

Public Agriculture Expenditure in Africa; Maputo and Malabo commitments still a mirage! The Case of Uganda

Introduction

Agriculture is commonly understood to be associated with the production of crops, fisheries and livestock. The definition of agriculture varies, depending on the products (such as crops, forestry, animals, and fishery), the process of production (science, art, practice, enterprise, or investment), and the purpose (food, fiber, income, leisure, and so forth). The International Monetary Fund (IMF)'s COFOG¹ includes agriculture (crops and livestock) in the same functional category as forestry, fishery, and hunting (IMF 2001). The technical note developed by AU-NEPAD for agriculture expenditure tracking defines agricultural production as crops, livestock, forestry, and fishery; although it is stated that it will follow IMF's COFOG, it excludes hunting (AU-NEPAD 2005). The Food and Agriculture Organization of the United Nations (FAO) recently issued its flagship report on the state of food and agriculture (FAO 2012), which defines agriculture as crops, livestock, aquaculture, and agroforestry—differing from the IMF and the AU-NEPAD definitions by excluding wild or captured forest and fishery resources.

In 2003, the heads of state of African countries launched the Comprehensive Africa Agriculture Development Programme (CAADP), an agriculture-led integrated framework for development that aims at reducing poverty and increasing food security through pursuing an average 6 percent annual agricultural growth rate. To stimulate the necessary acceleration in agricultural growth, the convened heads of state committed to invest 10 percent of total government expenditures in the agriculture sector—a commitment generally known as the Maputo Declaration. In 2014, the African heads of state came together again in Malabo, Equatorial Guinea and made a declaration on accelerated agricultural growth and transformation for shared prosperity and improved livelihoods; termed as the Malabo declaration 2014.

Since the commitment in Maputo in 2003 for national African governments to allocate at least 10% of their national budgets to the agriculture sector, there has been progress in the growth of the agriculture sector and the return of the sector on the policy agenda. We have witnessed tremendous sectoral growth in the few countries which have been able to consistently allocate the 10% threshold to the sector in line with the commitment in the Maputo declaration. However, many countries have not heeded this pledge and thus have witnessed minimal growth and in some cases reversal in agricultural sectoral growth and expansion. This calls for a re-examination of government priorities and the need to call upon national governments to allocate more funding to the agriculture sector and work towards an annual sectoral growth of 6% as captured in the Maputo declaration of 2003 and the Malabo declaration of 2014.

Now with a whole decade of the Comprehensive Africa Agriculture development Programme (CAADP) gone (since 2003 in Maputo when it was launched), there is need to reflect and review progress from a public perspective hence the need for public to pronounce itself on what has worked, what went wrong and where we should be going.

¹ Classifications of Functions of Governments

Box 1: Summary of Maputo 2003 declaration commitments and targets on Agriculture and Food Security in Africa.

Commitment and targets

Revitalize the agricultural sector including livestock, forestry and fisheries through special policies and strategies targeted at small scale and traditional farmers in rural areas and the creation of enabling conditions for private sector participation, with emphasis on human capacity development and the removal of constraints to agricultural production and marketing, including soil fertility, poor water management, inadequate infrastructure, pests and diseases;

Implement, as a matter of urgency, the CAADP and flagship projects and evolving Action Plans for agricultural development, at the national, regional and continental levels.

- To adopt sound policies for agricultural and rural development, and commit ourselves to allocating at least 10% of national budgetary resources for their implementation within five years;*

The African Union Commission, the Steering Committee of NEPAD, the FAO and other partners to continue their cooperation providing effective support to African countries and the RECs in the implementation of the CAADP

Engage in consultations at national and regional levels with civil society organizations and other key stakeholders, including the small-scale and traditional farmers, private sector, women and youth associations, etc., aimed at promoting their active participation in all aspects of agricultural and food production;

Ensure, through collaborative efforts at the national and regional levels, the preparation of bankable projects under CAADP for the mobilization of resources for investment in agricultural growth and rural development;

Ensure the establishment of regional food reserve systems, including food stocks, linked to Africa's own production, and the development of policies and strategies under the African Union and the RECs, to fight hunger and poverty in Africa.

