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MSD programmes need to adapt and innovate due to COVID-19



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The longer term impact of COVID-19 in Uganda is still very unclear, but we cannot sit by and just 'wait and see'.

When President Museveni announced a lockdown in Uganda on 31 March in an attempt to contain the spread of COVID-19, restrictions in transportation and social distancing measures presented enormous challenges to all across agricultural supply chains.

The lockdown came at a critical time in the agricultural calendar – at the peak of the first planting season. While agriculture has been considered an essential service, the strict measures on private and public transport and travel have and continue to pose challenges for both buyers and sellers of agricultural products.

The lockdown is expected to ease in the next couple of weeks, but the effects on the economy could be seen for many months to come.

Conservatively, the Government of Uganda (GoU) is estimating a 40 per cent decrease in exports and a 44 per cent decrease in imports up to the end of June 2020^[1]. However, this could increase depending on whether additional measures continue, both within Uganda as well as internationally.

Losses in important export markets (sesame, cotton, coffee and others)^[2], disruptions in importation and distribution of necessary inputs, and challenges with getting harvests out to market are some of the ways that the agriculture sector is being impacted.

The closure of hotels and schools and the abrupt halt of the tourism sector, all important markets for fresh produce, animal products and processed grains, is resulting in suppressed demand.

Some regions of Northern Uganda that rely on seasonal migrant labour will experience production and harvesting challenges due to a shortage of labour. This impacts the livelihoods of those servicing these supply chains, with the GoU estimating an additional 780,000 people could fall into poverty due to this, up to 2.6 million people in a worst-case scenario^[3].

We believe that agriculture production, transport and trade need to continue to maintain rural livelihoods as well as protect food prices. As the pandemic is bringing unprecedented economic and health shocks, and there is little experience or evidence to tell us what the next phase will bring, we are left with many questions:

43 per cent of farming households are subsistence in Uganda. Does this mean the crisis will not impact the very poor since their food and livelihoods are not dependent on import and export markets? It remains to be seen.

It is expected urban and town economies will be hardest hit, including service sectors, informal and self-employed workers. It is unclear to what extent this will occur, and whether most of those falling into poverty will be from urban areas or towns.

Interruptions in the supply of raw materials will impact agro-processing and other market actors in these supply chains. This could lead to additional job losses, and for farmers focused on export, a shift away from more lucrative farming opportunities.

No one is clear exactly what the impact will be on Uganda. However, what is clear to those of us on the ground is that we cannot sit by and play a “wait and see” game, nor hope that things will settle and get back to normal.

Whatever happens, as cliché as it sounds, the only thing we know for certain is that we don’t know what will happen (i.e. change is the only certainty). And to ensure the survival of businesses in these uncertain times, adaption and innovation become the only means going forward.

This not only includes market actors adapting for survival but also encouraging businesses in all agricultural value chains to embrace new opportunities going forward. This is especially relevant if COVID-19 is here to stay for a longer period.

As market system practitioners, we also want to see adaptation and innovation occurring to not only keep businesses alive but to benefit those the markets don’t always work for. No one knows the way forward. Dialogue and discussion are

needed to learn from each other on how to best respond to protect not only businesses but make these markets work for the poor.

Watch the May 2020 BEAM webinar Adapting MSD programmes in response to COVID-19

Debora Randall, Collins Apuoyo and Warwick Thomson discuss how Ugandan programmes are adapting their work in the agriculture sector in response to COVID-19.

^[1] Ministry of Finance briefing published in April 2020

^[2] Supply chain disruptions are hampering trade, and this is expected to continue until the virus is contained at the global level. Exports are expected to decline in the last four months of the financial year, on account of a sharp reduction in global demand and travel restrictions imposed by Uganda's key trading partners.

^[3] Ministry of Finance briefing published April 2020