRELNOR, which is completing in September 2022, has not applied for an extension. The May 2020 Supervision mission rated the project's financial management as moderately unsatisfactory due to the weak internal controls issues found. To mitigate the risks, an FM consultant was hired to support the project to strengthen its internal controls. NOSP, which was approved by the Board on 17 December 2019 is waiting for ratification to enter into force.

#### **COMMENTS ON COSOP:**

As evidenced by the PEFA findings, Uganda has a strong PFM and an efficient Auditor General, which provide a certain reassurance about the use of the project's funds. However, the portfolio faced certain systematic fiduciaries issues, mainly caused by weak internal controls. These controls issues can be mitigated with the implementation of strong internal controls systems from the commencement of the projects.

If internal controls are to be effective, it is necessary to create an appropriate culture and embed a commitment to robust controls throughout the projects. The projects should endeavor to put measures in place that comply with the objective of internal controls. The requirement to systematically have bi-annual internal audits for all projects will permit the review of accounting and internal control systems, the examination of financial and operating information, review of the economy, efficiency and effectiveness, review of compliance with laws and regulations, and review of arrangements for the safeguarding of assets.

In summary, the strong PFM and external audit systems provide a certain reassurance that funds are used in accordance with the Financial Agreement. Therefore, reinforcing the controls systems by implementing effective and efficient mitigations measures such as performance audit for high-cost training, functional accounting software before the first disbursement, a detailed PIM, internal audits will significantly contribute to the projects FM risk moving from a substantial risk to medium and eventually low-risk projects.