Accelerate the process of establishing the African Investment Bank, as provided for in the Constitutive Act of the African Union, which should give priority to investment in agricultural production.

Intensify cooperation with our development partners to address the effect of their subsidies, to ensure their support to market access for Africa's exports, and to realize the African Union's vision of a prosperous and viable agricultural sector as envisaged under the NEPAD framework and Millennium Development Goals.

Source: Assembly of the African Union Second Ordinary Session 10 - 12 July 2003 Maputo, Mozambique (Maputo Declaration)

Box 2: Summary of Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods – Doc. Assembly/AU/2(XXIII) – Commitments and targets
Commitments and Targets

Recommitment to the Principles and Values of the CAADP Process

- the pursuit of agriculture-led growth as a main strategy to achieve targets on food and nutrition security and shared prosperity;
- the exploitation of regional complementarities and cooperation to boost growth;
- the application of principles of evidence-based planning, policy efficiency, dialogue, review, and accountability, shared by all NEPAD programs;
- the use of partnerships and alliances including farmers, agribusiness, and civil society; and support implementation at countries levels, and regional coordination and harmonisation.

Commitment to Enhancing Investment Finance in Agriculture

- to uphold our earlier commitment to allocate at least 10% of public expenditure to agriculture, and to ensure its efficiency and effectiveness;
- to create and enhance necessary appropriate policy and institutional conditions and support systems for facilitation of private investment in agriculture, agri-business and agro-industries, by giving priority to local investors;
- to fast-track the operationalization of the African Investment Bank, as provided for in the Constitutive Act of the African Union, with a view to mobilizing and disbursing investment finance for priority agriculture related investment projects

Commitment to Ending Hunger in Africa by 2025

- to accelerate agricultural growth by at least doubling current agricultural productivity levels, by the year 2025.
- to halve the current levels of Post-Harvest Losses, by the year 2025;
- to integrate measures for increased agricultural productivity with social protection initiatives focusing on vulnerable social groups through committing targeted budget lines within national budgets
- to improve nutritional status, and in particular, the elimination of child under-nutrition in Africa with a view to bringing down stunting to 10% and underweight to 5% by 2025.

Commitment to Halving Poverty by the year 2025, through Inclusive Agricultural Growth and Transformation; contributing 50% to the overall poverty reduction target

- to sustain annual agricultural GDP growth of at least 6%;
- to establish and/or strengthen inclusive public-private partnerships for at least five (5) priority agricultural commodity value chains with strong linkage to smallholder agriculture;
- to create job opportunities for at least 30% of the youth in agricultural value chains;
- to support and facilitate preferential entry and participation for women and youth in gainful and attractive agri-business opportunities.

Commitment to harness markets and trade opportunities, locally, regionally and internationally

• to triple, by the year 2025, intra-African trade in agricultural commodities and services
commitment to reduce vulnerabilities of the livelihoods of our population through building resilience of systems

- to ensure that, by the year 2025, at least 30% of our farm, pastoral, and fisher households are resilient to climate and weather related risks;
- to enhance investments for resilience building initiatives, including social security for rural workers and other vulnerable social groups, as well as for vulnerable ecosystems;
- to mainstream resilience and risk management in our policies, strategies and investment

