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Invertir en la población rural

## República de Uganda

### Programa sobre Oportunidades Estratégicas Nacionales

**(2021-2027)**

#### **Nota para los representantes en la Junta Ejecutiva**

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Para **examen**

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## **Acrónimos y siglas**

ASAP+	Programa de Adaptación para la Agricultura en Pequeña Escala
BAfD	Banco Africano de Desarrollo
COSOP	programa sobre oportunidades estratégicas nacionales
MFPEd	Ministerio de Agricultura, Industria Animal y Pesca
mipymes	microempresas y pequeñas y medianas empresas
ODS	Objetivo de Desarrollo Sostenible

# Mapa de las operaciones financiadas por el FIDA en el país



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Fuente: FIDA | 22-02-2021

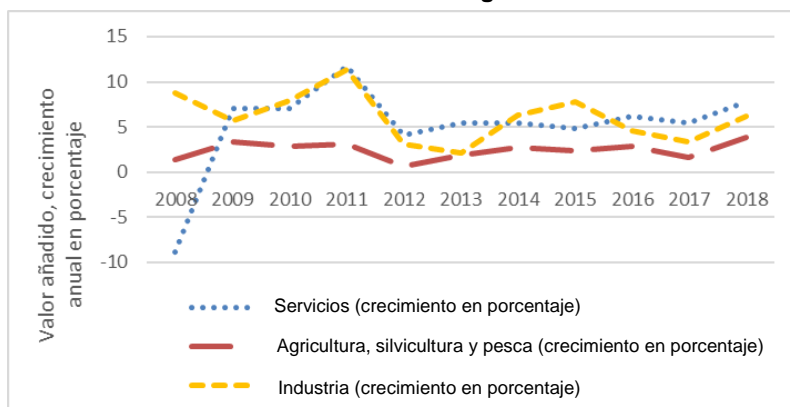
## Resumen

1. El programa sobre oportunidades estratégicas nacionales (COSOP) para el período 2021-2027 de la República de Uganda incorpora las conclusiones del examen final del COSOP anterior y la evaluación de la estrategia y el programa en el país (2013-2019). En este COSOP, formulado de manera participativa, se propone una estrategia adaptada en línea con el Tercer Plan Nacional de Desarrollo de Uganda (2020/21-2024/25), el Plan Estratégico del Sector Agrícola (2020/21-2024/25), las prioridades institucionales del FIDA y el Marco de Cooperación de las Naciones Unidas para el Desarrollo Sostenible (2021-2025). El COSOP se basa en los datos empíricos y las enseñanzas de la intervención anterior del FIDA y ayudará a alcanzar varios de los Objetivos de Desarrollo Sostenible (ODS).
2. La meta general del COSOP es contribuir a la transformación de las zonas rurales de Uganda, a través del fomento del crecimiento sostenible, la productividad y la competitividad en cadenas de valor seleccionadas con alto potencial de inclusión y que permitan a los pequeños productores rurales aumentar sus ingresos, mejorar sus medios de vida y superar la pobreza de forma sostenible. Se espera que el programa en el país beneficie a 445 000 hogares de pequeños productores (2,4 millones de personas), de los cuales 1,2 millones serán mujeres y 500 000 jóvenes. En el nuevo modelo operacional del FIDA se integran las enseñanzas extraídas de la pandemia por la COVID-19, de modo que los beneficiarios del Fondo puedan sostener los progresos conseguidos y reconstruir sus medios de vida para hacerlos más eficaces, sólidos y resilientes.
3. Mediante el COSOP se perseguirán tres objetivos estratégicos interdependientes destinados a garantizar la inclusión de las mujeres, los jóvenes, la nutrición y las medidas de adaptación al cambio climático, y a contribuir directamente a los ODS.
  - **Objetivo estratégico 1:** Apoyar el aumento de la producción, la productividad, la adición de valor, la competitividad y la inclusión de los pequeños productores dentro de las cadenas de valor seleccionadas (aceites vegetales, ganado y acuicultura) de los productos considerados clave y listados como prioritarios en el Tercer Plan Nacional de Desarrollo.
  - **Objetivo estratégico 2:** Fortalecer la sostenibilidad ambiental y la resiliencia al cambio climático de las actividades económicas y los medios de vida de la población rural pobre.
  - **Objetivo estratégico 3:** Potenciar el desarrollo de medios de vida sostenibles de los hogares marginados y pobres, especialmente de las mujeres y los jóvenes.
4. Los objetivos estratégicos del COSOP se alcanzarán a través de préstamos soberanos y del sector privado, así como de actividades no crediticias. La cartera en curso en Uganda consta de cuatro proyectos y se espera que durante el período del COSOP se financien dos nuevos proyectos por un total de entre USD 200 y 280 millones, con toda probabilidad para apoyar el desarrollo de la ganadería y la acuicultura.
5. Las actividades no crediticias son parte integrante del COSOP y contribuirán a la consecución de sus objetivos estratégicos. En concreto, la gestión de los conocimientos ayudará a difundir los elementos de las prácticas y tecnologías resilientes al clima que hayan arrojado buenos resultados, la eficacia del enfoque de extensión y los componentes del enfoque sobre el proceso de graduación que tienen mayor impacto, etc. Se examinarán una serie de medidas de políticas, tales como el aumento de las asignaciones del sector público al sector agrícola, el apoyo al crecimiento del sector nacional de aceites vegetales, la política en materia de piensos para animales y la seguridad de la tenencia de la tierra. Además, en el COSOP se integrarán actividades de cooperación Sur-Sur y triangular en los nuevos proyectos y buscará iniciativas regionales de aprendizaje.

## I. Contexto del país y programa del sector rural: principales desafíos y oportunidades

1. La República de Uganda es un país sin salida al mar con una población estimada en 41,6 millones de habitantes<sup>1</sup> a finales de 2020 y un producto interior bruto (PIB) per cápita de USD 878 en el ejercicio económico 2018/19<sup>2</sup>. Se calcula que el 76 % de la población de Uganda vive en las zonas rurales<sup>3</sup>. Varias inversiones y reformas estructurales y en favor del mercado han favorecido la estabilidad macroeconómica y un crecimiento sostenido, pero el ritmo de desarrollo ha sido lento. En 2018, la inflación se redujo hasta el 2,6 %<sup>4</sup>. Se preveía que Uganda registrara un crecimiento económico del 6,3 % en 2019/20, pero se ha revisado a la baja al 3,3 % debido a la pandemia de la COVID-19<sup>5</sup>. El análisis de sostenibilidad de la deuda de Uganda<sup>6</sup>, actualizado en 2019, indica que el país sigue teniendo un bajo riesgo de sobreendeudamiento externo a pesar de unas trayectorias de la deuda significativamente más altas que las previstas en el análisis de sostenibilidad de la deuda de Uganda de 2017.
2. Solo se presenta una hipótesis para las perspectivas a mediano plazo (apéndice II) en razón del alto nivel de incertidumbre derivado de la emergencia de la COVID-19<sup>7</sup>. Se supone que los efectos de la pandemia persistirán en el ejercicio 2020/21, y se prevé una ligera recuperación del crecimiento del PIB del 3,7 %. Además, se espera una reanudación del crédito del sector privado, lo cual favorecerá la recuperación económica a mediano plazo.
3. La economía de Uganda es predominantemente rural, aunque la estructura económica del país ha ido cambiando gradualmente de la agricultura a la industria y los servicios (véase el gráfico 1)<sup>8</sup>. La contribución de la agricultura al PIB se redujo del 53 % en 1990 al 21 % en el ejercicio económico de 2017/18<sup>9</sup>, pero sigue siendo fundamental, pues contribuye al 71 % del empleo<sup>10</sup> y es el principal motor de la reducción de la pobreza. El sector se ha visto aquejado por la falta de insumos de calidad, la escasez de instalaciones poscosecha, los riesgos del cambio climático y la necesidad de aumentar la resiliencia (apéndices III y IV).

Gráfico 1  
Cambio estructural en la economía de Uganda



Fuente: Banco Mundial. 2019.

