Impact of COVID-19 on Agriculture and Food Security in the East African Community

Duncan Kayiira

***Working Paper* - COVID-19_009**

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Bringing Rigour and Evidence to Economic Policy Making in Africa

Poverty and Exposure to Climate Change in sub-Saharan Africa

By

Duncan Kayiira

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List of abbreviatons and acronyms

AERC	African Economic Research Consortium
CAADP	Comprehensive Africa Agriculture Development Programme
COVID-19	Coronavirus disease of 2019
EABC	East African Business Council
EAC	East African Community
ERU	Economic Response Unit
GDP	Gross Domestic Product
ICT	Information Communication Technology
IMF	International Monetary Fund
KII	Key Informant Interviews
MDAs	Ministries Departments and Agencies
MT	Metric Tonnes
NDA	Non-Disclosure Agreement
NTB	Non-Tariff Barrier
PPPs	Public Private Partnerships
SIDA	Swedish International Development Agency
SMEs	Small and Medium Enterprises
SFRs	Strategic Food Reserves
TORs	Terms of Reference
USAID	United States Agency for International Development
US$	United States Dollar
WFP	World Food Programme
WHO	World Health Organization

Executive summary

This report presents findings on the impact of COVID-19 on agriculture and food security in the East African Community (EAC). The report examines the range of containment measures adopted, their effectiveness and notable limitations as would guide choice of areas of policy convergence in an effort to mitigate the impact of COVID-19 on agriculture and food security in the EAC.

Key findings

Major findings

- The impact of COVID-19 on agriculture in the EAC was incipient until containment measures to curb the spread of the pandemic were promulgated along with strict enforcement measures. Containment measures had far reaching effects as their impact drifted a sizeable number of agricultural households (over 15 million) into poverty (less than US$ 1 a day), especially those engaged in smallholder production of perishable commodities such as fruits and vegetables.
- The first three quarters of 2020 had adverse effects on the performance of the agriculture sector, with Rwanda and Uganda suffering from retracted sectoral growth (-2% and -4.7%, respectively) but recovered in quarter 3. Tanzania and Kenya's agriculture sectors registered positive growth throughout the pandemic; however, the growth was low (below 5%) and inconsistent.
- The containment measures enforced to curb the spread of the pandemic caused disruptions in food supply chains of all partner States, with serious implications for the poor, vulnerable, and marginalized. Food reserves were not functional, except for Kenya and Tanzania, even in the presence of strong regional policy and strategy documents, including the EAC Food and Nutrition Security Action Plan (2018-2022), which espoused the establishment of regional food reserves by developing and harmonizing policies, laws and guidelines governing the establishment of national and regional food reserves.
- The 2020 estimate of food insecurity for the EAC region was 2% to 5% higher than the pre-COVID-19 period. The number of food insecure people in the region

increased from 59.3 million to 65.1 million. This creates a strong impetus for pragmatic policy recommendations for the immediate, medium, and long term, to increase the resilience of EAC's food systems to future unforeseen outbreaks or shocks.

- The food gap, defined as the amount of food needed for all food-insecure people in the EAC to reach the caloric intake target, indicates the intensity of food insecurity. As a result of the low economic growth prospects for EAC region, the food gap in the region was 13.5% higher for 2020, and the region needed 338 million metric tonnes (MT) of grains to meet this deficit, vis-à-vis regional production of 55.4 million MT (FAO Quarterly Global Report (March 2021): Crop Prospects and Food Situation.
- With financial assistance from the International Monetary Fund (IMF), some domestic borrowing and donations, partner States designed economic stimulus packages that would support the stability of the small and medium enterprises (SMEs) sector (since it accounts for most businesses and an important contributor to job creation and economic development) through a series of financial and non-financial interventions. Indeed, with the exception of Uganda and Kenya, the stimulus packages of all the other partner States did not specifically target the agricultural sector, with the financing needs of smallholder farmers being addressed within the framework of the broader SME sector stimulus-response.
- A review of the SMEs' stimulus packages that would broadly cater for enterprises in the agriculture sector shows a mix of monetary, fiscal and regulatory measures. However, since the agriculture sector in all partner States is dominated by informal smallholder farmer businesses, it is unlikely that farmer households benefitted from the stimulus packages/incentives, as they appear to have been designed for formal enterprises.
- In Kenya and Uganda, where sector-specific fiscal/financial support was allocated to the agriculture sector, the stimulus packages were infinitesimal, estimated at less than 0.002% of the total stimulus package, and yet the sector contributes between 20% and 30% to GDP.

Policy recommendations

- Increase the COVID stimulus package to the agriculture sector, from a paltry US$ 3.14 million (0.002% of the total stimulus) to US$ 157.2 million (at least 10% of total stimulus). An increase in funding to the agriculture sector will help promote a deliberate shift from rain-fed agriculture and from low energy to high energy technology-based agriculture to improve agricultural productivity and household income, and ensure food security.

