WORKSHOP REPORT

GLOBALISATION AND FISH UTILISATION AND MARKETING STUDY

WINDSOR LAKE VICTORIA HOTEL, ENTEBBE: 21ST FEBRUARY 2003

FISHERIES RESOURCES RESEARCH INSTITUTE

Jinja, Uganda

Workshop Managers

Convenor - Konstantine Odongkara

Presenters:

Alan Marriott

Konstantine Odongkara

Richard Oginga Abila

Boaz Blackie Kezire

Officials

Jonah Wegoye	Rapportuer
Mercy Kyangwa	Rapportuer
Anne Nyapendi	Secretarial
Richard Jawoko	Transport

CONTACT ADDRESS

Fisheries Resources Research Institute

National Agricultural Research Organisation

P.O. Box 343, JINJA Uganda

Fax: 256-43-120192

Tel. 256-43-120484

e-mail: firi@infocom.co.ug

ANNEX 6: Policies on Poverty and the Fisheries Sector in Uganda:The Current Policy Trends

D. Nyeko and B.B. Keizire

Introduction

There are concerns, at least among the proponents of development, on how to link policy development processes in Uganda and the associated transformation of the poor to high standards of living. In fact some questions have been posed as to whether it's the absence of poverty-targeted policies that a good proportion of individuals or communities are still poor. In the fisheries sector where most of the fish dependent communities live, poverty indications are still prevalent although arguments have been put that current reforms in the sector have transformed the lives of the fish dependent communities.

The 1999/2000 household survey report indicates that the poverty levels reduced to 35% of Uganda's total population from 44% in 1997. The question that arose, which still arises anyway, was to define who is actually poor. When measuring poverty one is ultimately interested in the 'standards of living' of individuals especially those, whose standards of living are inadequate. The basic element of measuring this inadequacy/adequacy, at least in Uganda, is to use the household income or consumption per adult equivalent. Studies have demonstrated that household consumption expenditure is a good approximation of household income[1]. Therefore, for purpose of this report, we define poor households to mean based on that that one adopted by the Ministry of Finance[2]to mean "households whose expenditure per adult equivalent falls below the poverty line[3]". Many government documents report that the poverty line is one dollar a day. Therefore someone is below the poverty line if he or she lives on less than one dollar a day.

In this paper, we analyse the evolution of poverty-driven policies that have been put in place by government and how these policies are shifting or are likely to shift the lives of fish dependent communities. We argue that combinations of poverty-policies are being translated into increased incomes and welfare of most individuals in the fisheries sector. The reasons for this shift, we argue, is as a result of a combination of factors all supported by non other that poverty-led government policies.

[1] Note also that there are other major characteristics of measuring poverty and basic human indicators. They include; occupational activity, asset ownership, and expenditure on food, level of education, literacy levels, housing, source of water and some other welfare indictors.

[2] Poverty Indicators in Uganda: Discussion Paper No. 4 June 2001

[3] The poverty line is calculated on the basis of the shilling amount necessary to purchase a basket of essential food commodities, which will cover the nutritional needs of all households members, plus an additional amount to cover the costs of non-food expenditure.

In the next section we outline a number of government policies in place or those in making that have led to the transformation of fisheries sector. Although most of the policies mentioned are general and not specific to fisheries, their enactment has led to the current paradigm shifts in better standards of living, which are evident in some sections of the fish dependent communities.

Structural Adjustment Programs (SAPs)

Initiated by the World Bank and the International Monetary Fund (IMF) in 1987, the Structural Adjustment Programs were aimed at ensuring economic recovery and accelerated economic growth. Uganda presented one of the many success stories regarding the implementation of SAPs. The success stories were demonstrated by a number of reform processes that led to macro-economic stability and some level of economic growth (MFPED, 1998).