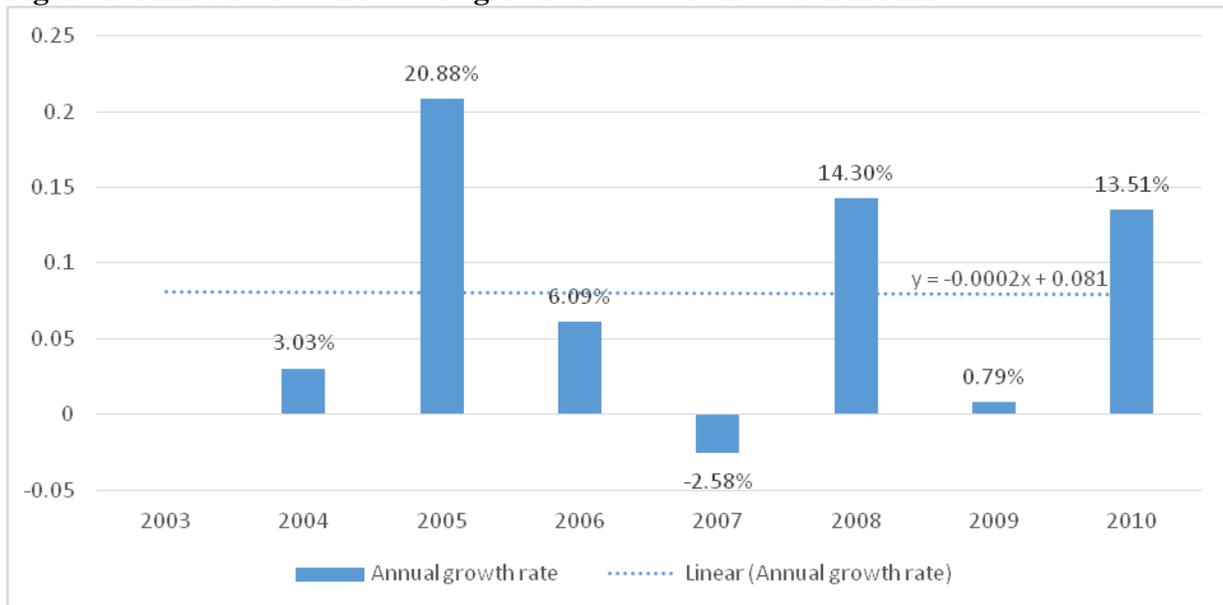
plans.

commit to a systematic regular review process, using the CAADP Results Framework, of the progress made in implementing the provisions of this Declaration;

- to conduct a biennial Agricultural Review Process that involves tracking, monitoring and reporting on progress;
- to foster alignment, harmonization and coordination among multi-sectorial efforts and multi-institutional platforms for peer review, mutual learning and mutual accountability;
- to strengthen national and regional institutional capacities for knowledge and data generation and management that support evidence based planning, implementation, monitoring and evaluation.

- Summary of the continental average allocation to the agricultural sector and corresponding annual growth

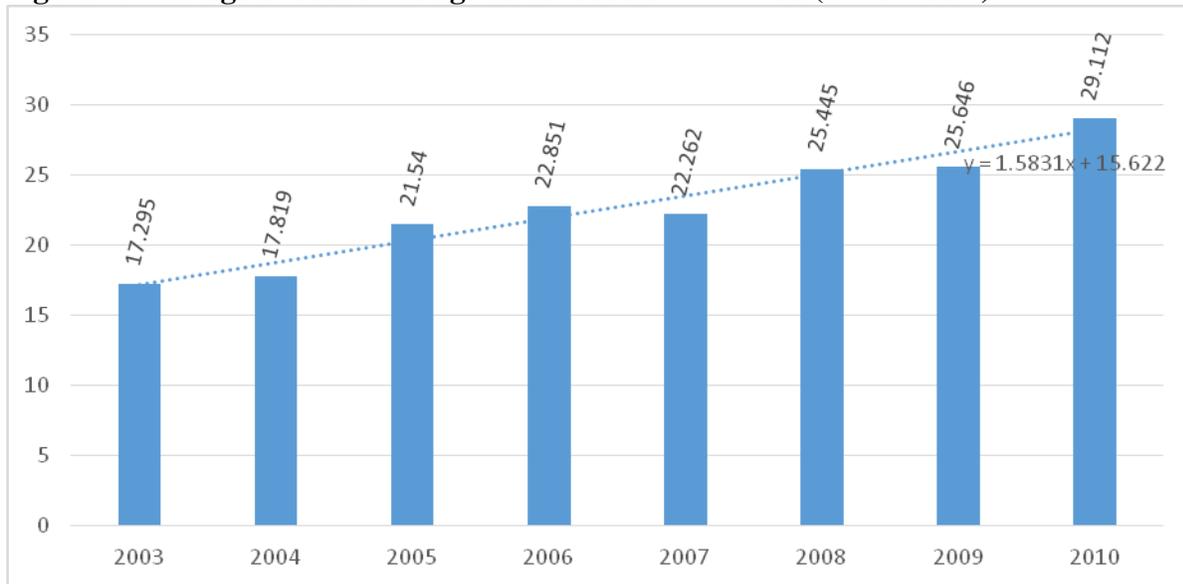
Figure 1: Annual Growth rate of agriculture sector allocation in Africa



