

GROUP 1: PUBLIC SECTOR

Understanding the TOR: Where is the problem in prioritisation? Is it policy and programmes or the problem is where somewhere else?

- Most countries have well articulated policies/programmes on agriculture. However, when it comes to resource allocation, agriculture is not getting the priority. It is also important to understand how agriculture is fairing in documents that determine resource allocation.
 - **Policies exist in most countries but commitment is lacking**
- Political leaders have prioritised agriculture. However, we need to understand and accommodate people with power. When it comes to staple food, there seems to be a lot of support, such as subsidies, fertilizer, storage infrastructure, etc.
 - **Consult leaders and their manifestos in designing interventions**
- Politically agric. is a priority but we do not understand the political processes
 - **Understand the processes for national resource allocation.**
- Past donor funding is used as an excuse for not allocating adequate resources to agriculture.
 - **Show that current donor funding is very low**

Why Agric Not Prioritised?

- But most of it goes to fertilizer, etc. Have we understood the politicians priorities?
- Not having a policy cannot be an excuse. Defence which gets a lot of funds has no policy, for example.
- We should not separate donor/local funds. It should be one basket targeted at nationally agreed priorities
- Uganda case: Export Diversification Promotion Plan, as a way of making a first call on the national resource envelope. But

even here there are many competing needs. There is need to be broad minded. The private sector is also injecting in a lot of money in agriculture. Agriculture ranks 6th in resource allocation although in terms of statements. The President and new minister of finance is very supportive. Even in MTEF allocation has moved up from 2% to about 4.7% because the President made deliberate intervention in specific areas such as Export Zones. Final resource allocation is with Cabinet. Hence why not succeeded to prioritise agric? Because support is only coming from two with Cabinet.

- Ugandan govt does not buy fertilizer. Private sector supplies fertilizer. Uses surplus maize in livestock production as a way of creating demand for maize. Concerned about sudden splitting of the ministry functions. This makes delivery of services inefficient. Invest if you want production to increase production.
- Good working relationship with Ministry of Finance. Indirectly convince the President with clear interventions.
- Go for motorized power and irrigation. With greater urbanisation there is need for higher productivity.
- Why is agric not electorally paying? Part of the problem has to do with the political process which does not seem to favour the rural population. Agriculture becomes key during election time? But people may be so poor that they are swerved at election time with little bribes rather than the long term issues. The majority of the population is illiterate and poor and being exploited by the political processes.
- Prioritising agric within resource allocation, what does it mean? Should it be taken that narrowly and ignore education, transportation, etc? We may be understating what agriculture gets.
- Sudan Case: Two years ago, taxes on agric were abolished. Min of Finance been divorced creating problems in prioritisation of resource allocation. Agric is not alone. It needs services from health, education, infrastructure etc.
- The mentality that agriculture is largely subsistent reduces the overall support to agriculture. Contract farming must be

considered as an avenue of funding. Agric should be looked at as a commercial entity to attract investment.

- Uganda case is that there is no confusion between social issues and private investment. The President provides the strategic direction.
- NEPAD budget tracking will be focusing on actual expenditure. But what exactly should the data be we be focusi

Summary:

1. The perception that agriculture is subsistence farming does not motivate need for further resource allocation:

- **Prepare models to show that agriculture is business (profit) oriented**
- **Focus on high value products as models**
- **Demonstrate quick contribution to exports earnings**
- **Develop plans that address short term needs including immediate needs of Finance and Politicians and complement with medium, and long term interventions**
- **Demonstrate impact of agriculture programmes to attainment of MDGs, including poverty reduction.**

2. Too many competing needs considered better by those allocating resources:

- **Demonstrate impact (opportunity cost) of agriculture programmes to attainment of foreign exchange earnings, employment generation, reduction of food insecurity, reduction of malnutrition**
- **Demonstrate impact in alleviating food shortages and implications for peace**

3. Agriculture has not come up with convincing intervention areas which then should be complemented by advocacy.

- **Target the limited funding at impact interventions to show that given adequate resources, it is possible to make an impact.**
 - **Improve advocacy to influence decision makers & policy makers, politicians through field tours and participation in review meetings**
- 4. Technocrats have failed to listen to the politicians to include their key concerns, i.e. proposals have not been strategically presented.**
- **Consult politicians and policy documents, including manifestos, in developing strategic interventions**
 - **Realign programmes to address the concerns**
- 5. Politicians/technocrats have worked in a reactive rather than proactive way.**
- **Proactively plan, implement, monitor, and control with them**
- 6. The institutional mismatch. Non accountability of political leaders on promises made during elections. Agriculture only important at election time.**
- **Capture sectoral promises made and include them in plans**
 - **Summarize programmes and activities in line with the promises**
- 7. Conditionality to prioritise social sectors shifted attention from agriculture as the other sectors were the protected sectors. Decision makers thought that agriculture would receive funding from donors. When this did not happen, agriculture was squeezed from both sides.**
- **Urge political leaders to rank agriculture sector as a priority for resource allocation in PRSPs and other interventions.**

- **Allocate at least 10% of national budget to agriculture as pledged in Maputo declaration in 2003**

Why Ministry of Finance Does Not Give More to Agriculture

8. Politicians more concerned about the short term rather than the long term. There is thus a limit to which technocrats could push long term sustainable development in agriculture.

- **Reorient long term targets to deal with the short term pressing needs**
- **Identify critical interventions with quick impact on food security, income, and foreign exchange earnings with significant contribution to tax.**

9. Ministry of Finance lacks understanding and appreciation of technical issues surrounding agriculture.

- **Improve documentation and communication**
- **Involve Agriculture in Finance meetings to allocate resources**

10. Weak partnerships with Ministry of Finance

- **Involve Finance in Agriculture activities to improve understanding.**
- **Strengthen partnership through regular review of weaknesses**

11. Very hard to break the historical biases in the MTEF. At the same time sector ministries do not act flexibly to partner with a view to get more resources.

- **Demonstrate the multiplier effects of agriculture in supplying raw materials, reducing malnutrition, exports, etc.**

- **Work with other sectors in advocating for increased support to agriculture to enhance the multiplier effects.**
- **Considering Maputo declaration, allocate higher proportions of incremental budget to agriculture.**

12. Ministry of Finance value tax revenue and think that agriculture is not important as a revenue generating sector.

- **Demonstrate (evidence) that high contribution to GDP implies high contribution to tax**

13. Pressure from the protected sectors

- **Advocate for inclusion of agriculture as a protected sector**

14. Agriculture may be seen as a high risk area in the short term

- **Invest in risk reduction, such as irrigation, drought tolerant technologies,.**
- **Reduce policy and price risks and encourage risk insurance**

15. Agriculture does not understand Finance with a view to presenting a strong case to win space in resource allocation. Agriculture presents its case very narrowly by stopping at the farm gate. Does not mobilise other sectors to sell the story, e.g. industry and the issue of value added. [But should be cautious on this]

- **As in # 11**

16. Financial sector's inability to align financing instruments to the requirements in agriculture. Further, releases do not correspond the cycles of the sector.

- **Hold regular consultations stakeholders to fine tune financing to match the production cycle in agriculture**

17. Shortcomings of Stakeholder Advocacy

- **Advocacy skills have not been sharpened [The case of Uganda].**
- **No mechanisms for advocacy by stakeholders.**
- **Inadequacy of community based advocacy through interest groups on the ground to demand from the government. Could decentralisation be the way?**