Fuel shock shows why we must redesign food-systems finance

When Ugandans hear about a war in the Middle East, it can feel far away. But we live its consequences every time we buy fuel—or food. The US–Israel–Iran crisis has disrupted one of the world's most important oil and fertiliser corridors: the Strait of Hormuz, through which about one-fifth of global oil flows. As the disruption deepened, Brent crude surged above $100 per barrel and at times approached $120. In Uganda, that global shock has shown up at the pump.

In mid-April 2026, a spot check across fuel stations in and around Kampala found petrol commonly around Shs5,090–Shs5,400 per litre and diesel around Shs5,049–Shs5,350. Within days, some upcountry towns reported sharper spikes and shortages, with petrol selling as high as Shs6,900–Shs7,000 per litre in places like Arua and diesel around Shs5,780–Shs6,000.

Uganda's market is deregulated and prices vary by station and location; but because our fuel is imported through regional corridors, what happens at the coast quickly becomes a cost—or a delay—on the Mombasa–Kampala and Dar–Kampala routes. And because fuel is the 'hidden ingredient' in everything we move, the fuel shock rapidly becomes a food shock.

That is why this conversation matters in Uganda's current debate on the passing of the Sovereignty Bill. Whatever one's political position, sovereignty cannot be only a legal slogan—it must be practical capability. A country is not fully sovereign if a disruption thousands of kilometres away can suddenly determine the cost of transport, fertiliser and a basic meal. And if Uganda is to convert its own oil and gas endowment into practical sovereignty, we must use resource revenues to build domestic financing capacity—so we are investing in resilience before the next shock, not improvising after it.

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Boaz B. Keizire
Food systems

This crisis should be a wake-up call. If a conflict far away can raise the cost of moving goods from Kalerwe to Kikuubo, Mbale to Soroti, or Mbarara to Kabale—and then raise the price of food and farm inputs—then Africa's agrifood systems are still too exposed. We need a redesign of food-systems finance anchored in domestic resource mobilisation, smarter risk-sharing with the private sector, and stronger governance that turns money into results.

The financing gap is stark. By 2030, Africa is estimated to require about $77 billion annually to transform agriculture and food systems. Yet external development finance has grown only modestly (from about $18.1 billion in 2018 to $21.5 billion in 2023), and farmers still face an annual financing gap of roughly $60–100 billion. Smallholders—who produce around 70 percent of Africa's food—remain the least able to access fairly priced, long-term capital. The result is predictable: when fuel, fertiliser and shipping costs jump overnight, prices surge and households pay.

So what should change in Africa's food-systems finance—starting from realities Ugandans can recognise?

1) Mobilise more domestic capital for resilience. We cannot build food and energy security on unpredictable external flows. Countries should implement the African Union's domestic resource mobilisation agenda using practical instruments—food-system-linked treasury instruments, diaspora bonds, green agrifood bonds, and municipal financing for agro-infrastructure. For Uganda, oil and gas should be treated as a lever for domestic financing and stability: clear fiscal rules, transparent revenue management, and a stabilisation/savings approach can help smooth shocks and channel funds into the foundations of resilience.

2) De-risk private investment for smallholders and SMEs. Credit guarantees, first-loss facilities, matching grants and well-designed input-finance systems can pull banks and institutional investors into agriculture. Uganda should focus on pipeline-ready deals lenders can actually finance.

3) Build regional resilience around the corridors we depend on. Fuel and fertiliser shocks do not respect borders. Through the EAC and AfCFTA, we should cut delays and costs via faster border processes, harmonised standards, cheaper cross-border payments, and stronger regional input supply chains. Joint planning for strategic reserves (fuel and key fertilisers) and coordinated corridor management would reduce panic-driven shortages and price spikes that hit inland economies like Uganda first.

4) Fix governance so finance turns into results. Finance follows confidence. That means better coordination across ministries, transparent procurement, public expenditure tracking, and policy reforms that reduce uncertainty for investors. In plain terms: if Ugandans are paying more at the pump, every shilling invested in roads, storage, extension and input systems must deliver measurable value.

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for freedom