- Establish an EAC food reserve. Such a reserve could help ensure a coordinated regional response in times of crisis and get food where it is needed more quickly, across borders. The funding requirement for setting up the regional food reserve is estimated at US$ 1 billion.
- Design a regional ICT-enabled raw material information tracking system for major staple foods (maize, rice, etc) to determine stocks at local level to enable relevant MDAs to track the quality and quantity of stocks available, their location, and price.
- There is need for stronger linkages between farmers and sources of finance to enhance food security in the maize, coffee, horticulture, tea and rice value chains. The use of public-private partnerships as an avenue for achieving major industrialization in those sectors, particularly for financing increased production and productivity at farm level, and research and development (R&D), should be promoted.
- Strengthen farmers' organizations, especially production and marketing cooperatives currently referred to as savings and credit cooperative societies (SACCOs), which are poorly and technically supported, to increase productivity and eventually farmer incomes and improve livelihoods from more productive, resilient, and sustainable farming systems.
- There is need for a pandemic regional response plan that aims at, inter alia, ensuring a joint and well-coordinated mechanism to fight and keep pandemics and related disasters at bay, ensuring that the region has adequate capacity for well-funded and coordinated food security surveillance and mitigation arrangements. There is an urgent need for partner States to adopt and consistently maintain a common strategy to combat the threat to food security, caused by pandemics.

1. Introduction

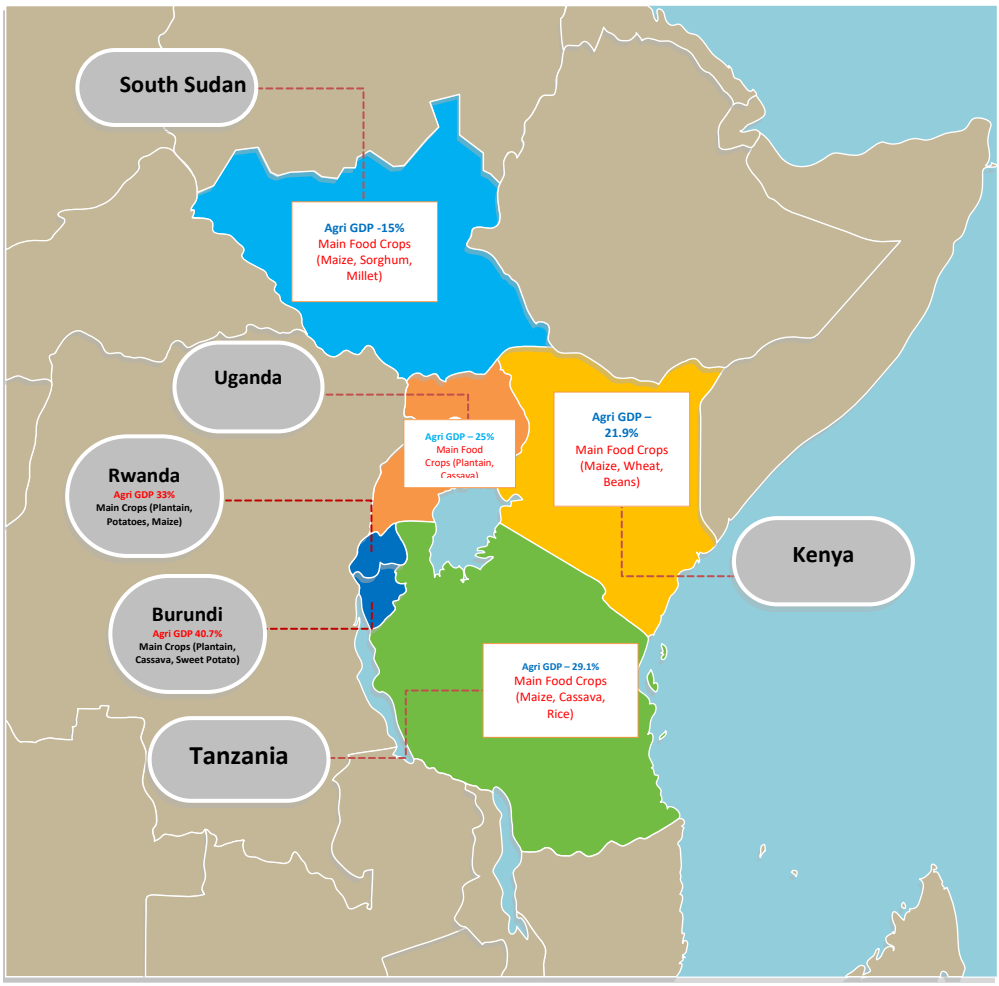
The Treaty for the Establishment of the East African Community (EAC) provides two overarching objectives for the agricultural sector: (i) the achievement of food security, and (ii) rational agricultural production within the Community. To achieve these objectives, the EAC partner States adopted the Agriculture and Rural Development Strategy (2005–2030), with strategic interventions for the development and transformation of the agricultural sector. The six interventions are: (i) improving food security; (ii) accelerating irrigation development; (iii) strengthening early warning systems; (iv) strengthening research, extension, and training; (v) increasing intra- and inter-regional trade and commerce; and (vi) transforming physical infrastructure and utilities.

Virtually, in each of the six partner States of the EAC, agriculture is the mainstay and backbone of the economy (Figure 1). Agriculture plays a key role in each State's industrial development. The sector accounts for more than 32% of the region's Gross Domestic Product (GDP), employs about 80% of its labour force, accounts for about 65% of foreign exchange earnings, and contributes more than 50% of raw materials to the industrial sector.

