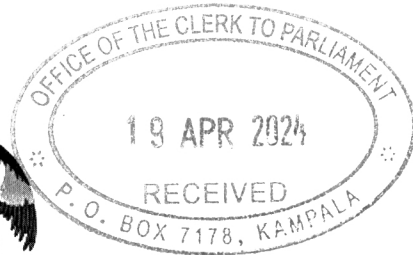



## 2



April, 2024



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## 1.0 INTRODUCTION

The National Agricultural Advisory Services (Amendment) Bill was read for the First Time on 04<sup>th</sup> April, 2024 and referred to the Committee on Agriculture, Animal Industry and Fisheries in accordance with Rule 129 (1) of the Rules of Procedure of Parliament.

The Committee scrutinised the Bill in accordance with rules 129(2), (3) and (4) of the Rules of Procedure and now begs to report.

This report is being presented in compliance with Rule 130(2) which states that, "The Chairperson of the Committee to which the Bill is referred or a Member of the Committee designated by the Committee or by the Speaker shall, after the Motion for the Second Reading has been moved under sub-rule (1) and seconded, present to the House the report of the Committee on the Bill."

## 2.0 BACKGROUND TO THE NATIONAL AGRICULTURAL ADVISORY SERVICES (AMENDMENT) BILL, 2024

### 2.1 Background to rationalisation of Government agencies

On 22<sup>nd</sup> February 2021 Government under Cabinet Minute No.43(CT 2021) adopted the policy to rationalise Government Agencies and Public Expenditure with the aim of-

- (a) merging, mainstreaming and rationalisation of agencies, commissions, authorities and public expenditure thereby, inter alia relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) providing efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments and thereby avoiding duplication of mandates and functions;

- (c) promoting the coordinated administrative arrangements, policies and procedures for
  - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
  - (ii) enabling the Government to play its proper role more effectively; and
  - (iii) enforcing accountability; and
- (d) the restructuring and re-organization of agencies and departments of Government by eliminating bloated structures and functional ambiguities in Government agencies and departments.

Therefore, the National Agricultural Advisory Services (Amendment) Bill, 2024 aims at –

- (a) mainstreaming the functions of the National Agricultural Advisory Services into the Ministry responsible for agriculture; and
- (b) abolishing the National Agricultural Advisory Services.

## **2.2 National Agricultural Advisory Services (NAADS)**

The National Agricultural Advisory Services (NAADS) was established by the National Agricultural Advisory Services Act, 2001.

The mandate of NAADS interventions focus on the following strategic objectives to contribute to the agro-industrialisation programme:

- (a) To increase access to critical and quality farm inputs for agricultural production and productivity
- (b) To improve post-harvest handling and storage
- (c) To increase agro-processing and value addition
- (d) To strengthen institutional coordination for improved service delivery

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### **3.0 OBJECT AND JUSTIFICATION FOR THE BILL**

#### **3.1 Object of the Bill**

The policy behind the Bill is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure (RAPEX) which was adopted by the Cabinet on 22 February 2021.

#### **3.2 Justification for the Bill**

Over the years, there has been a proliferation of agencies established by Acts of Parliament, Executive Orders and administrative arrangements. Whereas most of the agencies are necessary due to the critical nature of the functions they perform, a certain limited number of agencies were established without due consideration to the aspects of institutional harmony, functional duplications, overlaps and affordability. Government has also established that some agencies have served the purposes for which they were established. The mandate of a few other agencies has been overtaken by events. Such agencies need to be rationalised.

Additionally, the high cost of administering the agencies has drained the national Treasury at the expense of effective service delivery. This has overstretched the capacity of Government to sustain them. It has also been established that the generous salary structures of the agencies have created salary disparities between employees of the agencies and civil servants, leading to demotivation of human resources in the mainstream public service.

The justification for the Bill raises the following issues which the Committee interrogated:

1. Whether the mandate of the National Agricultural Advisory Services overlaps with the Ministry of Agriculture, Animal Industry and Fisheries;
2. Whether the National Agricultural Advisory Services has served the purpose for which it was established;

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3. Whether the National Agricultural Advisory Services administration costs are so high that they drain the Treasury at the expense of service delivery.

