



## **Service Delivery in the Agro-Industrialisation Programme: Is Government on Track?**

### **Overview**

**Service Delivery** is about transforming public policies and resources into tangible goods and services that are consumed by citizens with an ultimate aim of enhancing their standard of living (Afeez, 2020). Service delivery is considered to be effective when the delivery of goods and services is at a low cost, timely, demonstrates equitable distribution and meets the needs of the people.

The Government of Uganda (GoU) committed in the third National Development Plan (NDPIII) to progressively enhance service delivery, through the programme-based approach. The Agro-Industrialisation Programme, whose implementation started in FY 2019/20 is one of the 20 programmes through which service delivery is undertaken by Government.

This policy brief assesses the extent to which the Government is delivering services to citizens in the Agro-Industrialisation Programme during the three-year period FY 2019/20 to FY 2021/22. Use is made of Budget Monitoring and Accountability Unit (BMAU) findings and other data sources.

There are nine international principles by which service delivery is considered effective and on track: 1) availability (timeliness and scale); 2) dependability (regular); 3) usability; 4) usefulness relevant to beneficiary needs; 5) credibility – can be used conveniently to address a problem; 6) authenticity – acceptable by stakeholders; 7) responsive and flexible; 8) sustainability and affordable; 9) expandability – applicable and scalable in different contexts (ministry of local government, 2013).

### **Introduction**

The Agro-Industrialisation Programme's goal is to: *increase the commercialisation and competitiveness of agricultural production and agro-processing*. This is to be achieved by delivering the following services to farmers and other stakeholders along the agricultural value chain to enhance agricultural production and productivity, value addition and market access.

### **Key Issues**

The Government was off-track in service delivery in the Agro-Industrialisation Programme.

- Government has not paid sufficient attention to ensuring that the delivered agricultural services are adequate to meet the performance targets; of good quality, easily usable, useful, sustainable and relevant to the needs of the users.
- Gender inequality in access to agro-industrialisation services persists with males dominating.

These include the provision of improved seed, planting and breeding materials; agricultural research and improved technologies; modern equipment; agricultural infrastructure such as roads and markets; extension services; storage and post-harvest management services; value addition and agro-processing services; pest and disease control services; quality assurance services; and farmer institutional support.

### **Trends in Service Delivery**

The analysis is based on selected measures of effectiveness and the internationally recognised principles of service delivery presented above:

#### **i) Availability and scale of agricultural services**

**Inputs and technologies:** The Government was on track in availing assorted inputs, technologies and financial services to farmers over the past three financial years. For instance, the GoU distributed 15.5 million tea seedlings, 210.2 metric tonnes (MT) of coffee seedlings, 9.2 MT of cotton seed, 7.2 MT of maize seed and 44.7 MT of cassava cuttings for the planting across the country.

The GoU was however off track regarding the scale, quality and timeliness parameters as the volumes and quality of inputs provided were generally much lower than what was planned or requested and in some cases delivered late during the off-season. For instance, in Masaka District, the distribution of maize catered for less than 10% of the farmers' needs. In



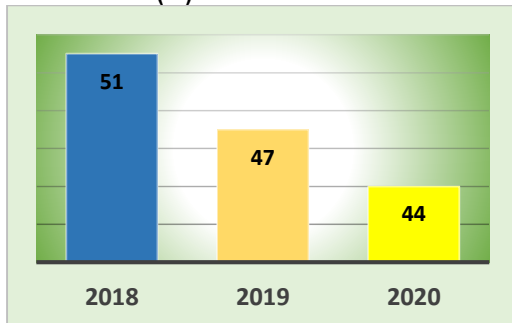
Amuria District, maize seed was not received despite the allocation. In Packwach District, maize was rejected due to late delivery.

In addition, the quality of inputs particularly of the traditional food crops was rated poor by the beneficiaries as demonstrated by low germination and survival rates estimated at 60% compared to the coffee and cotton planting seed which was of relatively better quality.

**Agricultural financing services:** The Government was off track in the provision of financial services to farmers. An analysis of a sample of 40 farmers that received Ug shs 23.678bn from the Agriculture Credit Facility (ACF) and Uganda Development Corporation (UDC) to implement agricultural projects for enhancing agricultural production and productivity and value addition and agro-processing, showed that the amount received (55.17%) was inadequate and far below the requested or planned amount (Ug shs 42.918bn) leading to partially delivery of the planned outputs and outcomes.