However, the sector is fragile and highly sensitive to shocks arising from internal and external factors, particularly climate change, pests, and diseases (on both plants and humans), and individual partner State's fiscal policy frameworks. It is therefore most likely that the advent of COVID-19 in the region could have had disastrous effects on the sector which, therefore, necessitates critical assessment of its impact and the efficacy or failure of the measures taken to dispel and contain the pandemic's deleterious effects.

This underscores the very reason why the East African Business Council (EABC) and AERC are overly concerned about the damage the COVID-19 pandemic had on the EAC economy and in particular agriculture and food security at a time when post-harvest losses of food are more than half of the total food produced and technology uptake for value addition remains low.

Figure 1: Map of EAC member States with key agricultural statistics



Source: Compiled by the Author (2021)

This study takes an inventory of the impact of COVID-19 pandemic on agriculture and food security, the key survival and livelihood sub-sectors of the EAC partner States.

2. Methodology

The study was executed in three (3) phases – all of them closely inter-related; and each with a set of activities and outputs. Phases 1 and 2 were dedicated to mobilization and planning. In Phase 3, actual execution of the assignment was embarked upon.

Participatory Analytical Techniques were employed concurrently in data/information management during implementation of the three phases. The techniques included:

a) Comprehensive review of relevant materials/documents (mainly using the Content Analysis technique). Data/information was sourced from the Ministries, Departments and Agencies (MDAs) and institutions listed in Annex Table A1. In all aspects, the study centred on capturing production and trade time series data to allow trend analysis. The data period for this study was 2020.

b) Limited survey (in Burundi, Kenya, Rwanda, Tanzania, and Uganda) among smallholder farmers in the coffee, maize, tea, horticulture, and rice sectors.

c) Key Informant Interviews (KIIs). Annex Table A1 presents the organizations (KIIs) that participated in the study.

Data/information gathered from secondary sources, the survey and KIIs was processed and analyzed quantitatively and qualitatively, and later summarized in appropriate formats. Thereafter, the author used these 'raw inputs' to analyze the data/information collected, in accordance with the Terms of Reference of the assignment.

However, due to the limited time frame for completing the study, coupled with access restrictions attendant to COVID-19 containment measures, data and information collection from relevant MDAs was generally impeded. Notwithstanding those limitations, cybernetic sources particularly the internet and website addresses of relevant data sources assumed prepotency. In South Sudan, accessing relevant and updated data was tremendously difficult.

3. The context

Overview of the impact of COVID-19 on the EAC agricultural sector

The impact of COVID-19 on agriculture in the EAC was incipient until containment measures to curb the spread of the pandemic were promulgated along with strict enforcement measures. Containment measures had far-reaching effects as their impact drifted a sizeable number of agricultural households (over 15 million) into poverty (less than US$ 1 a day), especially those engaged in smallholder production of perishable commodities such as fruits and vegetables.

Containment measures took centre-stage in fostering constraints that undermined the performance of the agricultural sector, thereby pushing a multitude of agricultural households into poverty. Inadvertent consequences of the measures included: blocked access to farm inputs, glut in farm outputs with the concomitant dampening of farm gate commodity prices mainly due to decreased purchasing power arising from loss of jobs, increased difficulty in travel to work, farmers severely curtailed as institutional credit flow to the sector dwindled for fear of insolvency in case the pandemic persisted, and restrictions remained in force.

Reduced household income levels (by more than 50%) translated into a shift, especially among those engaged in formal and informal urban/rural employment, from high value foods such as milk, matoke, eggs and vegetables, to long shelf staple foods such as beans, rice, wheat, and maize flour. The fall in demand was associated with the closure of consumer institutions such as restaurants, hotels, schools and colleges. The pandemic also affected employment opportunities of a substantially high number of workers, as the employment sector at all levels adopted layoffs as one of their coping strategies.

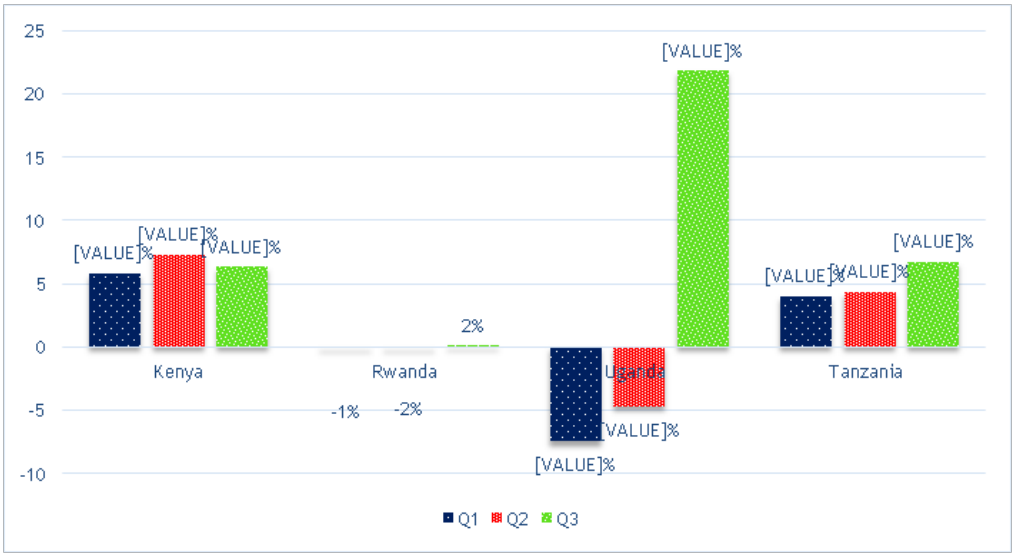
The first three quarters of 2020 had adverse effects on the performance of the agriculture sector, with Rwanda and Uganda suffering from retracted sectoral growth, but slightly recovered in quarter 3 (Figure 2).