#### **4.0 METHODOLOGY**

While considering the National Agricultural Advisory Services (Amendment) Bill, 2024, the Committee used the following methods:

##### **4.1 Meetings**

The committee held meetings with the following entities:

- Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)
- National Agricultural Advisory Services
- Ministry of Public Service
- Ministry of Justice and Constitutional Affairs

##### **4.2 Document review**

The Committee reviewed and made reference to the following documents:

- The Constitution of the Republic of Uganda
- The National Agricultural Advisory Services Act, 2001
- Uganda Bureau of Statistics Statistical Abstract, 2022
- The Report of the adhoc committee on the February, 2021 Cabinet decision to rationalise Government agencies

#### **5.0 COMMITTEE FINDINGS AND OBSERVATIONS**

##### **5.1 Whether the mandate of the National Agricultural Advisory Services overlaps with the Ministry of Agriculture, Animal Industry and Fisheries**

The National Agricultural Advisory Services was established by the National Agricultural Advisory Services Act, 2001. Sections 5 and 6 of the Act empower the organisation to promote food security, nutrition and household

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incomes, provide agricultural advisory services, support technology development and linkages with farmers, among other duties.

The National Agricultural Advisory Services (NAADS) has contributed tremendously to food security in the country through various interventions.

- Distribution of inputs for major food crops like maize, beans, bananas, Irish potatoes and cassava; citrus fruits like mangoes, pineapples and apples; cash crops like tea and cocoa. The inputs have been distributed to various local governments across the country. This has led to increased agricultural production and productivity and promoted food security.

*The Committee notes that cash crops like tea and cocoa which have no regulatory agency are being promoted by NAADS. As a result of NAADS interventions, production in the tea sector has steadily increased with the country producing 81,675 metric tonnes of tea in 2022 worth US \$88.36 million in comparison with 50,055 tonnes produced in 2017.*

- Since inception, NAADS has provided dairy heifers, beef cattle, pigs, poultry birds and associated feeds. In order to promote improved livestock breeds, NAADS has promoted artificial insemination by distributing 39,371 doses of cattle semen and 33,399 litres of liquid nitrogen in partnership with the National Animal Genetic Resources Centre and Data Bank (NAGRC&DB).
- NAADS distributed livestock inputs to various local governments across the country in addition to distribution of livestock, fish fingerlings for tilapia, cat fish and mirror carp as well as fish feeds for income and food security to households in various district local governments.

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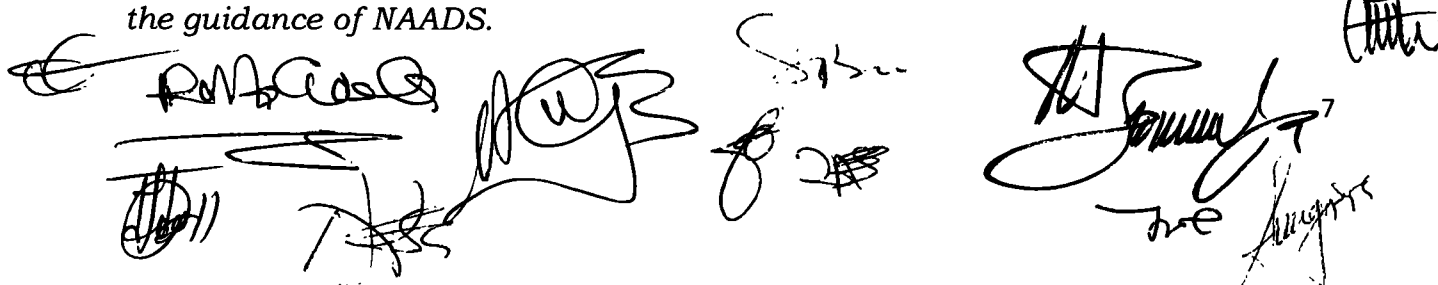
- In a bid to support storage, value addition and agro-processing, NAADS has set up community grain stores, milk coolers with their matching generators, maize milling equipment, feed milling equipment, rice milling equipment, among others. The entity has also established the following fruit processing facilities: Yumbe Mango Processing Plant, Kayunga Pineapple Processing Plant, Kapeeka Multi Fruit Processing Plant, Floky Wineries in Bunyangabu for grapes and five mini-dairy processing facilities.

*The Committee notes that Uganda has achieved relative food security and has become the food basket for the East African region through the efforts of NAADS. About 40.1% of households have achieved a balanced diet and 45% consume three meals per day, an increase from 40% in 2015. Rationalisation of NAADS will lead to reversal of the food security gains.*

## **5.2 Whether the National Agricultural Advisory Services has served the purpose for which it was established**

The National Agricultural Advisory Services (NAADS) was established to promote food security, nutrition and household income, provide agricultural advisory services, support technology development and linkages with farmers. The entity has medium-term strategic objectives which include: scaling up production of emerging high value non-traditional cash crops like Hass avocado, Macadamia, Cashew nuts, grapes and apples that provide a special niche for import substitution and export earnings for Uganda.