<sup>1</sup> [Oficina de Estadística de Uganda, 2020](#). (Las estimaciones del Banco Mundial sobre algunos indicadores clave difieren de las estimaciones nacionales).

<sup>2</sup> Tercer Plan Nacional de Desarrollo. Autoridad Nacional de Planificación. Junio de 2020. Gobierno de Uganda.

<sup>3</sup> [Banco Mundial, 2019](#).

<sup>4</sup> FIDA. Evaluación de la estrategia y el programa en el país – Documento conceptual. 2020.

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

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

<sup>7</sup> <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> Banco Mundial, 2019. <https://data.worldbank.org/country/uganda>.

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

<sup>10</sup> Future of Livestock in Uganda: Opportunities and Challenges in the Face of Uncertainty. Africa Sustainable Livestock 2050. FAO-USAID. 2019.

4. **Pobreza rural.** El crecimiento económico pasado contribuyó a reducir la pobreza del 56,4 % en 1993 al 19,7 % en 2013<sup>11</sup>, pero empeoró hasta situarse en el 21,4 % en 2016<sup>12</sup>. La pobreza y la vulnerabilidad se concentran en las zonas rurales, donde vive el 89 % de la población pobre<sup>13</sup>. Entre las causas de la pobreza se encuentran los bajos niveles de cualificación y educación, la falta de activos y la incertidumbre en cuanto a la tenencia de la tierra, la incapacidad de encontrar empleo, las altas tasas de fecundidad, la vulnerabilidad al cambio climático y el aumento de la frecuencia de las catástrofes naturales<sup>14</sup>. Por otra parte, el índice de desarrollo humano de Uganda era de 0,528 en 2018, con lo que se sitúa en el puesto 159 de 189 países.
5. **Igualdad de género.** Uganda ha avanzado considerablemente en la lucha contra la desigualdad de género. Sin embargo, las creencias y prácticas profundamente arraigadas que discriminan a las mujeres en algunas partes de Uganda han obstaculizado el progreso. La puntuación de Uganda en el índice de desarrollo en relación con el género fue de 0,863 en 2018, lo que la sitúa en el grupo de baja igualdad entre mujeres y hombres en materia de logros de desarrollo humano<sup>15</sup>. La participación de las mujeres en la fuerza de trabajo se estimó en un 67 % en 2019<sup>16</sup>.
6. **Jóvenes.** La población de Uganda es la segunda más joven del mundo, con un 70 % de menores de 30 años<sup>17</sup>. El desempleo juvenil va en aumento y se calcula que era del 13,3 % en 2018-2019<sup>18</sup>. Los sectores de los servicios y la industria, pese a que crecen más rápido que la agricultura, no han generado suficientes puestos de trabajo. La participación remunerada de los jóvenes en la agricultura se ve limitada por problemas como el escaso acceso a la tierra, al capital y a los recursos financieros.
7. **Seguridad alimentaria y nutrición.** Aproximadamente el 66 % de la población ugandesa sufre inseguridad alimentaria moderada o grave<sup>19</sup>, y los hogares rurales tienen el doble de probabilidades de padecer escasez de alimentos (40 %) que los urbanos (26 %). Con una puntuación de 30,6 en el Índice Global del Hambre, Uganda tiene un grave nivel de carencia de alimentos<sup>20</sup>. La malnutrición es un importante factor de riesgo de morbilidad y mortalidad en los niños<sup>21</sup>. Aunque el retraso del crecimiento ha disminuido del 33 % al 29 % y la emaciación se sitúa en torno al 4 %, sigue siendo un problema de salud pública en varias regiones de Uganda.
8. **Gestión de los recursos naturales** Uganda está consumiendo sus recursos naturales a un ritmo insostenible. Los bosques, que proporcionan más del 90 % de la energía del país, se están reduciendo en más del 5 % cada año<sup>22</sup>. La degradación del suelo también es un problema. Se calcula que la degradación ambiental causa la pérdida de entre el 4 % y el 12 % del producto nacional bruto, el 85 % de lo cual se debe a la erosión del suelo, la pérdida de nutrientes y los cambios en los cultivos<sup>23</sup>.
9. **Cambio climático.** El cambio climático amenaza los esfuerzos de Uganda por acabar con la pobreza, dada la gran dependencia del país de los recursos naturales<sup>24</sup>. Desde 1960, las temperaturas medias han aumentado un 1,3 °C y las

<sup>11</sup> Banco Africano de Desarrollo (BAfD), 2017.

<sup>12</sup> Banco Mundial, 2019.

<sup>13</sup> Oficina de Estadística de Uganda, 2018.

<sup>14</sup> Banco Mundial, 2016.

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

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

<sup>17</sup> Fondo de Población de las Naciones Unidas (UNFPA), 2020.

<sup>18</sup> Tercer Plan Nacional de Desarrollo, Gobierno de Uganda. 2020.

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

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

<sup>21</sup> Tercer Plan Nacional de Desarrollo, Gobierno de Uganda. 2020.

<sup>22</sup> Banco Mundial, 2016.

<sup>23</sup> [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> Banco Mundial, mayo de 2019.

precipitaciones anuales y estacionales se han vuelto más imprevisibles<sup>25</sup>. Los fenómenos meteorológicos extremos, como las sequías, las inundaciones y los deslizamientos de tierra, son cada vez más frecuentes e intensos<sup>26</sup>.

10. **Entorno institucional.** El índice de facilidad para hacer negocios de 2019 sitúa a Uganda en el puesto 116 de 190 países<sup>27</sup>. El país obtiene los mejores resultados en el cumplimiento de los contratos, la obtención de crédito y la protección de los inversores minoritarios que inician un negocio. Uganda tiene un dinámico sector privado, con alrededor de 1,1 millones de microempresas y pequeñas y medianas empresas (mipymes)<sup>28</sup> que emplean a unos 2,5 millones de personas<sup>29</sup> y contribuyen a más del 20 % del PIB.

## II. Marco institucional y de políticas públicas

### Políticas gubernamentales

11. El Tercer Plan Nacional de Desarrollo de Uganda (2020/21-2024/25) tiene como objetivo aprovechar los puntos fuertes del Gobierno y del sector privado mediante la promoción de la inversión en el aumento de la producción y la productividad agrícola, la agroindustria, las infraestructuras y la creación de una mano de obra cualificada, más motivada y más saludable.
12. El tercer Plan Estratégico del Sector Agrícola del Gobierno de Uganda (2020/21-2024/25) tiene como objetivo transformar el sector agrícola ugandés para pasar de la agricultura de subsistencia a la agricultura comercial, definiendo algunos productos básicos prioritarios, entre ellos el café, los productos lácteos, el pescado, el ganado y una serie de cultivos básicos<sup>30</sup>.
13. El Gobierno ha mejorado el entorno normativo y reglamentario, en el marco de su Programa de Desarrollo del Sector Financiero, y sigue comprometido con la promoción del sector financiero, mediante la puesta en marcha de un organismo regulador de la microfinanciación en Uganda y la Política Nacional de Sistemas de Pago. La Estrategia Nacional de Inclusión Financiera de Uganda (2017-2022) se centra en la reducción de la exclusión financiera, el desarrollo de la infraestructura crediticia en pro del crecimiento, la construcción de infraestructura digital y la profundización y ampliación del uso del ahorro formal y los seguros<sup>31</sup>.
14. La Política Nacional de Cambio Climático de Uganda de 2015 y sus contribuciones determinadas a nivel nacional otorgan prioridad a la adaptación al cambio climático. Los principales compromisos de sus contribuciones determinadas a nivel nacional son reducir las emisiones nacionales de gases de efecto invernadero en un 22 % para 2030, disminuir la vulnerabilidad de los sectores sensibles a los efectos del clima, fomentar la resiliencia y poner en marcha intervenciones centradas en la adaptación<sup>32</sup>.
15. En el marco del Tercer Plan Nacional de Desarrollo, el Gobierno planea dar prioridad a la capacitación y el desarrollo profesional para hacer frente al desempleo juvenil. El Programa de Medios de Vida para los Jóvenes y el Fondo de Medios de Vida de los Jóvenes se crearon para proporcionar apoyo financiero y de otro tipo a las pequeñas empresas dirigidas por jóvenes con el fin de potenciar su desarrollo y la creación de empleo.