> *Before containment measures were issued, for example, Uganda was a net exporter of pineapples and tomatoes to South Sudan and Kenya in excess of 20 truckloads daily. Similarly, Uganda was a net exporter of flowers to Amsterdam in cargo plane loads daily. All these being perishables, they represent, in total,*

staggering losses as they were not sold as and when ready for market. And this situation of losses took the whole length of lockdown for the period March-August 2020……. Interview with Ministry of Agriculture, Animal Industry and Fisheries (2021).

The backward curve of agricultural sectoral growth compounded losses in economic output, estimated at between US$ 37 billion and US$ 79 billion, arising from the reduced household and business spending, and the disruption of supply chains of key inputs in machinery and chemicals.

Figure 2: Agriculture GDP growth rate, 2020 (Q1-Q3)



Source: National Bureau of Statistics of partner States (2021)

The poor agricultural sector growth caused major shortfalls in domestic revenue collection (estimated at close to US$ 700 million in Kenya, for the months of April, May and June 2020), which were already common in the pre-COVID era (which were generally free from external shocks). Major shortfalls in revenue collection pushed the governments into high levels of borrowing to cover fiscal deficit for both 2019/20 and 2020/21. In the COVID period (2020), partner States collectively borrowed US$ 1.57 billion to counter the adverse economic impact of the pandemic.

Overview of the impact of COVID on food security of the EAC Region

The underlying question as a point of departure is 'What is food security'? At best, food security could be defined by phases of its flip side. Food insecurity has five distinctive phases, namely: minimal, stressed, critical, emergency and lastly the famine phase.

The first phase of food insecurity is a state whereby at least 15% of the population has minimally adequate food and is unable to afford essential non-food expenditures, which defines that population as stressed (phase two) and is engaging in irreversible coping strategies to meet food needs such as barter of household items for food.

Phase two characterizes the situation urban populations (in the six partner states of the EAC) got into during the months of the lockdown. This phase also hit rural populations faced with low harvests and food stocks/reserves at household level. Over 90% of the population in the EAC had low or zero purchasing power, and therefore they could not access the food available in the markets.

When the situation persists, the population plunges into a crisis and eventually into chronic inadequate food intake. This is the most dangerous phase to children faced with malnutrition due to poor dietary diversity, poor childcare and feeding practices, where in all respects, food attained by purchase or donation does not allow consumption of a diversified and at best a balanced diet. Subsequent phases (3-4) culminate into emergency and eventually famine.

Now turning to the impact of COVID-19 on food security in the East Africa region, it may be stated that the impact was real but short-lived for the period of total lockdown for urban and peri-urban households in all EAC countries. Stressed (phase two) food security outcomes persisted throughout the total lockdown in the EAC region.

Ironically, the COVID-19 pandemic occurred simultaneously with other disasters such as the desert locust invasion, flooding and landslides caused by heavy rains, which negatively impacted the perilous food security situation of the EAC region (Table 1). These concurrent shocks disarmed partner State's capacity to address multiple and simultaneous disasters, thereby increasing the prevalence of food insecurity in the EAC States.

Table 1: Timeline of recent shocks facing households in the EAC region

Period	Mar – Jun 2018	Jun- Sept	Oct 2018 – Sept 2019	Oct 2019 – May 2020	From Oct. 2019	From Mar 2020
Shocks	Floods, displacing thousands	Rift Valley (Uganda and Kenya)	Prolonged drought since 2016, up to 6 out of 7 seasons failed in EAC	Floods, landslides (Uganda)	Desert locusts (Uganda/ Kenya)	COVID -19 (All EAC States)

Source: FAO (2020)

Following the first confirmed case of COVID-19 (March 2020), four partner States (Kenya, Rwanda, Uganda and South Sudan) heeded WHO guidelines to implement a raft of containment measures, including closure of borders (land, air, sea) to human traffic except for cargo transport, stricter border controls, mandatory institutional quarantine of all incoming travelers, closure of schools, a ban on large gatherings, and partial or total lockdown of economies (closure of all non-essential business activities).

The above containment measures caused disruptions in food supply chains of all partner States, with serious implications for the poor, vulnerable, and marginalized. The measures, however, exempted trucks/vehicles involved in the transportation of food to ferry food within and across borders. Sadly, the requirement of truck drivers to be tested at a time when there were minimal laboratories and reagents caused significant delays (of over two weeks) at borders.

Food reserves were not functional, except for Kenya and Tanzania, even in the presence of strong Regional Policy and Strategy documents, including the EAC Food and Nutrition Security Action Plan (2018-2022), which espoused the establishment of regional food reserves by developing and harmonizing policies, laws and guidelines governing the establishment of national and regional food reserves.