Source: Regional Strategic Analysis and Knowledge Support System

From Figure 1 above, the annual growth rate of agriculture sector allocation in Africa is slowly and stealthily declining as depicted by the negative yet almost insignificant gradient of the trend line.

Figure 2: Average allocation to agriculture sector in Africa (billion USD)

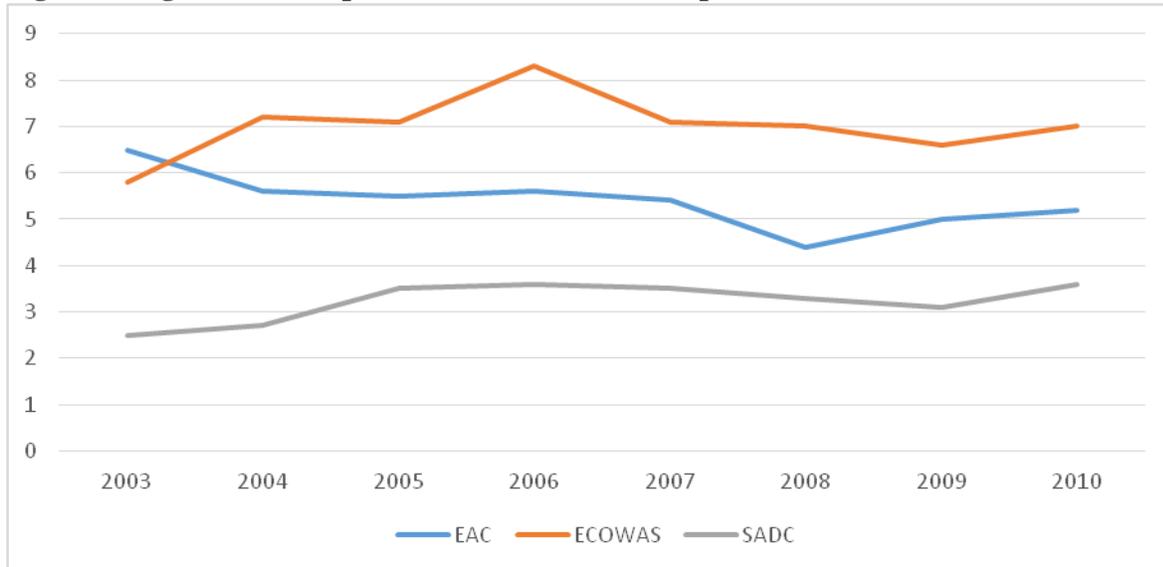


Source: Regional Strategic Analysis and Knowledge Support System

From Figure 2 above, the average allocation to the agriculture sector in Africa is increasing at a rate of about USD 1.58bn. To note is that the allocation is increasing at a decreasing rate as shown by the trend line in Figure 1 above.