The Structure Adjustment Programs encompass the policies of market liberalisation, privatisation, exchange rate liberalisation and investment promotion. The effectiveness or the success of these SAP broad policies is heavily dependent on good governance and Uganda has been able to adopt and develop a number of other SAP –dependent policies aimed at increasing economic growth and development. Quite a number of policies and programs have been put in place to achieve the envisaged SAP long-term objectives of accelerated economic growth. Some of these policies include; economic liberalisation, decentralisation, the Poverty Eradication Action Plan (PEAP), the National Environmental Action Plan (NEAP) and recently developed Plan for Modernisation of Agriculture (PAM).

Decentralization

Decentralisation is a national policy officially launched in 1992 and its well enshrined in the 1995 constitution. The policy was later translated into law after the enactment of the Local Government Act of 1997. The policy involves transfer of responsibilities in the delivery of some government's management services to local governments. The Local Government Act (1997) empowers, for example, the local governments (districts, sub-counties and urban authorities) to take the increasing responsibility in delivery of services and ensure participation of local people in making decisions for their planning and development.

The decentralisation policy is based on the premise that local authorities are better placed in responding to the needs of the local communities. The idea was that decentralisation would empower local communities to hold the local authorities accountable for management of public resources thus rendering them more efficient in delivering management services.

It was also envisaged that decentralisation was an engine for developing the capacities of local communities to develop community development plans. This would later translate into development programs that would offer opportunities for generating income and accessing basic facilities for their increased standards of living.

The policy has, to some extent, developed the capacity of rural dependent communities to participate in local planning. It is also evidently clear that financial resource accountability mechanisms have relatively improved. The delivery of services is also changing the attitudes of the majority of communities who depend on agriculture and fishing to commercialise their enterprises where they derive their livelihood.

Fish access permits can now be got at either sub-county or at districts as opposed to pre-decentralisation period where fish access permit were only issued by the central-based Fisheries Department in Entebbe. Fishermen and fish farmers can now access advisory services from sub-county and district based extension officers.

Privatization

The privatisation policy was put in place to reduce the costs of managing public enterprises and increase their efficiency in delivering services. The principle was built based on the fact that the private sector was better placed in managing economic enterprises as opposed to pubic sector institutions, which had become inefficient, highly costly and unaccountable. The principle was that only functions, which belong to the category of "public good"[4], would only remain under public management and those whose services would lead to private benefits would be privatised.

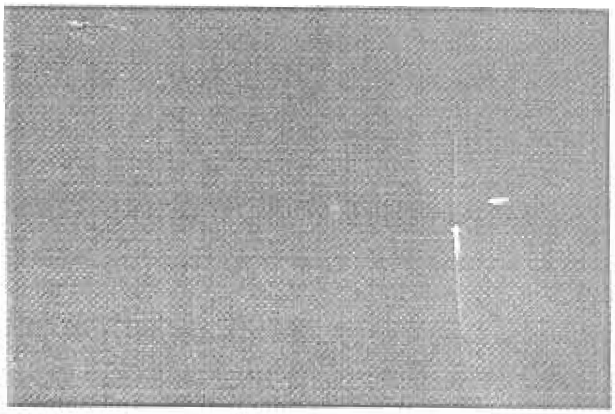
The policy was also aimed to attract direct investments in productive sectors thereby enhancing productivity as well as creating employment opportunities for the unemployed population. It is estimated, for example that, foreign investments, which have historically been quite low, have risen to over 2% of GDP since 1996 from an average of 0.4% of GDP in 1995[5] (MFPED, 2001b).

The fisheries sector is also one of the sectors that has benefited from a combination of these policies of privatisation and liberalization of some macro economic indicators such as the exchange rate. The fish processing and export industry has raised the profile of the fisheries sector to the extent that fish exports is second to tourism in terms of foreign exchange earnings. Foreign exchange earnings from fish exports rose from US$ 35 million in 1999 to US$ 78 million in 2001.

The Poverty Eradication Action Plan (PEAP)

[4] A public good is that services whose utilisation by an-individual does not hinder another individual from using it. Such goods include public roads, community water supply etc.
[5] See the Medium Term Competitive Strategy for the Private Sector(2000-2005) MFPED, 2001

The Poverty Eradication Action Plan (PEAP) was formulated on the premise that, at least by 1997, 44% of Ugandans were poor and therefore were not able to meet human basic requirements (MFPED, 2000)[6].