> *Uganda lacks a strategic food reserve system that can assist in withstanding various types of shocks. There is no food reserve system at both the household and national levels. There are only small reserves owned by the private sector. This makes the country vulnerable to mild and severe food insecurity. The Government of Uganda has no public national strategic food reserve, despite the existence of a constitutional (legal) and policy framework. Lack of a national strategic food reserve system is likely to be a driving factor for unpleasant consequences if the country were to be faced with either concurrent or sequenced multiple largescale covariate shock*…United Nations in Uganda; 2020.

> *Rwanda's approach was reactive, in the absence of national food reserves. Three months into the pandemic (May 2020), the country drew up a recovery plan that includes storing up an equivalent of maize and beans for 10% of the population at 2,500 kilocalories per person per day, in a bid to ensure strong food reserves after the pandemic is defeated. This would be achieved by increasing resources for national strategic reserves to stock food, by supporting the districts to establish their own district food reserves and mobilizing farmers to have community stores and storage facilities at the household level.* The East Africa (May 16, 2020).

The food insecurity aspect arising from the COVID-19 pandemic containment measures, particularly the total closure of schools and colleges, particularly private and non-government aided schools, had a dampening toll on salaried workers when payment of salaries and wages ceased. This was the case in Rwanda, Uganda, and South Sudan. Teachers in these countries took survival decisions, which included engaging in odd and humiliating jobs such as washing cars and selling airtime. In Kenya, teachers employed by the Teachers Service Commission continued receiving their salaries during the lockdown (total closure of schools).

The 2020 estimate of food insecurity for five of the six partner States of the EAC region was 2% to 5% higher than the pre-COVID-19 scenario, as illustrated in Table 2 below. The number of food insecure people in the region increased from 59.3 million to 65.1 million. This creates a strong impetus for pragmatic policy recommendations for the immediate, medium, and long term to also increase the resilience of EAC's food systems to future unforeseen outbreaks or shocks.

Table 2: Food security situation in the EAC (pre-COVID and COVID period)

Partner State	Pre-COVID 19 estimates (2018/19)		COVID Period (2020)		Increase in food insecure Population (Pre- and COVID period)
	Number of food insecure	Share of the population food insecure	Number of food insecure	Share of the population food insecure	
	(million)	(%)	(million)	(%)	(%)
Burundi	9.6	75.7	10.2	80.4	4.7%
Kenya	11.4	22.9	13.6	27.3	4.4%
Rwanda	3.3	26.3	3.8	29.8	3.5%
Tanzania	19.7	33.6	21.1	36.1	2.5%
Uganda	15.3	35.2	16.4	37.6	2.4%

Source: USDA (2020): International Food Security Assessment, 2020-2030: COVID-19 Update and Impacts on Food Insecurity

The food gap, defined as the amount of food needed for all food-insecure people in the EAC to reach the caloric intake target indicates the intensity of food insecurity. The food gap can be expressed in calories per capita per day and is used to measure the intensity of food insecurity at the aggregate level. As a result of the low economic growth prospects[2] for the EAC region, the food gap in the region was 13.5% higher for 2020, and the region needed 338 metric tonnes (MT) of grains to meet this deficit, vis-à-vis regional production of 55.4 million tonnes (FAO, 2020).

Table 3: Food gap for 2020 EAC partner States

Country	Pre-COVID 19 estimates (2018/19)		Updated estimate (2020)		Change (Pre-COVID/ COVID Era)	
	Per capita		Per capita			
	(Kcal/day)	(1000MT)	(Kcal/day)	(1000MT)	(1000MT)	% Change
Burundi	552	615	590	697	22	3.6
Kenya	290	411	305	515	104	25.3
Rwanda	353	145	366	171	26	17.9
Tanzania	453	1,111	465	1,224	113	10.2
Uganda	409	769	420	842	73	9.5

Source: USDA (2020): International Food Security Assessment, 2020–2030: COVID-19 Update and Impacts on Food Insecurity

In sum, it is critical that an EAC food reserve is established to effectively deal with emergencies such as the COVID-19 pandemic. Such a reserve could help ensure a coordinated regional response in times of crisis and get food where it is needed more quickly, across borders. The East Asia Emergency Rice Reserve is a pilot project among ten Association of Southeast Asian Nations (ASEAN) member States, which serves as a good example of a regional food reserve.

Box 1: Addressing the food gap during the COVID-19 pandemic: A case study of food distribution programmes in Uganda, Rwanda, and Kenya

Uganda

The National Food Security Assessment report shows that before the pandemic outbreak, about 26% of Ugandans were facing food insecurity (Government of Uganda, 2017), especially the urban and rural poor. One month into the pandemic, the government's COVID-19 task force under the Office of the Prime Minister started distributing food relief to some areas around the capital Kampala on 4th April 2020. A food relief package comprised a one-time composite 6kg of posho (maize meal), 6kg of beans and 0.5kg of salt. Considering that Ugandan households have, on average, about five members (UBoS, 2018), the food aid package would last for approximately six days. This means that those who received food aid may have little advantage over those who did not, as it can sustain their families but for barely a week.

Though rural areas suffer most from food insecurity (Diiro, 2017; Government of Uganda, 2017), priority was given to food-insecure people in the capital city of Kampala and the surrounding peri-urban areas such as Wakiso District. This policy was based on the implicit assumption that people in rural areas could source food from their farms. This was, however, done only during the two months of total lockdown (April-May). This exercise was characterized by use of army personnel to distribute the food, which did not go down well among the recipients due to the intimidation and brutality during the distribution.

