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STRATEGIES FOR FINANCING UGANDA'S BUDGET OVER THE MEDIUM-TERM

(LEVERAGING FOOD PRODUCTION AND VALUE ADDITION ALONG THE VALUE CHAINS)

INTRODUCTION

The approval of Uganda's budget for **FY 2023/24** worth UGX **52.73 Trillion (approx. $13.9** billion) indicates financing using own resources of up to nearly 30%. This implies that the rest has to be borrowed (debt). All stakeholders need to work with Government on how we could register sustainable revenue sources. Uganda must recast investment towards diminishing and sustainable borrowing over the medium term. UDN we shall run several areas for policy consideration in series.

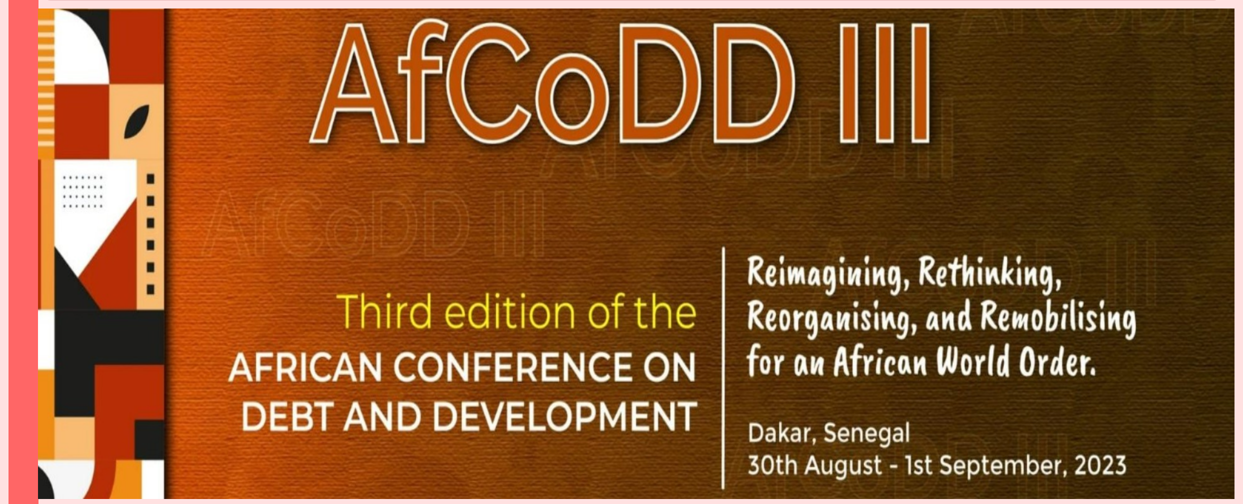
***SERIES 7*: Leveraging food production and value addition along the value chains**

Only **5 million** households produce food and agro-inputs in Uganda from the **17.2 million** acres used out of the **40 million acres** of the arable land (fertile soils grown) amidst skilled and semi-skilled labour graduates from tertiary institutions/ human capital development. In the recent period, **over 86%** of Uganda's export market in the 12 months to February 2023 was Africa- where out of **$ 3.8** billion, **$2.5 billion** was earned from six EAC States. In 2022, Uganda having earned a paltry **$431m** (from DRC), **$87m** (Burundi), $76m (Rwanda) and **$145m** (Tanzania) partly confirms the low levels of organization including the 3.5 million households or **16.1 million** subsisting Ugandans expected to be engaged in production value chains under the Parish Development Model. Even if according to Bank of Uganda, the long history position of Kenya being the regional export market was from 2022 tilted to South Sudan at **$606m** compared to Kenya at **$594 m**, both markets remain critical for Uganda within the EAC especially with more value addition to agricultural commodity products. Beans in alone in FY 2022/23 earned Uganda nearly $133m mainly through regional market, surpassing maize at **$131.2m** and nearly rivaling fish at **$166.9m**.

Outside Uganda's and EAC growing population, plus the potential offered by Chad, Central African Republic and some of the States in the Sahel region, African population currently at **1.3 billion** people is poised to surpass China's by 2030. Strategic agro-industrial investment could provide fortunes for Uganda's revenues through reversal of under-production and productivity. Focus on value chain development of segmented market/ selected food related export commodities whether coffee, fish, grains, diary, cassava, beef, poultry, fruits, vegetables, banana products would not only spur cottage industries for commodity products longer shelf-life and employment, but also eventual revenues and economic development.

At UDN, we see that Uganda's initial frontline for economic salvation lies in investing more in revenue mobilization strategies, within the regional and global markets through smart partnerships.

Up coming Events



Pictorial

UDN participated in the Partners reflection meeting organized by Save the children Uganda in Mbale District

UDN IN MEDIA

1. https://www.youtube.com/watch?v=K1XQwoAOS7E
2. https://www.youtube.com/watch?v=g25mHeo-f3U
3. https://www.youtube.com/watch?v=GqFzVCivAPM
4. https://www.youtube.com/watch?v=KeO_OWTywvE

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