The Poverty Eradication Action Plan (PEAP) is one of the key government's approaches in eradicating mass poverty and fostering economic development in Uganda. The PEAP was first developed in 1997 and has since been revised to encompass all the key government's priority development needs. The revised PEAP is based on four main pillars. Pillar one of the PEAP is made on the premise that poverty cannot decline unless the economy as a whole grows. The economic growth requires structural transformation in the context of economic openness. Under this openness, agriculture must modernise and competitive modern manufacturing and services must develop.

The other dimensions of poverty, which are well articulated in the PEAP, are; security, accountability, transparency of public actions, respect for human rights and zero tolerance for corruption. These dimensions, together, form pillar two of the PEAP as "Good Governance and Security". Pillar three of the PEAP aims at increasing the ability of the poor to raise their incomes. This pillar is made on the premise that the maximization of economic growth in Uganda requires the participation of the poor, which in turn requires access to services and information in order to develop skills and increase the returns to their assets. Poor people get their incomes mainly from self-employment and wage employment.

Pillar four is on enhancing the quality of life of the poor. This can be achieved by addressing key basic requirements of a full life in the modern world and these are health, education, and housing. The PEAP document argues that achieving this pillar requires tackling the crosscutting issues of AIDS and large family size among others. It requires improving service delivery as well as public information. The PEAP contains all the required action areas for achieving the four pillars.

The four pillars of PEAP are seen as major government approaches to enhance people's lives and reduce poverty thereby contributing to economic development.

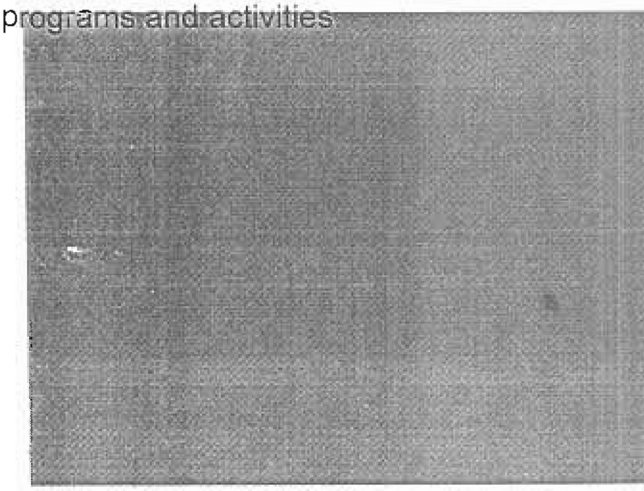
---

[6] See Uganda Poverty Profile: What do we know about the poor? Discussion Paper No 3, Ministry of Finance Planning and Economic Development.

The Plan for Modernization of Agriculture (PMA)

The Plan for Modernisation of Agriculture (PMA) is mainly based on two pillars of the PEAP, that is, contributing to the increasing income of the poor and that of directly increasing the quality of life of the poor. The PMA is a relatively new policy set aside to modernise the agricultural sector in Uganda. It is a holistic and strategic framework for eradicating poverty through multi-sectoral interventions enabling the people to improve the livelihoods in a sustainable manner (PMA, 2000). The PMA's contribution to the PEAP is based on increasing farm productivity, increasing the share of agricultural production, that is marketed and creating on-farm and off-farm income (PMA, 2000). The PMA is comprised of a set of principles upon which sectional and inter-sectoral policies and investment plans can be developed on both the central and local governments.

One major key consideration is that the PMA is being implemented through the decentralisation framework involving local governments in delivering agricultural services. PMA implementation has been kicked-off by allocating money as conditional grants to sub-counties through districts to finance PMA specific activities. This is seen as an approach that will not only enable local governments access funds but will also contribute to raising the capacity of lower local governments to plan and administer PMA programs and activities.