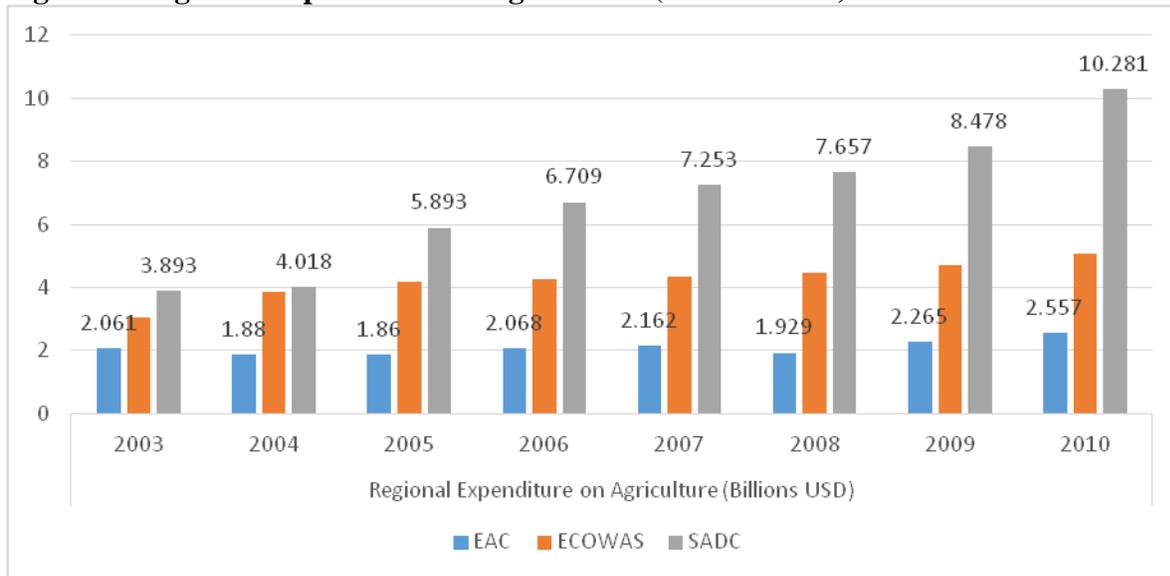
- **Summary of the regional (EAC, SADC, ECOWAS) average allocations to the sector and corresponding annual growth**

Figure 3: Agriculture Expenditure share in total expenditure %



Source: Regional Strategic Analysis and Knowledge Support System

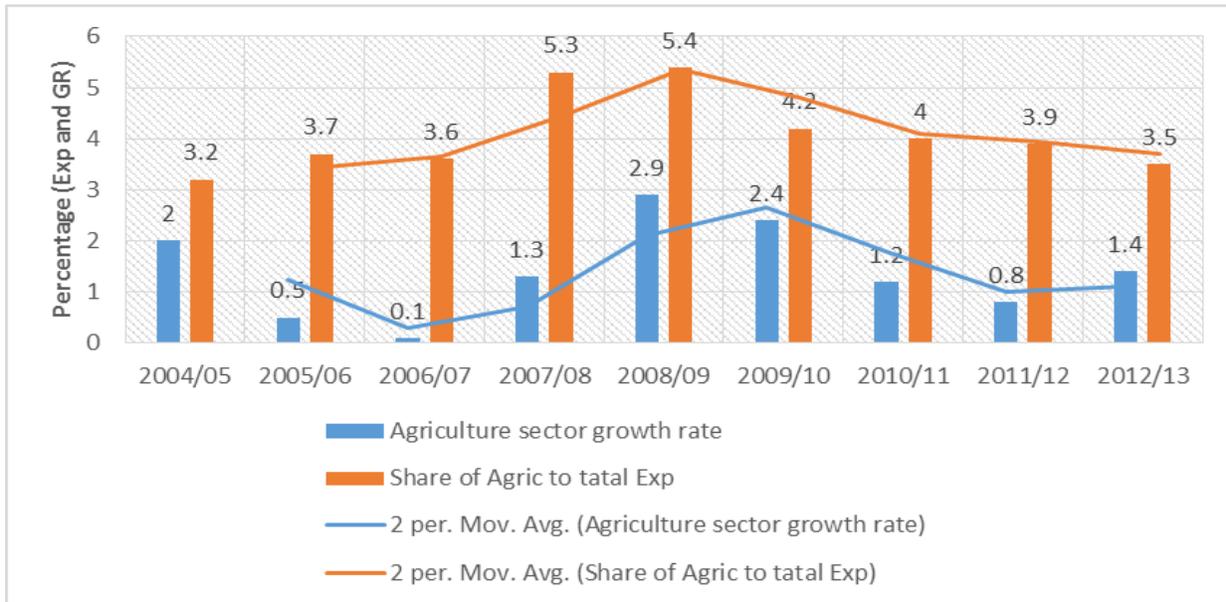
Figure 4: Regional Expenditure on Agriculture (Billions USD)



Source: Regional Strategic Analysis and Knowledge Support System (ReSAKSS)

- Percentage of National agricultural funding for the last 10 years (in Uganda), indicate amount per capita, sectoral growth over the corresponding period and map it against the CAADP targets of 10% allocation and 6% annual sectoral growth. Also indicate national priority actions/investments for each year under analysis.