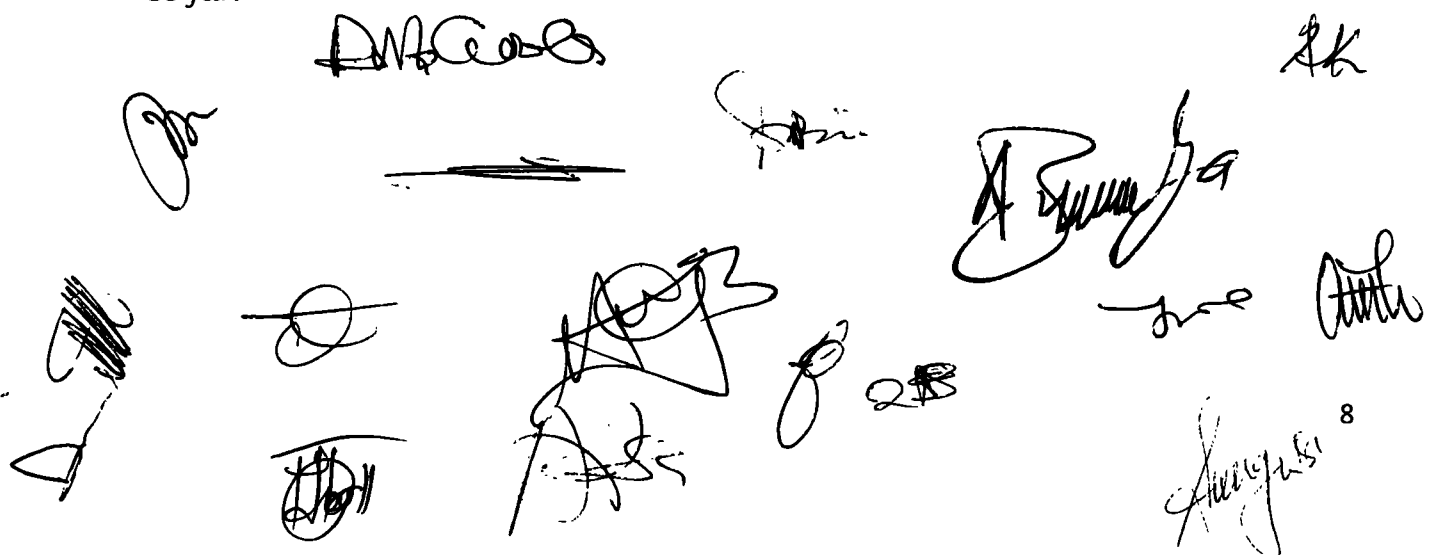
*The Committee noted that increased production of high value crops has stimulated establishment of processing facilities. For instance, five foreign investors have established avocado processing factories in Namanve, Buikwe, Nakaseke, Kasese and Kyenjonjo. The handling of the avocado produced has improved through these investors who are able to utilise and add value to all the avocado produced in Uganda and generate more export earnings under the guidance of NAADS.*



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- NAADS has mapped the whole country indicating where new high-value crops need to be adopted by farmers. The promotion of oil seeds (soya bean, groundnuts and sunflower) will address shortages of vegetable oil and support import substitution, focussing on the northern and eastern Uganda. The production of Cashew nuts and Macadamia as perennial cash crops will target areas which have no perennial crops, especially the greater north, Teso, Karamoja and the drier parts of eastern and central Uganda.
- NAADS is promoting strategic high value crops like macadamia, hass avocado, cashew nuts and apples. The adoption of these high-value crops will reduce poverty and sustain better livelihoods. These crops are projected to generate export earnings of US\$ 1 billion on account of the growing global demand. Uganda needs to develop an effective regulatory regime and standards in order to remain competitive in this nascent sector. Mainstreaming NAADS into MAAIF is retrogressive and risks undermining our competitiveness.