The development of the PMA had identified key priority areas for government intervention. These priority areas for action were derived from the perspectives farmers/fisherfolk as generated from available studies and wide consultation during the development of the PMA. The PMA envisaged that for the agricultural sector[7] to be the engine of economic growth and poverty eradication in Uganda, institutional reforms and strengthening processes have to be undertaken immediately. The PMA, seen as a framework

Policy for agriculture resulted into the need for either the revision of existing policies and laws or formulation of the new policies and regulations. Implementing some of the interventions identified under the PMA will require institutional reforms different from the current set-up of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). One PMA priority areas of increasing

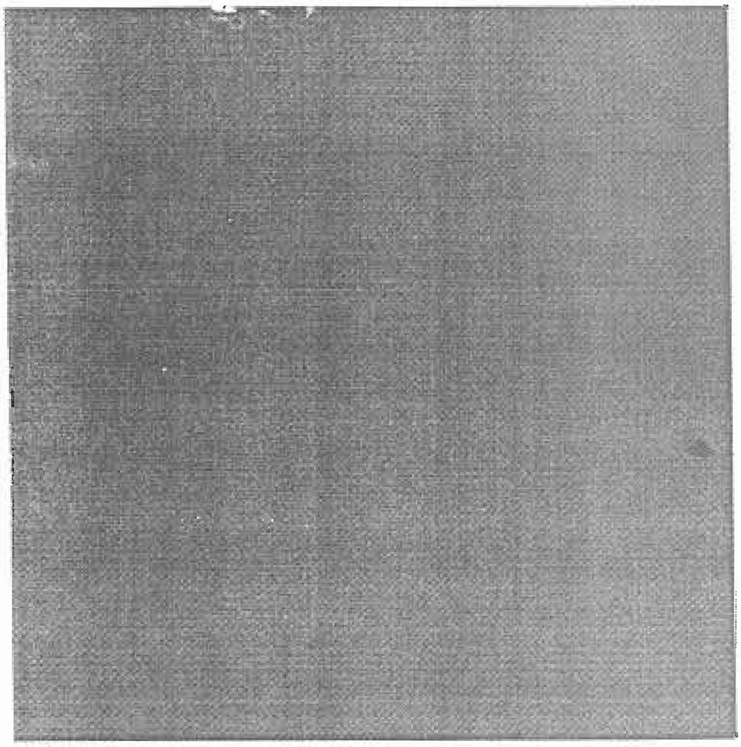
[7] Note that the agricultural sector in Uganda includes crops, animals and fisheries. Four purposes of this report, when the agricultural sector is mention, the emphasis should be put on how fisheries is reflected in this sense.

translate these reform processes and be able to reduce the poverty among many sections of the community that are with affected with poverty.

The Draft National Fisheries Policy 2002

Regarded as one of the most comprehensive natural resource management framework todate, the fisheries sector has developed a National Fisheries Policy. A final draft of the policy has been sent to cabinet for approval. The policy outlines key fisheries management approaches for sustainable fisheries management in Uganda.

Inherent in the draft policy is a set of policy instrument as statements that outline commitments by different key stakeholders in ensuring sustainable fisheries management. Policy statements are outlined and their associated policy objectives are mention. The draft clarifies on the key underlying strategies to achieve each stated policy objectives.



In line with the broader policy framework of the Poverty Eradication Action Plan (PEAP) and taking consideration of the rest of related policies, the National Fisheries Policy provides strategies to ensure sustainable exploitation of the fisheries resources to maintain fish availability for both present and future generations without undermining the environment. The general principal is that government should be provided with a flexible system of managing, utilizing and conserving the fisheries resources of Uganda together with an institutional structure to achieve the same. The key elements of the policy are:

i) Sustainable management and development of fisheries: Fisheries will be managed and developed to promoted the socially and economically sustainable use of fisheries resources and the protection of aquatic ecosystems so as to meet the needs of present generations without compromising the ability of future generations to meet their needs.

ii) Decentralisation and community involvement in fisheries management: Stakeholders will be involved in the management of fisheries by devolving some decision-making responsibilities to local governments and communities.