<sup>25</sup> Contribución prevista de Uganda determinada a nivel nacional. Ministerio de Recursos Hídricos y Medio Ambiente, 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> Tercer plan nacional de desarrollo, 2020.

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

<sup>31</sup> Alianza para la Inclusión Financiera, 2019.

<sup>32</sup> Contribución prevista determinada a nivel nacional de Uganda. Ministerio de Recursos Hídricos y Medio Ambiente, octubre de 2015.



### Marco institucional

16. En el programa sobre oportunidades estratégicas nacionales (COSOP) se prevé la colaboración con el Ministerio de Finanzas, Planificación y Desarrollo Económico (MFPED), el Ministerio de Agricultura, Industria Animal y Pesca (MAAIF), el Ministerio de Administración Local y el Ministerio de Recursos Hídricos y Medio Ambiente. Dada la descentralización a nivel local<sup>33</sup> el COSOP involucrará a los gobiernos locales.
17. El Gobierno ha establecido mecanismos de descentralización para obtener apoyo a nivel de parroquia, subcondado y distrito. Se espera que el modelo parroquial gubernamental, diseñado para aumentar el número de proveedores de servicios de extensión y de agricultores mentores en cada aldea, refuerce la coordinación de las iniciativas de desarrollo a nivel comunitario y mejore la prestación de servicios. No obstante, ha de reforzarse su estructura para que sea eficaz<sup>34</sup>.

### III. Actuación del FIDA: enseñanzas extraídas

18. La cartera actual refleja los cambios introducidos en el anterior COSOP, que produjo un marcado cambio estratégico hacia un enfoque de la cadena de valor con una orientación más comercial y financiado por el sector privado. La evaluación de la estrategia y el programa en el país de 2020 señala que la cartera era coherente con los marcos de políticas nacionales y sectoriales. Las inversiones tuvieron un buen impacto en los ingresos y activos de los hogares, la seguridad alimentaria y la productividad agrícola, y condujeron a numerosas innovaciones.
19. Los puntos débiles detectados son la lentitud de la ejecución en los primeros años, el impacto mínimo en las instituciones y las políticas y la limitada consecución de los objetivos en los servicios de asesoramiento agrícola. Otras enseñanzas clave son las siguientes:
  - Se han de mantener las inversiones en determinados productos básicos estratégicos con potencial de crecimiento, al tiempo que se incluye a los pequeños productores más pobres en las cadenas de valor seleccionadas a fin de lograr un mayor impacto.
  - Se deben crear asociaciones entre el sector público, el sector privado y los productores para detectar y anticipar las principales limitaciones y encontrar soluciones sostenibles.
  - Las inversiones en infraestructuras rurales que apoyan a las cadenas de valor tienen un mayor impacto.
  - Las inversiones en financiación rural han sido eficaces para fomentar el crecimiento de los servicios financieros en las cadenas de valor agrarias con modelos de negocio viables.
  - Los enfoques a nivel de los hogares mejoran la inclusión social y la transformación de las personas más vulnerables<sup>35</sup>.
  - El enfoque de políticas del COSOP proporcionó una orientación estratégica general para que en el programa de políticas se mantenga la prioridad en la población pobre y una orientación concreta para la colaboración con el Gobierno<sup>36</sup>.
  - Las actividades no crediticias se han visto afectadas por el tamaño y la ubicación del personal de la oficina del FIDA en el país y por la disminución de los recursos presupuestarios.

<sup>33</sup> OCDE, 2016.

<sup>34</sup> *Concept paper on the parish model*. Autoridad Nacional de Planificación. Gobierno de Uganda, 2020.

<sup>35</sup> Encuesta sobre los efectos directos de la segunda cohorte. Proyecto para el Restablecimiento de los Medios de Vida en la Región Septentrional. Unidad de seguimiento y evaluación.

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

## IV. Estrategia en el país

### A. Ventaja comparativa

20. El FIDA es una de las pocas instituciones financieras internacionales que invierte en los pequeños agricultores de Uganda. La ventaja comparativa del FIDA radica en su experiencia de trabajo con las comunidades de base y en la comprensión de sus limitaciones, en su capacidad para diseñar enfoques inclusivos para su participación en las cadenas de valor más importantes, y en la transformación y el empoderamiento de los hogares marginados en correspondencia estrecha con la red de protección social del Gobierno y los objetivos de alivio de la pobreza a través de metodologías basadas en los hogares y la facilitación de la participación del sector privado y la obtención de su apoyo.

### B. Grupos objetivo y estrategia de focalización

21. Los principales grupos objetivos del COSOP serán: i) los hogares pobres de pequeños productores que están dispuestos a realizar actividades económicas y tienen el potencial para ello; ii) las mujeres y los jóvenes interesados en participar en empresas productivas; iii) los actores de pequeña y mediana escala<sup>37</sup> a lo largo de las cadenas de valor para fortalecer los vínculos y crear oportunidades de empleo para la población pobre de las zonas rurales, y iv) los grupos de agricultores y mujeres, los grupos de jóvenes, los grupos comunitarios de ahorro y crédito (apéndice IV). Se espera que el COSOP llegue a 445 000 pequeños productores, lo que equivale a 2,4 millones de personas, de las cuales 1,2 millones serán mujeres y 500 000 jóvenes.
22. La zona geográfica de intervención se concentrará en las zonas del norte y del este (que presentan una alta incidencia de pobreza, una nutrición deficiente e inseguridad alimentaria), con una ventaja comparativa en las cadenas de valor de determinados productos básicos específicos mediante un enfoque centrado en los productos básicos.
23. La estrategia de focalización de los pequeños productores constará de criterios bien definidos, que se respetarán estrictamente, mientras que las inversiones se adaptarán a las necesidades del grupo para fomentar la autoselección. El COSOP abordará la igualdad de género y el empoderamiento de las mujeres, mediante la inclusión de actividades como la elaboración poscosecha y la comercialización. Se fomentará la participación de los jóvenes mediante el desarrollo de competencias y empresas, centrándose en el transporte y la elaboración (apéndice IV). Se establecerán mecanismos para garantizar la participación de las personas pobres, marginadas y con discapacidad mediante asociaciones locales, organizaciones de agricultores, grupos de productores y acuerdos que eviten el acaparamiento de los beneficios por las elites y fomenten la planificación, el seguimiento y la supervisión participativos.

### C. Meta general y objetivos estratégicos

24. El objetivo general del COSOP es contribuir a la transformación de las zonas rurales de Uganda, mediante el fomento del crecimiento sostenible, la productividad y la competitividad en cadenas de valor seleccionadas con alto potencial de inclusión y que permitan a los pequeños productores aumentar sus ingresos, mejorar sus medios de vida y superar la pobreza de forma sostenible. Este objetivo está en consonancia con el del Tercer Plan Nacional de Desarrollo de "Aumento de los ingresos de los hogares y mejora de la calidad de vida" como parte de su tema general de "Industrialización sostenible en pro del crecimiento inclusivo, el empleo y la creación de riqueza sostenible". También es coherente con el Marco de Cooperación de las Naciones Unidas para el Desarrollo Sostenible<sup>38</sup>.

<sup>37</sup> Como facilitadores del grupo objetivo principal, así como beneficiarios directos de los préstamos sin garantía soberana.