Figure 5: Agriculture Expenditure share in total expenditure % in Uganda and the Growth rate

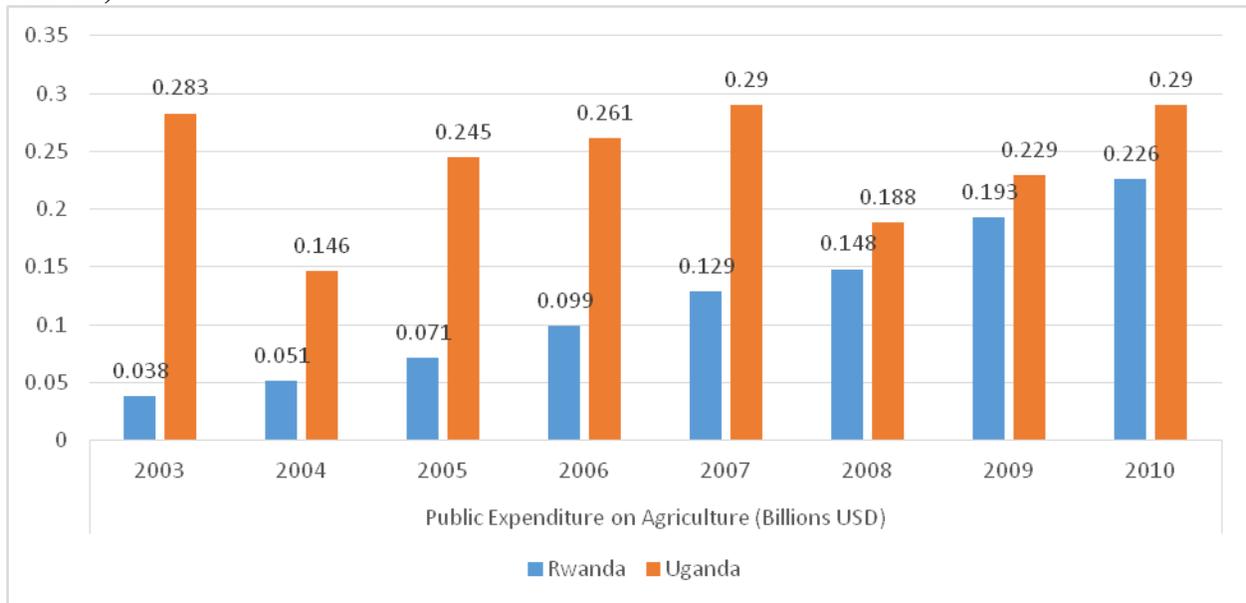


Source: authors calculations based on data from MoFPED and UBOS

Figure 5 above, fitted with moving average trend lines on both data series shows that the more public expenditure in agriculture the higher the sector growth rate.

- Comparison between Uganda national figures with a regional CAADP champion such as Rwanda for easy comparison.