**Extension services:** The government was off track in the provision of extension services. Access to extension services by farmers was low and on a declining trend from 51% in 2018 to 44% in 2020 (Figure 1) mainly due to the inadequate number of extension workers recruited by the Government. By June 2022, the extension workers/staff filled at the national level was at 4031 (43.7%) compared to the approved staffing number of 9,275<sup>1</sup> leaving a gap of 5,220 (56.3%).

**Figure 1: Agriculture households receiving extension services mainly from the Local Government (%)**



Source: UBOS, 2022

**ii) Equity considerations**

The GoU was on track, having made considerable progress in ensuring regional equity in service delivery in the Agro-Industrialisation Programme (Table 1).

**Table 1: Geographical coverage of key interventions in the Agro-Industrialisation Programme**

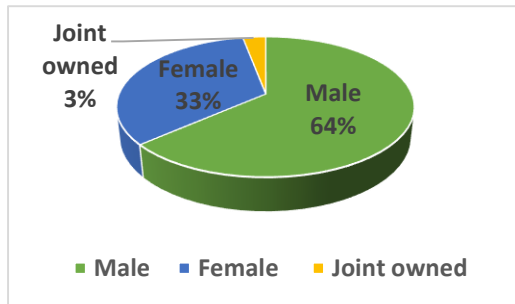
Services	Coverage
Agricultural Services Advisory	Countrywide
Agricultural Development Project (ACDP) Cluster	72 districts
Agricultural Services Extension	Countrywide
Agricultural Research and Technology Development Services	17 regional Research Institutions
Breeding Services	11 regional-based farms/ranches
Coffee Services Development	Countrywide
Cotton Services Development	67 cotton growing districts
Dairy Development Services	Countrywide
Markets and Agricultural Trade Improvement Project Phase Two (MATIP)	12 urban markets countrywide
National Oil Palm Programme	Four hubs plus Kalangala District
Parish Development Model	Countrywide
Regional Pastoral Livelihood Improvement Project	14 districts in Karamoja and Eastern Uganda

Source: Field Findings

There was however gender inequality in access to agricultural services in the programme. For example, there was male dominance in access to agricultural financing under the ACF (Figure 2).

<sup>1</sup> The staffing levels were as at 30<sup>th</sup> June 2022

**Figure 2: Access to ACF loans by farmers by gender as at 30<sup>th</sup> June 2022**



Source: Field Findings

Additionally, by 30<sup>th</sup> June 2022, the majority of the farmers benefitting from coffee demonstration services from the Uganda Coffee Development Authority (UCDA) were males (86.3 %) as females lacked land for growing perennial crops.

**iii) Usability, usefulness and relevance**

The Government has not paid sufficient attention to ensuring that the delivered agricultural services are easily usable, useful and relevant to the needs of the users and therefore was off track. For example, the inputs provided to farmers under Agriculture Cluster Development Project (ACDP) intervention, using the E-Voucher system, were difficult to access due to system failures, limited understanding among farmers of how the system worked and the inability of farmers to co-fund. Since project effectiveness in 2017 up to June 2022, the cumulative number of ACDP project beneficiaries was 258,597 against a target of 450,000 farmer households.

Relatedly, more than 50% of stalls that were allocated to vendors of agricultural produce in the Markets and Agricultural Trade Improvement Project (MATIPII) urban markets such as Kasese Central market, Kabale Central Market, and Lugazi Central Market were abandoned/not occupied. This was due to poor infrastructure design that led to spoilage of the produce; poor hygiene; lack of utilities and high daily market charges that were not affordable.

**iv) Sustainability**

The GoU was off track in ensuring the sustainability of interventions in the programme. The design of the GoU intervention did not sufficiently provide for sustainability measures to ensure that the services could continue beyond the project intervention. For example, there were cases of failure by the Government to sustain the provision of water for

production services to farmers due to poor maintenance of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) heavy earth moving equipment.

In addition, the ACDP design for the construction and or rehabilitation of road chokes to link farmers to markets did not have a sequenced handover, operation and maintenance plans and was centrally implemented. All completed roads in the ACDP beneficiary districts lacked operation and maintenance budgets and were consequently deteriorating at a first rate.