Rwanda

In April 2020, the Government of Rwanda rolled out a food distribution scheme as a way of providing for the most vulnerable people in the society, starting with the urban poor who were unable to work and had no garden to get food from during the lockdown. The door-to-door social protective plan targeted to deliver free food to at least 20,000 households in the capital Kigali. This initiative was, however short-lived and unsustainable, as it did not last beyond two months, neither did it cover 5% of the population in Kigali.

Kenya

With a contribution from USAID's Bureau for Humanitarian Assistance, the Ministry of Labour and Social Protection, in collaboration with the World Food Programme (WFP) launched a life-saving cash-based support in Mombasa for 24,000 families - or 96,000 people - who lost their sources of livelihoods or had their incomes slashed because of the pandemic. Once a month, each selected family received Ksh 4,000 (US$ 40), enough to cover half of the monthly food and nutrition needs for a family of four. The initiative ran from October to December 2020.

Source: Online Publications – see References for more details

Food reserves are established to effectively deal with emergency situations caused by widespread calamity. These reserves consist of both foods earmarked by each member nation in respective regions and their voluntary contributions. The food stocks are stored at various locations in the region to ensure rapid and quick response and distribution, both as physical stocks and earmarked surpluses. These reserves are carefully monitored and administrated by a board of representatives from each participating nation to ensure that the reserve is only used when a significant short-term food deficit arises in a State or entire region.

4. Findings

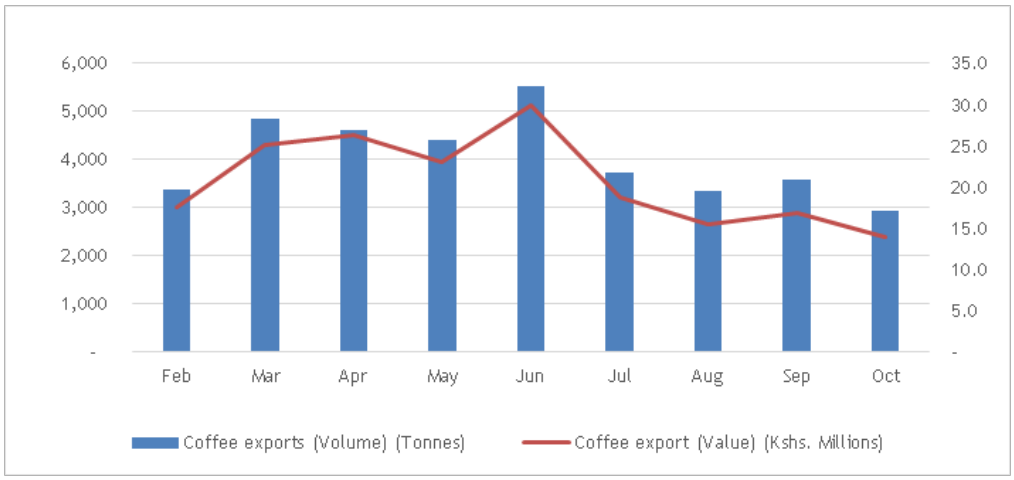
Impact of COVID-19 on the coffee sector of the EAC Region

Coffee is a major export earner in the East African region. Coffee exports in 2020 were estimated at US$ 726 million, contributing 0.4% to the regional GDP (US$ 193.7 billion). Coffee is a development crop, and one of the ten agricultural value chains, fully backed by partner States, for transformation and investment at policy and implementation levels. Coffee is grown (supplied) by over 10 million smallholder East African farmers (55% of them women), with no capacity to process; therefore, they sell their beans to middlemen at less than 5% of the value of consumable coffee and earn less than US$ 2 per day. The industry is characterized by small crops, borne from the poor yields, urbanization, climate change, dwindling farmer numbers, poor infrastructure, and heavy regulation.

In 2019, several coffee farmers/households grappled with high levels of food security and poverty following the worst drop in coffee prices estimated at below 30% the 10-year average price for the period 2008-2018. The advent of the COVID-19 pandemic, therefore, exacerbated the outlook of the industry, and the livelihood of farmers, and potentially food insecurity.

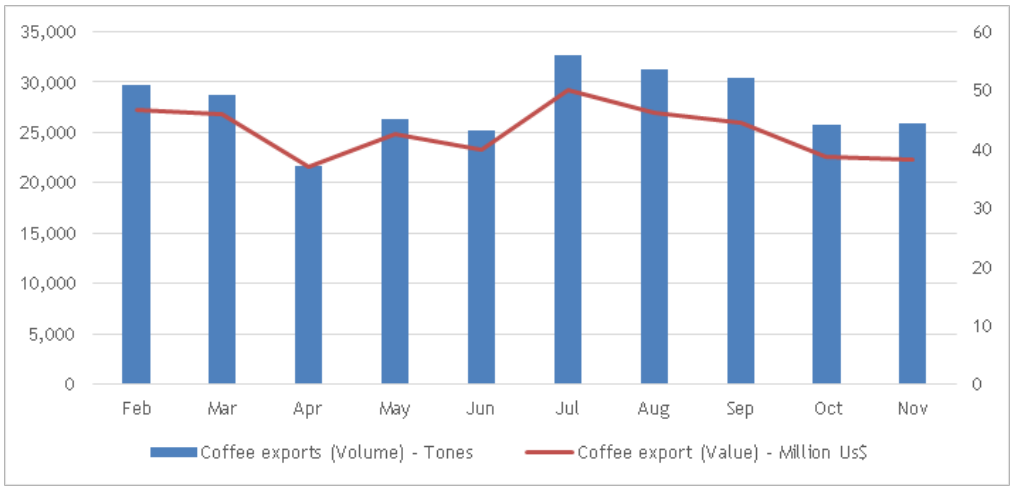
The advent of COVID-19 coincided with the early harvesting season of coffee (March-June). Inadvertently, containment measures enforced by EAC partner States constrained financial resources, leading to deep budget cuts that seriously affected the provision of coffee quality-enhancing services (extension services, fertilizer application and pest and disease management, etc) to farmers/ households. Roads and poorly funded market infrastructure impacted coffee quality enhancement amidst increased coffee marketing costs that seriously dampened farm gate prices (by as much as 70%). However, on the face of it, the coffee industry in Uganda and Kenya, unlike the other partner States, was not substantially affected throughout the COVID-19 period in terms of volume and value of exports as shown in Figure 3 and 4.