*The Committee observes that NAADS has critical ongoing projects which are aligned with Government priorities like increasing household incomes, import substitution, poverty eradication and market access. NAADS has contributed to transformation of households from the subsistence economy from 68% to 39% (UBOS Statistical Abstract 2022 and MAAIF Statistical Abstract 2023). Rationalisation of NAADS will lead to a reversal of the achievements attained so far.*





*Ensuring food security is a key constitutional responsibility of the Ministry of Agriculture that NAADS is better placed to deliver as a front line agency of the Ministry. Secondly, this is an ongoing and not a term responsibility that needs to be maintained. NAADS has become the face of the MAAIF with farmers throughout the country. The committee does not believe that MAAIF can substitute NAADS and perform better in this endeavour.*

### **5.3 Whether the National Agricultural Advisory Services administration costs are so high that they drain the Treasury at the expense of service delivery**

The National Agricultural Advisory Services (NAADS) currently employs 45 staff at different levels out of the staff establishment of 56. The CFI indicates that 80 staff will be laid off, which the Committee notes as a disparity in reporting and therefore deems the certificate inaccurate, since the reported number is the basis for the CFI indicative costs. The CFI estimates that the total cost of terminal benefits will be UGX 5.23 billion, equivalent to 159.1% of the approved wage bill for FY2023/24. The Committee notes that this claim is false since it is based on a staff establishment of 80 which is not the case.

**Table 1: Rationalisation savings for NAADS as per the CFI**

<b>Total savings</b>	<b>CFI Savings 2024/25</b>	<b>Budget 2024/25*</b>	<b>Difference</b>
Wage	2.18	2.97	0.79
Non-Wage	2.09	31.09	29
GoU Dev't	99.15	1.48	-97.67
Total	103.42	35.54	-67.88
Less terminal benefits	5.23	-	-
Net savings	98.19	35.54	-
NTR		0	

**Source: CFIs, Draft Budget Estimates and PBO calculations**

The CFI estimates net savings amounting to UGX 98.2 billion in FY2024/25 which will grow to UGX 103.42 billion in subsequent financial years.

These estimates do not take into account the wage cost of the staff who will be mainstreamed into the MAAIF.

*The Committee notes that the claimed savings are more than the projected budget for FY 2024/25 by UGX 67.88 billion. This is unbelievable as NAADS has been allocated only UGX 35.54 billion in FY 2024/25.*

*The Committee notes that although NAADS does not collect NTR, it is an important player in the agricultural value chain which is the mainstay of Uganda's economy. The current level of GDP and export growth and employment creation is majorly based on agricultural production that NAADS has helped to grow and to sustain. It would be reckless to mainstream NAADS into MAAIF and risk these gains.*