<sup>38</sup> **Efecto directo 2.1:** Para 2025, las personas, especialmente las marginadas y vulnerables, se benefician de una mayor productividad, de un empleo digno y de la igualdad de derechos sobre los recursos; **Efecto directo 2.2:** Para 2025, los

25. Con el COSOP se perseguirán tres objetivos estratégicos interdependientes complementados por varios temas transversales, que contribuirán directamente al logro de los Objetivos de Desarrollo Sostenible 1 (Pobreza), 2 (Hambre), 5 (Género), 8 (Trabajo decente), 9 (Industria/Innovación), 10 (Desigualdad), 13 (Clima), 15 (Vida en la tierra) y 17 (Asociaciones), y al Marco Estratégico del FIDA (2016-2025).
26. Los tres objetivos estratégicos están diseñados para respaldar y reforzar las metas especificadas para cada uno. Las tecnologías climáticamente inteligentes del objetivo estratégico 2 respaldarán el aumento de la producción previsto en el objetivo estratégico 1, así como su atención a la población pobre y marginada. El aumento de la producción en el marco del objetivo estratégico 1 apoyará la mejora de la nutrición y el empoderamiento de los hogares marginados en el marco del objetivo estratégico 3. La financiación del proyecto se complementará con actividades no crediticias y se estudiarán las oportunidades para reforzar el entorno normativo, mejorar la gestión de los conocimientos y crear capacidades a través de la colaboración en materia de cooperación Sur-Sur y triangular. Además, mediante el COSOP se buscarán oportunidades para el desarrollo de las tecnologías de la información y las comunicaciones para el desarrollo (TIC para el desarrollo), así como asociaciones con el sector privado para la realización de operaciones sin garantía soberana cuando sea posible.
27. **Objetivo estratégico 1: Apoyar el aumento de la producción, la productividad, la adición de valor, la competitividad y la inclusión de los pequeños productores en de las cadenas de valor seleccionadas (aceites vegetales, ganado y acuicultura).** El Tercer Plan Nacional de Desarrollo define nueve productos básicos para impulsar un programa de agroindustrialización sostenible en Uganda. La ganadería y la pesca son subsectores de alto valor con potencial para estimular el crecimiento económico impulsado por el sector privado, por lo que beneficia a la población pobre y a los pequeños productores y aumenta los ingresos y el empleo<sup>39</sup>. El FIDA apoyará la participación de los pequeños productores en estas cadenas de valor y mejorará la calidad de sus productos y su productividad mediante insumos de calidad e inversiones en almacenamiento y elaboración. El Fondo también promoverá un mayor acceso a los mercados, la inversión en infraestructuras de apoyo físicas y de comercialización, el asesoramiento técnico y los servicios de extensión, y facilitará el acceso a los servicios financieros, especialmente los digitales. El programa aprovechará la presencia de un sector privado y mipymes de gran dinamismo que facilitarán las asociaciones con los pequeños productores. Durante el período del COSOP, el Gobierno y el FIDA también evaluarán la posibilidad de apoyar otras cadenas de valor, como el café y la yuca.
28. **Objetivo estratégico 2: Fortalecer la sostenibilidad ambiental y la resiliencia al cambio climático de las actividades económicas y los medios de vida de la población rural pobre.** El FIDA promoverá tecnologías resilientes al clima y prácticas sostenibles de gestión de la tierra y el agua, y ampliará su modelo de planificación comunitaria de gestión de los recursos naturales a fin de reforzar la capacidad de adaptación de los pequeños productores. Se hará especial hincapié en preservar y mejorar la biodiversidad. Se estudiarán las posibilidades de innovación y ampliación de los proyectos tradicionales de gestión de los recursos naturales en proyectos de rehabilitación del paisaje y se promoverán los siguientes enfoques: captación de aguas pluviales; diversificación de cultivos; gestión integrada de la fertilidad de los suelos; variedades de cultivos tolerantes a la

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recursos naturales y el medio ambiente de Uganda se gestionan y protegen de forma sostenible, y las personas, especialmente las vulnerables y marginadas, tienen la capacidad de adaptarse al cambio climático, mitigar sus efectos y los riesgos de desastres; y **Efecto directo 3.2:** Para 2025, la igualdad de género y los derechos humanos de las personas en Uganda se promueven, protegen y hacen efectivos en un entorno culturalmente receptivo.

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

sequía y de maduración temprana; forestación; cultivos intercalados; tecnologías apropiadas para el ahorro de combustible; información meteorológica, etc. Todas las infraestructuras financiadas en el marco del objetivo estratégico 1 se construirán de acuerdo con las normas de resiliencia al cambio climático.

29. **Objetivo estratégico 3: Potenciar el desarrollo de medios de vida sostenibles para los hogares marginados y pobres, especialmente para las mujeres y los jóvenes.** Con este objetivo estratégico se perseguirá la inclusión de los grupos objetivo más vulnerables, entre ellos las mujeres, los jóvenes y las personas con discapacidad, que necesitan ayuda adicional para mejorar sus medios de vida. El apoyo consistirá en la creación de capacidades, apoyo nutricional, pequeñas donaciones para recursos productivos, incluidas tierras, y la facilitación del acceso a los servicios financieros. Se espera que el aumento de la producción previsto en el objetivo estratégico 1 y la mayor resiliencia de los sistemas de producción al cambio climático mejoren la diversidad de los alimentos y el estado nutricional de los hogares objetivo.
30. La teoría del cambio se basa en la premisa de que hay productos agrícolas específicos que pueden conducir a la transformación de los hogares rurales. Tienen potencial para añadir valor y aumentar los ingresos y el empleo, así como para mejorar la diversidad de los alimentos y el estado nutricional. Se ayudará a los pequeños productores a transformar sus sistemas de producción y a mejorar su consumo de alimentos y la diversidad alimentaria por conducto de las siguientes esferas de intervención: inversión en infraestructuras de apoyo físicas y de comercialización para mejorar la producción, la productividad y el acceso a los mercados; promoción de insumos de producción de calidad; creación de capacidades e impulso de las economías de escala, y prácticas de conservación del suelo y el agua. Fomentar los vínculos entre el sector privado y los pequeños productores es fundamental para que estos últimos puedan acceder a mejores insumos, servicios financieros, valor añadido y mercados.
31. Para garantizar que los hogares más marginados puedan participar en los proyectos de orientación comercial, en la teoría del cambio se postula facilitar la inclusión de los hogares pobres y encabezados por mujeres. Hay que atraer a los jóvenes ofreciéndoles la posibilidad de adquirir nuevas competencias que creen oportunidades de empleo rural. La premisa del objetivo estratégico 2 es que se puede proporcionar un paquete de apoyo a los pequeños productores para que puedan utilizar los recursos naturales de forma más sostenible y adaptarse mejor al cambio climático.
32. Reconociendo que las actividades no crediticias son fundamentales para alcanzar los objetivos estratégicos, en el COSOP se han incorporado las enseñanzas extraídas de la ejecución de las donaciones anteriores. En el marco del programa en el país se ha definido un plan de gestión de los conocimientos y un programa de políticas para crear asociaciones y determinar oportunidades de aprendizaje a través de la cooperación Sur-Sur y triangular.
33. **Temas transversales.** En consonancia con los compromisos de la FIDA11, en el programa en el país se incorporarán los siguientes temas:
- **Igualdad de género y empoderamiento de la mujer.** Se promoverá el empoderamiento de las mujeres aumentando su participación en la toma de decisiones y su acceso a los activos (especialmente a los derechos de tenencia de la tierra), la financiación y las competencias.
  - **Nutrición.** A través de la estabilización de los ingresos, en el programa en el país se seleccionarán productos básicos con un fuerte efecto multiplicador en cuanto a su repercusión en la disponibilidad de alimentos, el consumo y la diversidad alimentaria. Los nuevos proyectos tendrán en cuenta la nutrición, y contarán con un enfoque más estructurado para mejorar los resultados nutricionales.

- **Empoderamiento de los jóvenes.** Se crearán oportunidades específicas para que los jóvenes participen i) en las cadenas de valor seleccionadas en actividades de su interés, como el transporte, el comercio y la elaboración, y ii) en las oportunidades de empleo no agrícola en las zonas rurales mediante el acceso al capital, las competencias y los activos.
- **Cambio climático.** La atención se centrará en la adaptación con beneficios paralelos en materia de mitigación, la diversificación de los sistemas agropecuarios, la promoción de prácticas agrícolas climáticamente inteligentes, la mejora de los sistemas de información climática, y el fomento de la eficiencia en el uso del agua y la rehabilitación de las tierras degradadas.