Figure 3: Kenya coffee exports during the pandemic (2020)



Source: Kenya National Bureau of Statistics (2020)

Figure 4: Uganda coffee exports during the pandemic (2020)

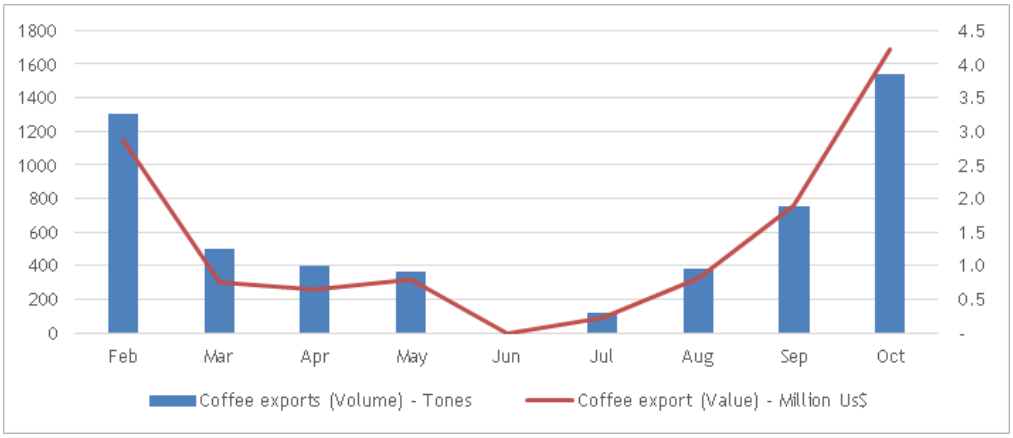


Source: Uganda Bureau of Statistics (2021)

In Rwanda, Burundi and Tanzania, export volumes and earnings were dampened at the peak of the COVID-19 pandemic (Figures 5-7); however, there was recovery when restrictions were eased (August onwards). This slack and uneven growth in export volumes and value was due to challenges the farmers faced in selling coffee beans because of the containment measures, including partial and total shutdown in the EAC States with the exception of Tanzania.

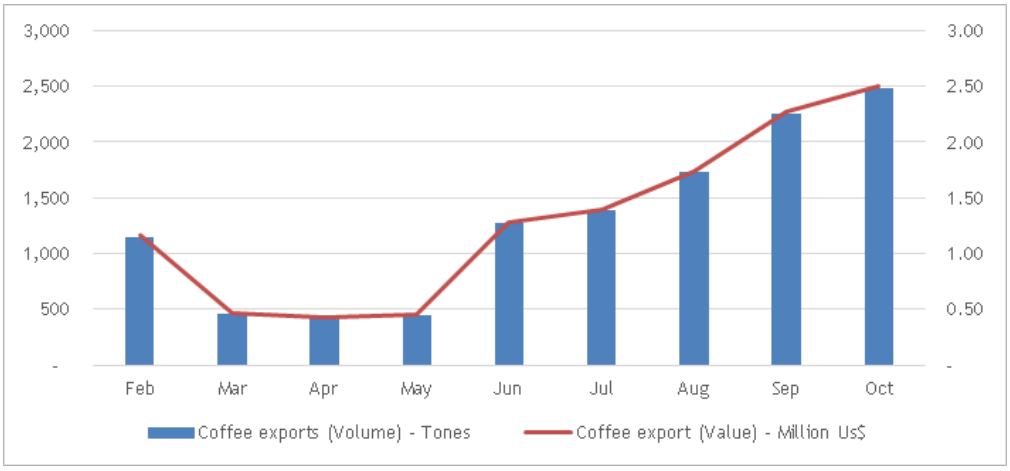
In the months of July to September, Uganda registered an unprecedented increase in monthly coffee exports, surpassing the 500,000 60kg bags in a single month for the first time in three decades. Overall, coffee exports for the coffee year October 2019 to September 2020 was 5,360,859 bags worth US$ 512.23 million compared to 4,439,808 bags worth US$ 433.95 million the previous year. This represented a 21% and 18% increase in quantity and value, respectively (Uganda Coffee Development Authority, 2021: Message from the Managing Director).