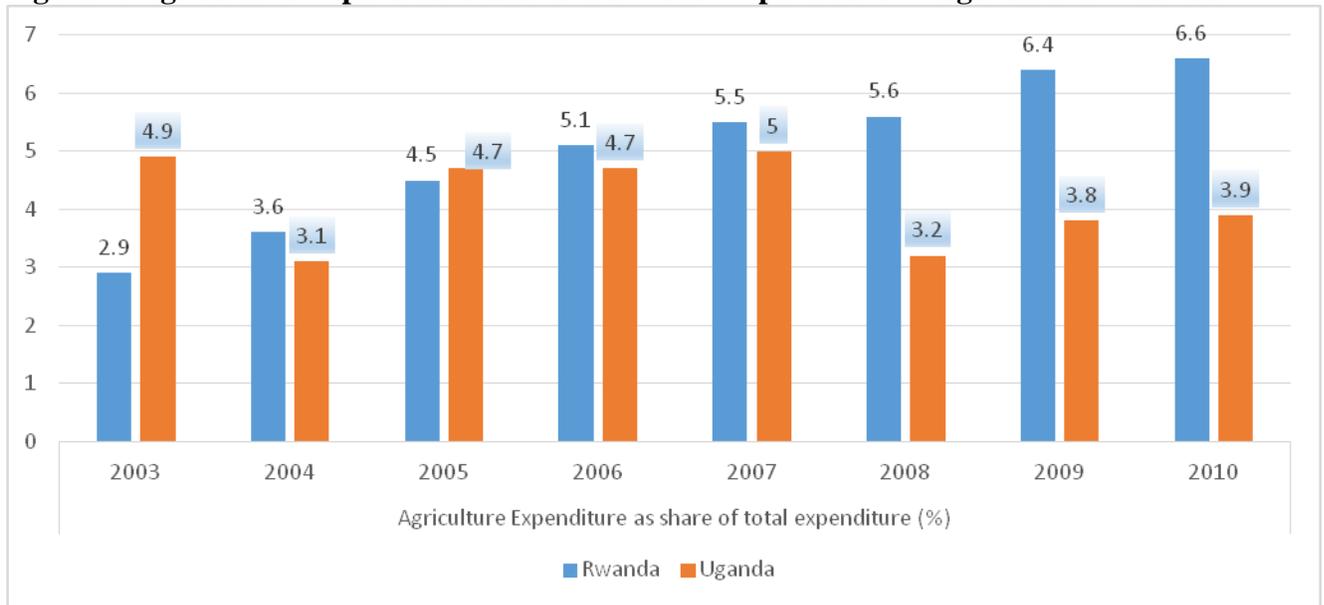
Figure 6: Public Expenditure on Agriculture in Uganda and Rwanda; 2003 - 2010 (USD billions)



Source: Authors Calculations based on data from Regional Strategic Analysis and Knowledge Support System (ReSAKSS)

From figure 7 above, whereas the expenditure on agriculture in Uganda is higher than that of Rwanda, the trend shows that Rwanda is more committed as there is a steady unwavering increase in expenditure on agriculture year on year. On the contrary, the fluctuations in Uganda's expenditure on agriculture can ably signal a lack of commitment to increase the expenditure to the agriculture sector at the end of the CY 2010.

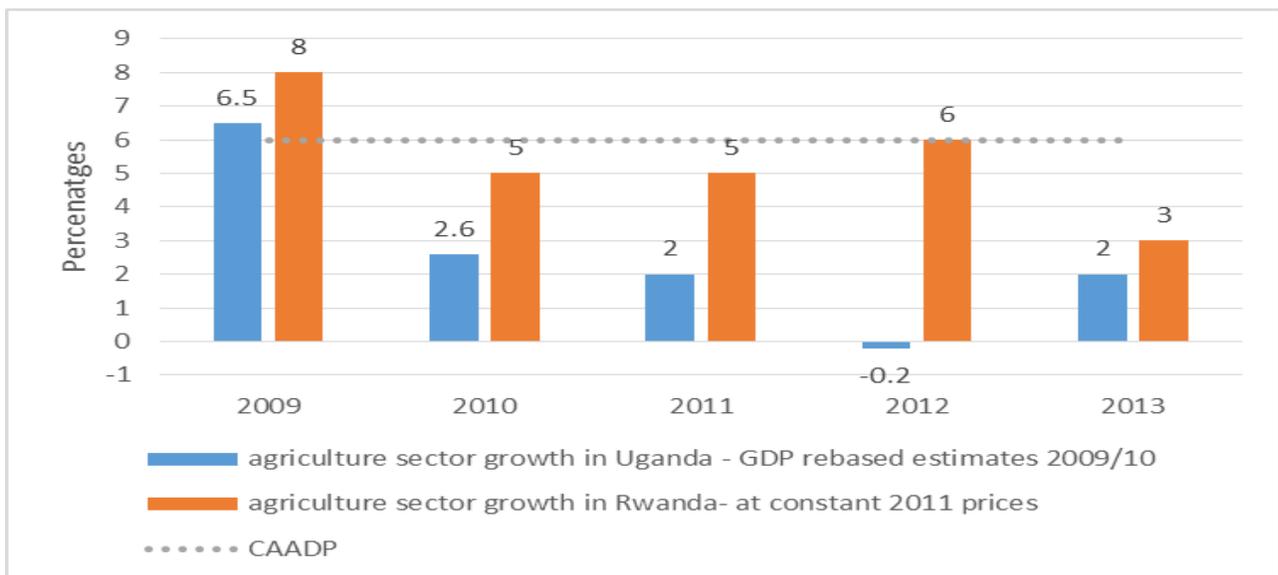
Figure 7: Agriculture Expenditure as Share of Total Expenditure in Uganda and Rwanda