#### **D. Gama de intervenciones del FIDA**

34. **Préstamos soberanos y donaciones.** Se buscarán oportunidades para la utilización de instrumentos nuevos e innovadores del FIDA, como los préstamos basados en los resultados, la programación por etapas, la resiliencia y los instrumentos de financiación del riesgo de catástrofes. También se buscarán oportunidades de donaciones adicionales por conducto de asociados como el Fondo de Financiación para Remesas, la Comisión Europea y otras entidades bilaterales. Se proseguirá con la ampliación del Programa de Adaptación para la Agricultura en Pequeña Escala (ASAP+), que se centra en la mitigación y la resiliencia y aborda las interrelaciones entre el clima, la fragilidad, la nutrición y la inclusión social, y se estudiarán las oportunidades de recurrir a la financiación del Fondo Verde para el Clima.
35. **Operaciones sin garantía soberana.** El aprovechamiento de la experiencia adquirida con la participación del sector privado y la puesta en marcha del fondo de inversión Yield Uganda Investment Fund (YUIF) mejorará el acceso al Programa de Participación del Sector Privado en la Financiación, la modalidad de operaciones sin garantía soberana del FIDA. También se considerarán estas operaciones para participantes del sector privado en cadenas de valor como la pesca y los productos lácteos con potencial para proporcionar insumos o acceso a los mercados a los pequeños productores y que necesiten inversiones y capital de trabajo para crecer.
36. **Actuación normativa a nivel nacional.** Las enseñanzas extraídas de la experiencia de los proyectos estimularán la producción y utilización de datos para la promoción de políticas. La participación activa del FIDA en varios grupos de trabajo<sup>40</sup> también servirá como vía para dicha promoción. Entre las posibles esferas de actuación normativa se incluyen la promoción de una mayor asignación presupuestaria para la agricultura, el apoyo político e institucional al sector de los aceites vegetales, la revisión de la política en materia de piensos para animales y las cuestiones de seguridad de la tenencia de la tierra. El programa de políticas se llevará a cabo en colaboración con los principales asociados para el desarrollo en el país.
37. **Gestión de los conocimientos.** Cada proyecto de inversión elaborará su propio plan de gestión de los conocimientos. A nivel nacional, el aprendizaje mutuo entre los proyectos se difundirá a través de talleres anuales, exámenes de la cartera de proyectos en el país y notas de orientación sobre políticas. Los avances en los ODS pueden examinarse con los grupos de trabajo sectoriales y de asociados para el desarrollo, mediante plataformas en línea y en colaboración con el equipo de las Naciones Unidas en el país. La formulación de una estrategia nacional de gestión de los conocimientos garantizará un enfoque de aprendizaje coherente, que incluirá la determinación de oportunidades para la ampliación de escala.
38. **Cooperación Sur-Sur y triangular.** El FIDA continuará apoyando los intercambios internacionales a través de sus redes y asociaciones (producción de semillas de calidad, inspección y certificación de semillas), y mediante la

<sup>40</sup> Grupo de asociados para el desarrollo agrícola y grupo de trabajo para el sector agrícola; grupo de trabajo para el sector privado; equipo de las Naciones Unidas en el país.

colaboración con la iniciativa "Semillas Sin Fronteras" y el sector privado. También se ampliarán las innovaciones en torno al fondo de inversión YUIF y mediante la asociación con la India y Sudáfrica, así como a través de las tecnofinanzas digitales y el acceso a los servicios financieros y de seguros de países de la región. Se estudiarán oportunidades específicas de aprender de las innovaciones en la región y en el ámbito de la cooperación Sur-Sur.

39. **Comunicación y visibilidad.** Cada proyecto formulará y aplicará sus propias estrategias de comunicación, que incluirán una variedad de medios impresos, electrónicos y sociales. La visibilidad se reforzará mediante la creación de sitios web, actos locales de intercambio de información y la señalización de las principales inversiones.

## V. Innovaciones y ampliación de escala para el logro de resultados sostenibles

40. **Innovaciones.** Entre las innovaciones se incluyen el asesoramiento a los hogares, las asociaciones público-privadas para la capacitación de extensión, el fortalecimiento de la capacidad de los grupos locales de producción de semillas, el refuerzo de la capacidad de los agricultores para la gestión comunitaria de los recursos naturales y la introducción de tecnologías de energías renovables y enfoques basados en agrupaciones para aumentar la competitividad de los pequeños productores. Con el COSOP se buscará reforzar las innovaciones en curso e introducir sistemas de producción que sean más climáticamente inteligentes. Se promoverá el uso de las tecnologías de la información y las comunicaciones para el desarrollo del sector y el acceso a los servicios financieros y a la financiación digital.
41. **Ampliación de escala.** Actualmente se está ampliando a nivel nacional un exitoso modelo de asociaciones entre el sector público, el sector privado y los productores para las inversiones en aceites vegetales a través del Proyecto Nacional de Aceite de Palma (NOPP). El Gobierno está ampliando el modelo de explotación básica en sus propios programas, guiado por su estrategia de zonificación agrícola. En los proyectos de ganadería y acuicultura se estudiarán y ampliarán las posibilidades de ampliación de escala de los elementos de este modelo de asociaciones entre el sector público, el sector privado y los productores, el Sistema de Aprendizaje Activo de Género y los enfoques de asesoramiento a los hogares. Algunas donaciones que han apoyado actividades dentro de los proyectos han tenido como objetivo aumentar el uso de las buenas prácticas<sup>41</sup>.

## VI. Ejecución del COSOP

### A. Recursos financieros y metas de cofinanciación

42. Los recursos<sup>42</sup> totales para la inversión podrían oscilar entre USD 200 y 280 millones, en función de las posibles variaciones de las calificaciones de la cartera en situación de riesgo y de los resultados del sector rural. El FIDA buscará la cofinanciación de otros asociados para sus proyectos, así como financiación para el clima y el medio ambiente.
43. En el marco del COSOP, se ejecutarán los proyectos en curso y se buscará cofinanciación para dos nuevos proyectos en coordinación con el Gobierno. Se ha determinado que estos sectores tienen un gran potencial para alcanzar los objetivos estratégicos.

<sup>41</sup> Las actividades de gestión sostenible de la tierra financiadas por el Fondo para el Medio Ambiente Mundial en el marco del Proyecto de Servicios de Asesoramiento sobre Agronegocios y Tecnología Agrícola (Proyecto ATAAS) y la Reseña Mundial de Enfoques y Tecnologías de la Conservación (WOCAT)/Uganda Landscape Network apoyaron las prácticas agrícolas resilientes al clima en el Proyecto para el Restablecimiento de los Medios de Vida en la Región Septentrional que promovió la reproducción de las tecnologías de conservación.

<sup>42</sup> Se deben seguir estudiando las posibilidades con el Banco Mundial y el BAfD.

44. Teniendo en cuenta las tendencias de las tasas de cofinanciación pasadas, podrían generarse USD 220 millones adicionales de todas las fuentes, con una tasa de cofinanciación de 1:0,78 (cuadro 1). Sin embargo, se buscarán activamente oportunidades para aumentar la proporción hasta al menos un 1,5.

Cuadro 1

**Financiación y cofinanciación del FIDA de los proyectos en curso y programados**  
(en millones de dólares de los Estados Unidos)

Proyecto	Financiación del FIDA	Cofinanciación		Tasa de cofinanciación prevista
		Nacional	Internacional	
<b>En curso</b>				
Proyecto de Fomento de la Inclusión Financiera en las Zonas Rurales	29 000 343	4 934 821		
Proyecto para el Restablecimiento de los Medios de Vida en la Región Septentrional	50 200 000	10 784 000	10 000 000	
Proyecto Nacional de Aceite de Palma	77 030 000	133 412 000		
Proyecto Nacional de Oleaginosas	99 560 000	4 833 000	36 163 000	
<b>Total en curso</b>	<b>255 790 343</b>	<b>153 963 821</b>	<b>46 163 000</b>	<b>1:0,78</b>
<b>Programados</b>				
Proyecto 1 Acuicultura	140 000 000	60 000 000	50 000 000 <sup>43</sup>	
Proyecto 2 Ganadería	140 000 000	60 000 000	50 000 000 <sup>44</sup>	
<b>Total</b>	<b>280 000 000</b>			<b>1:0,785</b>

## B. Recursos destinados a actividades no crediticias

45. Las actividades no crediticias se llevarán a cabo a partir de las actividades que surjan de las inversiones del FIDA en colaboración con el Gobierno y, cuando se disponga de ellos, de fondos procedentes de donaciones. También se utilizarán recursos disponibles en el marco de la cooperación Sur-Sur y triangular para promover una amplia gama de actividades de cooperación técnica.