**Trends in Output and Outcome Performance**

**i) Overall performance**

The performance of the Agricultural Sector/Agro-Industrialization Programme was on a declining trend from FY 2019/20 but started improving by the end of FY 2021/22. This mirrors the slow sector growth rate that is far below the target of 6% per annum (Figure 3.)

**Figure 3: Trends of performance and Real GDP growth rates for agriculture**



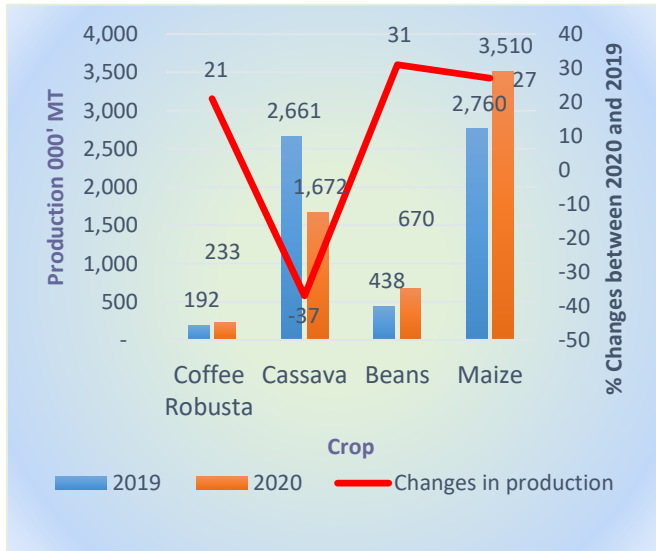
Source: MFPE 2022, Field Findings

The slow sector growth was attributed to low outputs and services delivered during the COVID-19 pandemic period. This was aggravated by the budget cuts and suppression of key expenditure items: interruption of procurement and supply chains; delayed disbursement of resources to implementing agencies; understaffing; limited focus on addressing commodity value chains and poor coordination of actors in the programme mode.



ii) **Production trends:** The GoU was on track in terms of promoting agricultural production. Between 2019 and 2020, production was high among all crops except cassava (Figure 4).

**Figure 4: Production trends of selected commodities**



Source: UBOS, 2022

The production increases were attributed to enhancement in yield and acreage planted using provided inputs.

iii) **Exports:** As a result of service provision, exports of key commodities were on an increasing trend. Maize grain and cotton, however, systematically declined between FY2019/20 and FY2021/22. (Table 2)

**Table 2: Trends in Export Trends**

Exports of merchandise in values (US\$ millions)	FY 19/20	FY 20/21	FY 21/22
Coffee (Value)	497.41	554.89	862.22
Volume ('000,000 60-Kg bags)	5.10	6.08	6.26
Cotton(MT)	41.69	29.01	30.19
Tea(MT)	71.04	85.49	85.50
Maize(MT)	100.95	79.64	48.88
Beans(MT)	32.75	71.10	113.09

Source: Coffee Marketing Board, Unex, Lint Marketing Board, Uganda Tea Authority, Produce Marketing Board, BAT(U) Ltd, and Bank of Uganda

**Conclusion**

The Government was off track in service delivery in the Agro-Industrialisation Programme as only three out of the eight performance indicators were on track. The focus in service delivery is biased towards availing services countrywide with minimal attention to the scale, adequacy, quality, usefulness and sustainability of the interventions. There is inadequate coordination and prioritisation of budgets to address the commodity value chains holistically from production to marketing.

**Table 3: Summary of performance of service delivery indicators FY 2019/20 to FY 2021/22**

Service Indicator	Status
1. Availability of agricultural services	On track
2. Scale/adequacy	Off track
3. Quality	Off track
4. Regional Equity	On track
5. Gender Equity	Off track
6. Usability, Usefulness and relevance	Off track
7. Sustainability	Off track
8. Output and Outcomes	On track

**Recommendations**

1. The Agro-Industrialization Programme Secretariat should strengthen the coordination and prioritisation of interventions to adequately address all aspects of the commodity value chains.
2. Special attention should be given to the adequacy, equity, usability usefulness, relevance and sustainability of interventions at the planning and budget execution stages.

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