Source: Authors Calculations based on data from Regional Strategic Analysis and Knowledge Support System (ReSAKSS)

From figure 7 above, it is clear that Rwanda is progressively getting closer to the 10% expenditure target of the agriculture sector compared to the Uganda whose share of expenditure on agriculture is stuck below 5% between 2003 and 2010.

Figure 8: Agriculture sector growth rates in Rwanda and Uganda 2009 - 2013



Source: UBOS Rebased GDP Estimates 2009/10 and the Rwanda statistical year book 2014

As a result of the continuous effort to spend more on the agriculture sector, Rwanda is clearly reaping the benefits in terms of a higher sector growth as shown by figure 8. This then spills into

the fact that since agriculture is the main stay of the Ugandan economy and has stunted in growth below 5%, castigates the majority (over 70%) of Ugandans seeking livelihood from it to chance and the wicked evils of the capitalistic world. The private sector will not lead growth in the agriculture sector, at least not for the good of the small scale farmers who still the expenditure stimulus from government into the agriculture sector.

It's against this back ground that we call upon the government of Uganda to:

1. Predictability, progressive increase and stability of funding as a factor for sectoral growth and consolidating of success among small scale farmers
2. Ensure that allocations should indicate a policy shift towards investing in smallholders and empowering them to increase productivity
3. Provide agriculture funding with economic growth and employment creation in mind (together) rather than leaving it to the mercy of the private sector.
4. Ensure that farmers' priorities inform agriculture allocation and these could be sought through participatory budgeting processes (a complete shift from the current status quo).
5. Remember that the growth of the agriculture sector is the growth of the Ugandan citizens majority of whom are farmers but also investment should go to the priorities of the smallholder farming communities rather than the foreign investors
6. Look at the Malabo Declaration and realign the DSIP II towards realizing the shared vision in Malabo Declaration.
7. Acknowledge the role of other players, especially farmers and NGOs and therefore should be celebrated and promoted since they are the biggest investors in the sector. They should therefore be fully involved in setting the policy and funding agenda.

Key messages and Conclusions

More than ten years down the road, after the Maputo declaration in 2003, many of the African countries have not lived up to the commitments that were made in terms of the 10% allocation to the agriculture sector and 6% agriculture sector growth. In light of the 2014 Malabo on accelerated agricultural growth and transformation for shared prosperity and improved livelihoods, the government of Uganda needs to follow up on the commitments and targets set so as to ensure that its citizens; small scale and women farmers have a better short at reaping the benefits of paying taxes to the governments.

Background of ESAFF Uganda

ESAFF Uganda is a small scale farmer-led movement. The formation of ESAFF in 2002 was a direct response to the need to create a forum where Small Scale Farmers (SSFs) are able to deliberate on and voice their concerns. ESAFF Uganda was formed to facilitate processes through which smallholder farmers' development concerns can be solicited, articulated and ultimately addressed through local and national policies and programmes. Through nurturing the participation of small scale farmers in sustainable development processes, for self reliance

through advocacy, capacity building and institutional development, we expect to attain our vision of an empowered self reliant small scale farmers in Uganda.

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