## C. Principales asociaciones estratégicas y coordinación para el desarrollo

46. Se buscará la colaboración con organizaciones nacionales como la Organización Nacional de Investigación Agrícola a fin de lograr los objetivos estratégicos del COSOP.
47. También se espera establecer una serie de asociaciones con el sector privado y las organizaciones de agricultores para aprovechar los recursos financieros y técnicos y poder lograr un mayor impacto. El FIDA reforzará su modelo de asociaciones entre el sector público, el sector privado y los productores en el Proyecto Nacional de Aceite de Palma en curso y lo perfeccionará en futuras inversiones (apéndice VIII).
48. En la cofinanciación actual se incluye el Fondo de la OPEP para el Desarrollo Internacional y Heifer International, con la posibilidad de que se unan otros asociados. El Banco Mundial y el Banco Africano de Desarrollo podrían representar importantes oportunidades de cofinanciación. El Banco Europeo de Inversiones también está haciendo incursiones en nuevas esferas, como la energía solar y el empoderamiento de las mujeres en Uganda, y se buscarán oportunidades para asociarse con esta institución cuando sea posible. Se potenciarán las oportunidades de colaboración con la Unión Europea, por ejemplo, a través del fondo de inversión YUIF.

<sup>43</sup> Previsto.

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

49. El presente COSOP ha sido respaldado por el Coordinador Residente de las Naciones Unidas en Uganda. El FIDA espera seguir coordinándose con el equipo de las Naciones Unidas en el país como parte del Marco de Cooperación de las Naciones Unidas para el Desarrollo Sostenible para 2021-2025. El FIDA también participará en planes de trabajo conjuntos con los organismos de las Naciones Unidas y el Plan Nacional de Desarrollo.
50. El FIDA espera colaborar estrechamente con la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO) a fin de aprovechar su experiencia de trabajo con los agricultores y los pastores<sup>45</sup> en el contexto del marco programático de la FAO para Uganda (2021-2025). El FIDA determinará las posibilidades de colaboración con el Programa Mundial de Alimentos en el fomento de la resiliencia de los pequeños agricultores y en el diseño de futuros proyectos.

#### **D. Participación de los beneficiarios y transparencia**

51. **Participación de los beneficiarios.** En todos los proyectos de inversión se especifican mecanismos para promover la participación de la comunidad. Se utilizarán encuestas anuales sobre los resultados y herramientas de seguimiento participativo para recabar las observaciones de los participantes periódicamente. En todos los proyectos se establecen mecanismos de resolución de reclamaciones.
52. **Transparencia.** Se reforzarán la transparencia y la visibilidad de las intervenciones del FIDA y de sus resultados mediante el establecimiento de mecanismos de intercambio de información con los posibles beneficiarios y la publicación periódica de los resultados en medios de comunicación electrónicos e impresos, en el sitio web del FIDA y los de los proyectos específicos, y mediante la descripción del proceso de resolución de reclamaciones a nivel de proyecto.

#### **E. Disposiciones de gestión del programa**

53. El COSOP será administrado por el Director en el País para Uganda, con sede en el centro subregional del FIDA en Kenya<sup>46</sup>. La oficina del FIDA en el país prestará apoyo sobre el terreno. Se llevarán a cabo misiones de apoyo a la ejecución, de supervisión, de examen de mitad de período y de finalización de los proyectos iniciados por el FIDA, en colaboración con el Gobierno.

#### **F. Seguimiento y evaluación**

54. Se hará un esfuerzo especial para reforzar los deficientes sistemas de seguimiento y evaluación en cuanto a la calidad y coherencia de los datos, y para solucionar los retrasos en la realización de estudios clave, como estudios de referencia, los exámenes de mitad de período y las evaluaciones finales de los proyectos. Se contratará a personal experimentado en materia de seguimiento y evaluación a nivel de proyecto y se le impartirá capacitación específica para que cumplan los enfoques adoptados por el FIDA. El Marco de Gestión de los Resultados del COSOP (apéndice I) se supervisará y actualizará mediante una revisión anual dirigida por el MFPED y el FIDA. Los resultados obtenidos a nivel de proyecto quedarán plasmados en los sistemas de seguimiento y evaluación específicos de cada proyecto y se incorporarán a los exámenes del COSOP. El FIDA llevará a cabo una misión anual de seguimiento del COSOP, otra a mitad de período y otra al finalizar el proyecto.

<sup>45</sup> [FAO, 2020](#).

<sup>46</sup> Con sujeción a posibles cambios en la "fase 2.0" de la descentralización.



## VII. Gestión de riesgos

Cuadro 2  
Riesgos y medidas de mitigación

<b>Riesgos</b>	<b>Calificación del riesgo</b>	<b>Medidas de mitigación</b>
<p><b>Políticas y gobernanza</b></p> <p>Las presiones políticas para aumentar el gasto y las exenciones fiscales especiales ejercen una presión a la baja sobre los ya de por sí escasos ingresos fiscales</p>	Moderado	Asistencia en la promoción de políticas y reformas
<p><b>Macroeconómicos</b></p> <p>Riesgos cambiarios y de tasa de interés, inflación y volatilidad de los precios de los productos básicos y riesgos asociados a la exposición a la COVID-19 con un índice del 7,1<sup>47</sup></p>	Alto	Inversión en sectores de elevado crecimiento y creación de empleo mediante inversiones a nivel de proyecto
<p><b>Estrategias y políticas sectoriales</b></p> <p>Calidad del entorno de la inversión rural e incentivos de los agentes del sector privado para que los grupos objetivo del FIDA participen de forma sostenible y fomenten sus medios de vida remunerativos y resilientes</p> <p>Problemas relacionados con la tenencia de la tierra</p> <p>Limitada capacidad del personal de extensión; limitaciones específicas en cuanto a los insumos de calidad, los piensos para animales y el acceso a la financiación</p>	Moderado	<p>Incentivar al sector privado mediante la creación de vínculos con los pequeños productores, garantizando la cantidad y la calidad necesarias de la producción y ofreciendo a cambio mercados seguros y precios aceptables</p> <p>Apoyo a la obtención de certificados de propiedad, mediante actividades de sensibilización</p> <p>Influir en el diálogo sobre políticas, en el diseño de estrategias y políticas sectoriales pertinentes para el programa en el país y en la inversión en actividades de proyectos específicos para abordar las limitaciones del sector</p>
<p><b>Capacidad institucional</b></p> <p>Capacidad de las unidades de gestión de los proyectos a nivel nacional y capacidad de ejecución a nivel de gobierno local</p> <p>La calidad de los servicios públicos se resiente debido a la proliferación de distritos</p> <p>Servicios de extensión del sector público deficientes</p>	Considerable	<p>Reforzar la capacidad de planificación y gestión</p> <p>Desarrollar modelos de asociaciones entre el sector público, el sector privado y los productores en el fomento de la cadena de valor, aprovechando los puntos fuertes de los principales actores</p> <p>Reforzar los servicios de extensión y establecer mecanismos alternativos de extensión a través de las asociaciones distritales de agricultores, el sector privado, etc.</p>
<p><b>Cartera</b></p> <p>Los retrasos en la ejecución y la sostenibilidad de los beneficios, uno de los criterios con peores resultados en el país, aunque ha mejorado con el tiempo</p>	Considerable	<p>Crear una capacidad permanente a nivel de proyecto, diseñar sistemas de gestión sólidos</p> <p>Centrarse en la sostenibilidad de los beneficios mediante estrategias de salida adecuadas y garantizar la solidez en materia de operaciones y mantenimiento de todas las inversiones</p>
<p><b>Fiduciarios: gestión financiera</b></p> <p>Capacidad limitada y sistemas incompatibles de presentación de informes</p> <p>El control interno es un asunto de alto riesgo o de gran interés para las partes interesadas; las auditorías internas y el</p>	Moderado	<p>Evaluación de la capacidad fiduciaria de las entidades encargadas de la ejecución y de su creación de capacidad. Hasta entonces, utilización de sistemas contables disponibles en el mercado compatibles con el Sistema Integrado de Información sobre Gestión Financiera</p> <p>Exigir los exámenes semestrales de auditoría interna y remitir los informes sistemáticamente al FIDA y el auditor externo para su examen</p>

<sup>47</sup> Índice para la Gestión de los Riesgos (INFORM).