iii) District, sub-county and community partnership in fisheries management: District, sub-counties and communities will collaborate in the management of shared fisheries and aquatic ecosystems.

iv) Institutions and funding mechanisms: Sustainable institutions and funding mechanisms for improved fisheries management will be identified and established.

v) Investment in fisheries: Public, private sector and community based investment in the fisheries sector that is environmentally, socially and economically sustainable will be promoted.

vi) Planning and policymaking: Transparent and participatory planning and policy-making will form the basis of fisheries management.

vii) Information: Effective systems for the collection, compilation, analysis, storage and dissemination of information will be established for planning, management, monitoring and evaluation purposes.

viii) The Environment and fisheries: Adverse environmental impacts on fisheries will be minimised and mechanisms will be established at appropriate levels to achieve this.

ix) Aquaculture: Aquaculture fish production will be promoted to reduce the gap between fish supply and the increasing demand for food fish.

x) Post-harvest fish quality and added value: Measures will be instituted to ensure that the quality, wholesomeness, safety for human consumption and value of harvested fish and fishery products is secured and/or enhanced.

xi) Fish marketing and trade: Measures will be taken to achieve sustainable increases in the value and volume of fish marketed for national consumption and export.

xii) Human resource development; the Government will promote comprehensive training and advisory programmes so as to build human resource capacity and to increase levels of knowledge, skill and expertise in the public and private fisheries sub-sectors.

xiii) Research: Social, economic, environmental and technical investigations of issues pertinent to fisheries, including the development of appropriate technologies, will be promoted in response to fisheries development and management needs.

The policy takes account of the latest paradigm shift in related government policies as well as the international aspects of fisheries management and market demands. It proposes the promulgation of a new principal law for effective fisheries management and utilisation.

Considering the key policy areas mentioned, it can be argued therefore that, with support from all the required partners, the policy will be implemented to contribute in the eradication of poverty amongst fish dependent communities.

Linking Policy Development and Poverty Reduction in Fisheries

The fisheries sector is also directly and or indirectly benefiting from the poverty focused public expenditure systems. The introduction of the Medium Term Expenditure Framework (MTEF) and the Poverty Action Fund (PAF) have been the key instruments ensuring that public financial resources are allocated to poverty reducing activities that are clearly specified in the PEAP.

Government utilises the MTEF to allocate resources and better align the spending priorities articulated in the PEAP and in sector and district plans. The MTEF sets sector and district spending ceilings within a rolling three-year framework taking into consideration of the macroeconomic environment and prospects for revenue mobilisation. Under this MTEF, districts have been able to integrate their planning processes into the MTEF basically for accessing official government allocations from the Ministry of Finance. Districts like Mukono, Masaka, Kalangala and Bugiri where fisheries budgets feature well compared to other spending sectors, MTEF finances have managed to support fisheries related activities especially in building the capacities of districts and sub-counties in planning and budgeting. The combination of such approaches with decentralisation is basically aimed at translating these built capacities and service delivery to reduce the poverty and increase the incomes of the poor including the fish dependent communities.

Within the MTEF, government supported by donors, created the Poverty Action Fund (PAF) to ensure that increased funds are allocated to poverty reducing activities as specified in the PEAP. Primarily, PAF was created to ensure that finances saved fro the Highly Indebted Poor Countries (HIPC) debt relief were spend on poverty targeted activities under PEAP. Donors continue to pool resources to support critical poverty programs such as health, primary education, rural feeder roads, primary health care, agriculture and fisheries extension and water supply.

PAF has now attracted additional donor funding and has in practice3 become a mechanism for ensuring reallocation of incremental expenditures for poverty reducing public services. Some of these, which are of major importance to fisheries include; expenditure on road infrastructure that has linked fisheries production to fish markets, expenditures through agricultural non-wage conditional grants that targets effective delivery of advisory services to capture fisheries and aquaculture production.

As was noted out in the PMA, increasing access to markets and effective delivery of agricultural services was seen as one of the major pillars that would contribute to poverty reduction in the agricultural sector including fisheries.

