

New budget allocates sh425b to youth, women and farmers

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The Government has earmarked over sh425b in the this financial year's budget towards youths, women and farmers, as part of efforts to fight poverty.

Although the finance ministry officials say the whole budget allocation is aimed at eradicating poverty, a total of sh425b has been allocated directly to deal with low-income earners through organised groups.

Asked whether the budget interventions for fighting poverty which constitute only 1.3% of the total budget are adequate, the finance minister, Matia Kasaija, said: "Cut your coat according to your cloth. It is not adequate, but due to the constraints we have, that is what we can afford. We shall in future increase it as we get more money."

According to the budget estimates, a total of sh66.6b has been allocated to the Youth Livelihood Fund (YLF) to help organised youth groups start joint income-generating activities.

Another sh41b has been allocated to the Women Enterprise Fund to help women business groups carry out joint businesses. Both the



In the new budget, farmers such as these threshing maize, are set to benefit from the sh425b budget government has allocated to the sector this financial year

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Youth Fund and the Women Enterprise Fund will be managed by the gender ministry.

According to available information, since the inception of the Youth Livelihood Fund, a total of sh87.1b has been disbursed to 11,839 youth groups which had benefitted 148,286 youth as of October last year.

For the Women Enterprise Fund, the documents indicate that a total of 2,888 women projects worth sh14.9b have been funded in all the local governments and benefitted 36,917 women.

A total of sh47b will be spent on the Financial Inclusion in Rural Areas (PROFIRA) which specifically builds the capacity of rural savings and credit co-operative societies (SACCOS).

The Government and the International Fund for Agricultural Development jointly started PROFIRA to teach SACCOS the necessary skills and knowledge for better management.

Parliament has created another window of opportunity by exempting SACCOS from paying corporation tax of 30%. The Government had planned to generate sh10b out of reinstating corporation tax on SACCOS.

This means that SACCOS will have to use money they should have paid in taxes to economically empower their members.

The budget caters for another intervention of sh16.7b for allowances given to the elderly persons.

The biggest intervention of the Government is the allocation of sh254b to the National Agricultural Advisory Services

(NAADS). The NAADS budget is mostly used for procuring planting materials and animals which are distributed to farmers.

Uganda is predominantly an agricultural economy. Over 70% of her population is employed in agriculture. However, it is projected to be allocated 3.8% of the national budget (totalling to sh32 trillion) this finance year as compared to works and transport which was allocated 21.4%.

Makerere University Prof. Augustus Nuwagaba argues that in order to make the budget work for the poor, the Government should put more money into the agriculture sector, where the majority of low-income earners are involved.

"I have always argued that the Government needs to invest more in the agriculture sector where the low-income earners are. These other funds can work if the groups are focussed and the money is strictly monitored to ensure that it makes an impact," he says.

Issa Ssekito, the spokesperson Kampala City Traders Association, said that as long as Government does not allocate adequate funds to the agriculture sector, the budget can never be described as pro-poor.