<b>Riesgos</b>	<b>Calificación del riesgo</b>	<b>Medidas de mitigación</b>
<p>seguimiento de las recomendaciones de los exámenes anteriores son insuficientes</p> <p><b>Fiduciarios: adquisición y contratación</b></p> <p>Limitaciones en la capacidad en los distritos e incumplimiento de las normas y los principios de adjudicación de contratos; supervisión insuficiente del proceso de adquisición y contratación; utilización común de métodos de licitación no competitivos; alta puntuación del país en el índice de percepción de la corrupción; sistema nacional de inhabilitaciones deficiente; retrasos en el proceso de adquisición y contratación; mantenimiento de registros y archivo deficientes, y deficiencias generales en la gestión y el seguimiento de los contratos</p>	Considerable	<p>Utilizar el marco del FIDA; una supervisión más ágil y el pleno cumplimiento de los requisitos del FIDA para la planificación, la ejecución, el seguimiento y la gestión de las adquisiciones y las contrataciones. Se recomienda encarecidamente ofrecer asistencia técnica, además de una supervisión y un apoyo a la ejecución sólidos.</p> <p>Mejora del seguimiento de las adquisiciones y contrataciones, mediante la creación de bases de datos accesibles a través de los sitios web de los proyectos financiados por el FIDA</p> <p>Mayor uso de métodos de licitación competitivos y abiertos en aras de la eficiencia</p> <p>Mitigar el riesgo de corrupción garantizando la aplicación de la política anticorrupción revisada del FIDA a todos los proyectos financiados por el Fondo, a proveedores y terceros, además de las leyes nacionales pertinentes contra la corrupción y el fraude</p> <p>Complementar las disposiciones nacionales en materia de inhabilitación con las inhabilitaciones del FIDA y de otras instituciones financieras internacionales</p>
<p><b>Ambientales y climáticos</b></p> <p>Aumento de la variabilidad de las precipitaciones, de las sequías y de los riesgos climáticos</p>	Moderado	Promover prácticas agrícolas climáticamente inteligentes e infraestructuras resilientes al cambio climático
<p><b>Sociales</b></p> <p>Acaparamiento por la elite y participación limitada de las mujeres, los jóvenes y las personas pobres</p>	Bajo	Criterios de focalización sólidos y diseñar inversiones de manera que sean más pertinentes para la población pobre y marginada
<p><b>Otros riesgos específicos del COSOP</b></p> <p>Las amenazas (por ejemplo, la COVID-19) atenúan el impacto de la agricultura, debido a las fluctuaciones de los precios, las perturbaciones logísticas, el transporte, la transformación, el suministro de insumos y el comercio</p>	Moderado	<p>Mayor uso de las tecnologías digitales y apoyo a los proyectos para formular planes de continuidad de las actividades</p> <p>Fomentar la autosuficiencia mediante la producción de semillas locales y animar al Gobierno a introducir medidas de apoyo para los pequeños productores</p>
<b>General</b>	<b>Moderado</b>	

## 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>		and insurance against risks especially climate risks, etc. - Policy engagement on tenure security and access to land for women and youth for commercialization.
	<b>SO2: Strengthen environmental sustainability and climate resilience of poor rural people's livelihoods and economic activities.</b>	<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>	
	<b>SO3: Enhance sustainable livelihood development for marginalized and poor households especially, women and youth.</b>	<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.

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

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

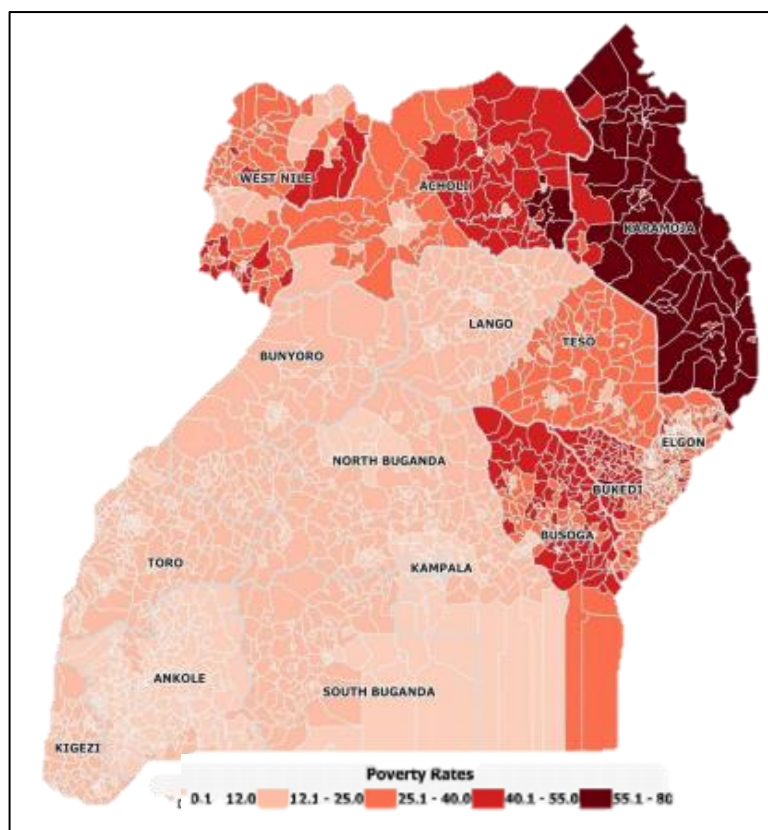


Figure 1: UBOS 2016/17 poverty maps at the sub-county level<sup>66</sup>

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/sdg-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.

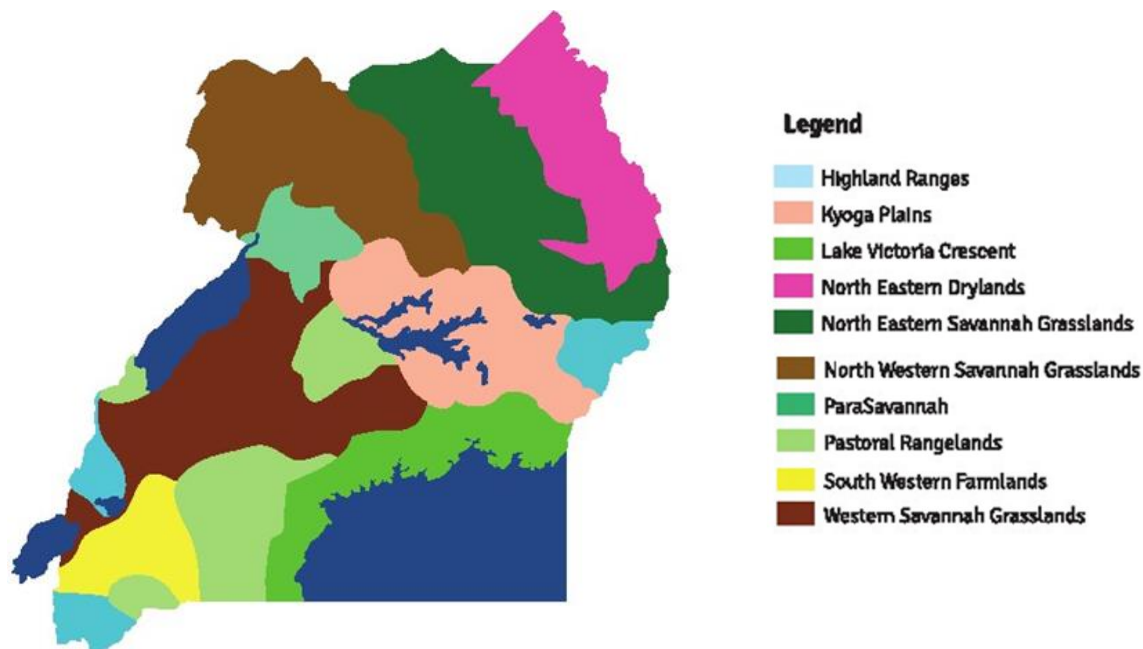


Figure 2 Agro-ecological zones of Uganda

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.