NGOS, CBOs and the Private Sector

As development processes continue to be emphasised in Uganda today, the roles played by the private sector, the NGOs and Community Based Organisations CBOs is increasingly getting recognised. While the local governments have taken over direct service provision within a number of natural resource sector, the role of central government is getting limited to creating an enabling environment for the CBOs, NGOS and the private sector to operate. Central government also remains with the mandate of putting in place appropriate legal and regulatory frameworks for the local government, private sector and NGOs to operate.

Within the fisheries sector, the role of community-based organisations is increasingly getting important. The sector is dominated by communities that are fisheries resource dependent and hardly diversify the fishing activity. The artisanal fisheries in Uganda is open access, open access in the sense that everybody willing can get a fishing license as stipulated in the principle fisheries regulation the Fish Act (1964). The open access fishery continues to attract fishermen as long as the fishery is profitable. While this may be good for the fishery and the economy at less than Maximum Sustainable Yield (MSY), it increases fishing pressure.

Bio-economic models indicate that beyond the MSY an extra unit of fishing effort reduces fish catch thereby affecting the profitability of the fishery as well as the level of spawning stock biomass. This is dangerous for the fishery. Some studies and other reports seem to indicate that there some evidence of declining stocks as extra effort is applied on to the Uganda waters especially Lake Victoria and Lake Kyoga. While the fisheries managers await concrete clarifications from science on the behaviour of the fisheries ecosystem regarding catch per unit effort to determine whether such allegations are correct, the fisheries manager continue to apply management measures aimed reducing illegal fishing as well as reducing fishing effort.

The communities, CBO and some NGOs are getting directly involved in providing fisheries management interventions. These interventions have a two-pronged approach. Some NGOs or CBOs are involved directly in service delivery while others contribute greatly through advocacy.

At the moment, community-based activists for responsible fisheries are not strong enough to engage communities in mobilising for responsible fishing. The only existing ones do not only have sufficient capacities but are also inadequate. The Uganda Fisheries and Fish Conservation (UFFCA) seem to be the only active NGO in mobilising fishing communities for resource management. The other emerging one is the Uganda Fisheries and Allied Workers Union (UFAWU). However, capacities for these institutions need to be strengthened.

The Policy, Institutions and Processes (PIP) are required to put in place direct incentives for attracting direct investment in fishing community as a means of diverting fishing pressure on the lake to other income generating activities. What is required at the moment is a policy environment that can attract micro-projects and small grants or micro-credits to facilitate the private sector at landing sites so as to generate alternative income generating activities.

References

Government of Uganda, Ministry of Finance Planning and Economic Development (MFPED, 2000): *Poverty Eradication Action Plan* [2001-2003] Vol. 1 February 2001.

Government of Uganda, Ministry of Finance Planning and Economic Development (MFPED, 2001: *Uganda Poverty Status Report*, 2001 [Milestones in Quest for Poverty Eradication]

Government of Uganda, Ministry of Finance Planning and Economic Development (MFPED, 2000): *Uganda Poverty Profile: What do we know about the poor?* Discussion Paper No. 3 August 2000.

Government of Uganda, Ministry of Finance Planning and Economic Development (MFPED, 2000): *Poverty Indicators in Uganda* Discussion Paper No. 4 June 2001.

Government of Uganda, Ministry of Finance Planning and Economic Development (MFPED, 2000): *Medium-term Competitive Strategy for the Private Sector* [2000-2005] "Making Institutions Support private sector Growth" February 2001.

Government of Uganda, Ministry of Agriculture Animal Industry and Fisheries: *The Plan Modernisation of Agriculture in Uganda* (PMA) 2000. Eradicating Poverty in Uganda August 2000.

Government of Uganda, Ministry of Finance Planning and Economic Development (MFPED) 1998. *Background to the Budget* 1998/1999.

Stickings J., Goodland A., Janowski M. and Chinemana F. (1998): *Agricultural Sector Investment Program in Africa.* Natural Resources Institute (NRI), University of Greenwish (Draft Report).