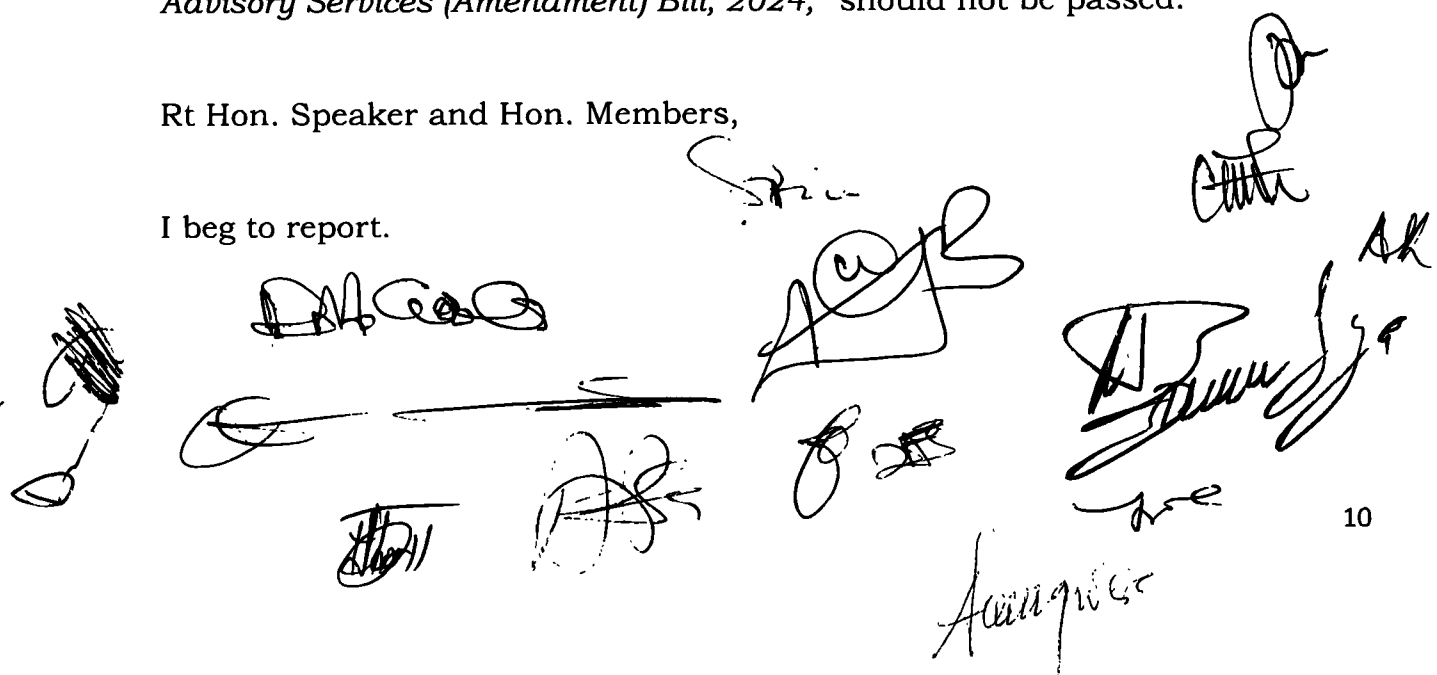
## **6.0 CONCLUSION**

The pivotal role played by NAADS in filling in the gaps in the agriculture sector and providing demand-driven services in line with modern agricultural trends and global market demands cannot be over-emphasised. This calls for strengthening of the institution rather than mainstreaming it into the Ministry of Agriculture, Animal Industry and Fisheries.

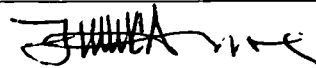

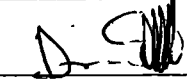

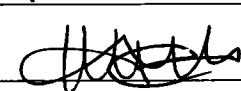
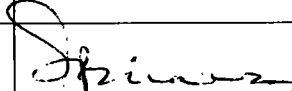
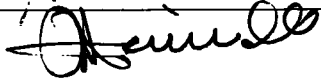
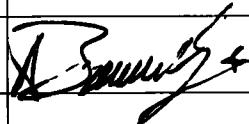
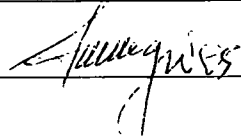
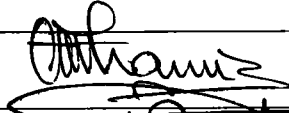
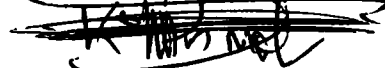
The Committee therefore recommends that “*The National Agricultural Advisory Services (Amendment) Bill, 2024,*” should not be passed.

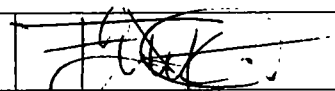
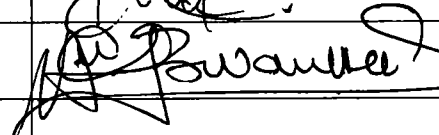
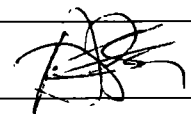

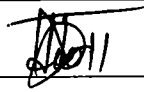
Rt Hon. Speaker and Hon. Members,

I beg to report.



**COMMITTEE ON AGRICULTURE, ANIMAL INDUSTRY & FISHERIES**  
**ENDORSEMENT OF THE REPORT ON THE NATIONAL AGRICULTURAL**  
**ADVISORY SERVICES (AMENDMENT) BILL, 2024**

NO	NAME	SIGNATURE
1	Hon. Okori-Moe Janet Grace	
2	Hon. Auma Linda Agnes	
3	Hon. Driwaru Jennifer	
4	Hon. Magoola Racheal	
5	Hon. Christine Akello	
6	Hon. Mbayo Esther	
7	Hon. Biraaro Ganshanga Ephraim	
8	Hon. Migadde Robert Ndugwa	
9	Hon. Anywar Ricky Richard	
10	Hon. Muhumuza David	
11	Hon. Okullo Abuka Anthony	
12	Hon. Kasaija Stephen Kagwera	
13	Hon. Acen Dorcus	
14	Hon. Alyek Judith	
15	Hon. Esenu Anthony Alden	
16	Hon. Lokii John Baptist	
17	Hon. Mary Begumisa	
18	Hon. Nyongore Enock	
19	Hon. Komol Joseph Midi	
20	Hon. Lematia John	

21	Hon. Oulanyah Andrew Ojok	
22	Hon. Dr. Abed Bwanika	
23	Hon. Tusiime Julius Karuhanga	
24	Hon. Mugabi Susan	
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26	Hon. Nanyondo Veronica	
27	Hon. Apolot Stella Isodo	
28	Hon. Ekanya Geoffrey	
29	Hon. Lukwago John Paul M	
30	Hon. Akora Maxwell	
31	Hon. Obong Vincent Shedrick	
32	Hon. Namutaawe Joan	
33	Hon. Mukasa Julius Opondo	
34	Hon. Maj. Gen. Sam Kavuma	