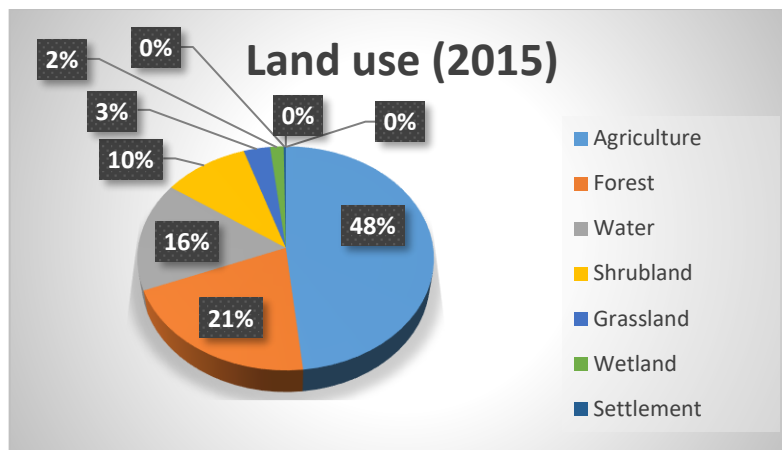


Figure 3 – Land uses in Uganda

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.

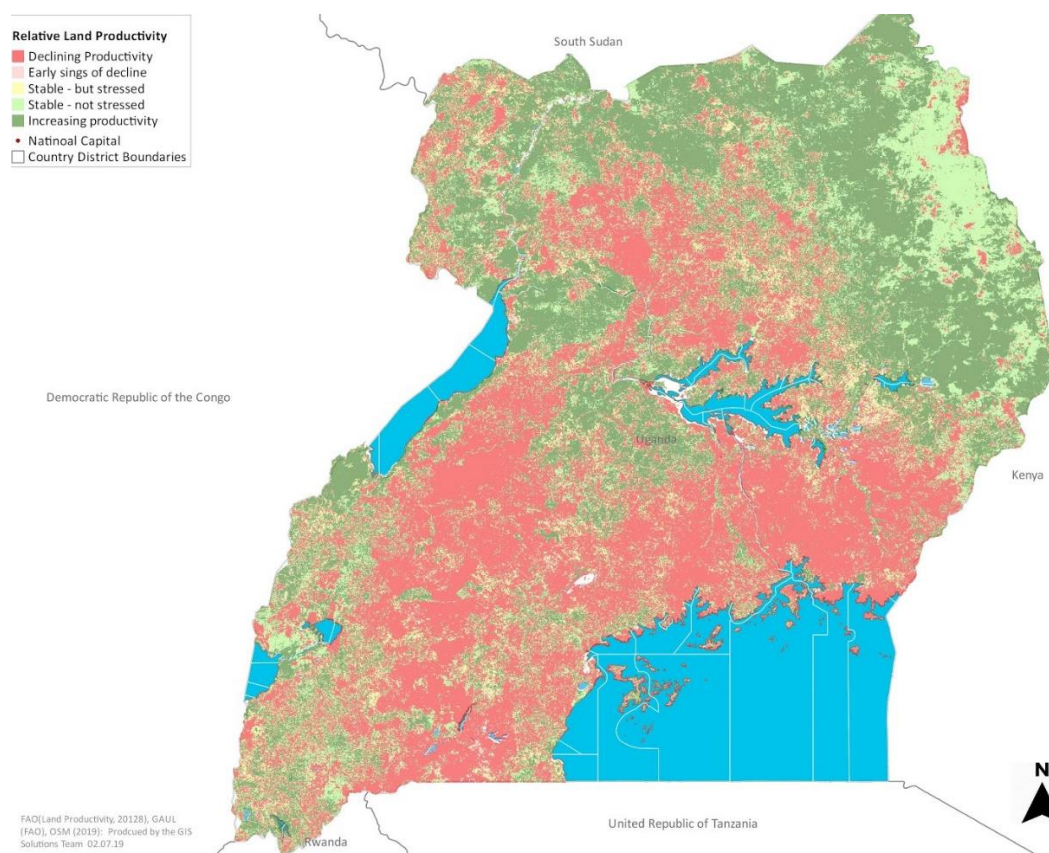


Figure 4 Relative Land Productivity

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).

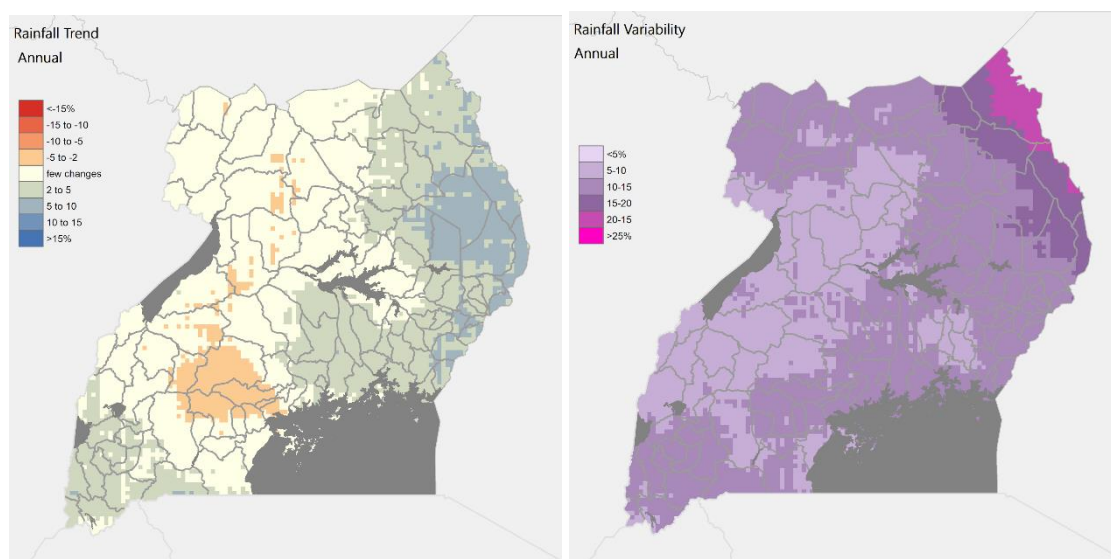


Figure 5 Rainfall trends and variability

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	<p><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.</p> <p><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.</p>
PROFIRA (2014- 2021) Sup. mission July 2020	<p><b>Youth:</b> Youth benefit from trainings on financial literacy and Income Generating Activities.</p> <p><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).</p>
PRELNOR (2015- 2022)  ORMS Lessons learnt	<p><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.</p> <p><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</p>

	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

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### Consultations with UNCT members

<b>Name</b>	<b>Position</b>	<b>UN Agency</b>
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Karusa Kiragu	Country Director	UNAIDS
Maxime Houinatro	Country Representative	UN Women
Dmitry Pozhidaev	Regional Programme Advisor	UNCDF

### Consultations with CSOs and NGOs

<b>Name</b>	<b>Position</b>	<b>Organization</b>
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
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Jacqueline Mbabazi	CEO	Association of Microfinance Institutions of Uganda (AMFIU)

### COSOP Delivery Team

<b>Name</b>	<b>Position</b>	<b>Division</b>
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Maria Donnat	M&E and Knowledge Management	Consultant
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## 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.