Figure 5: Burundi coffee exports during the pandemic (2020)



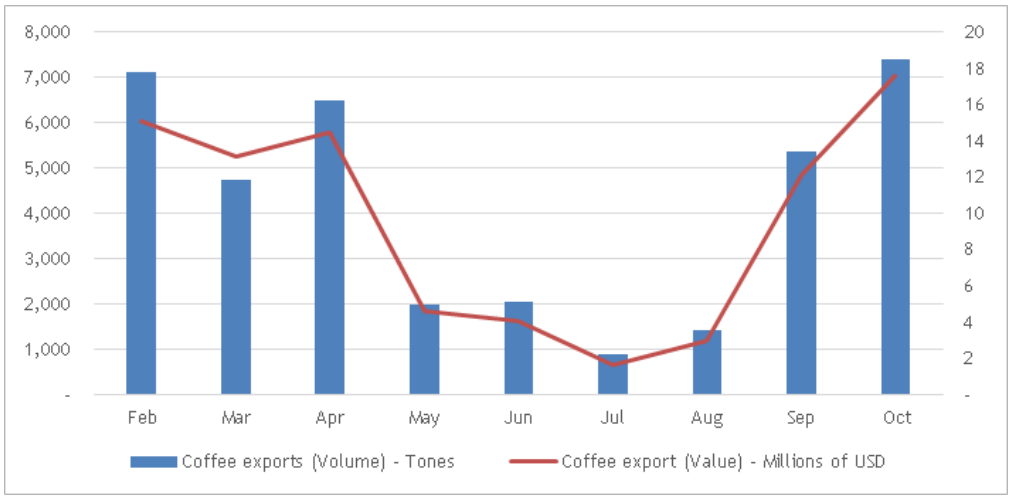
Source: Institut des Statistiques et Etudes Economiques du Burundi (2021)

Figure 6: Rwanda coffee exports during the pandemic (2020)



Source: National Institute of Statistics Rwanda (2021)

Figure 7: Tanzania coffee exports during the pandemic (2020)



Source: Tanzania Bureau of Statistics (2021)

Millions of coffee farmers lost income because of the pandemic. COVID-19 containment measures reduced the price of the produce, since they were fewer coffee brokers (middlemen) trading than the usual numbers in the pre-COVID period. This was compounded by difficult transport to ferry produce to warehouses and major markets. Difficulties in selling coffee beans imperiled the food security of households, forcing households to draw on past savings to address the situation, and where savings dwindled, food consumption was kept to a bare minimum.

A Ugandan household with say an acre of coffee endeavored to harvest all produce on the farm, and when a buyer was identified, was offered prices lower by 70% from those offered before the advent of COVID-19. This loss of revenue undermined the farmers' capacity to buy food.

Globally, the COVID-19 pandemic caused sales volumes of coffee to decrease by 50% in Europe[3], the main destination of EAC exports. In essence, roasters were ordering less coffee from importers, and warehouses became full and coffee trade became increasingly speculative and highly quality elastic. For this reason, the export volumes and value from the EAC also dwindled. Primary processing plants, grading companies, exporters, and coffee roasters were working below 50% capacity because of the pandemic. Hotels, restaurants, and cafes, which are primary end users of coffee, dramatically slowed due to government shutdowns. Many workers were laid off.

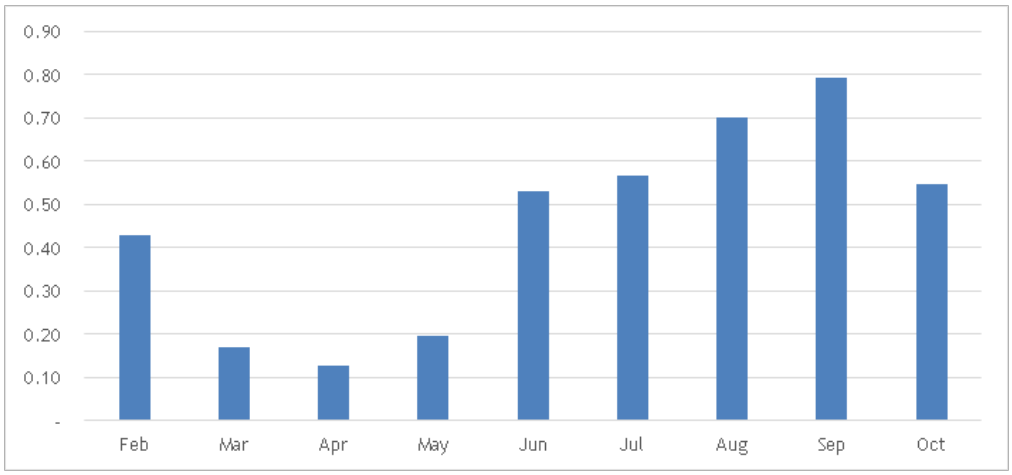
Impact of COVID-19 on the Horticulture Sector of the EAC Region

Horticulture can be classified as a large and diverse agricultural sub-sector, to which the fruit and vegetable sub-sectors belong. Horticulture is a huge export earner in the region, contributing 0.6% (US$ 1.1 billion) of the EAC Gross Domestic Product (GDP) in 2020. The sector employs over 6 million farmers across East Africa, with Kenya and Tanzania accounting for about 80% of the labour force.

The production of horticulture products in the region is largely of a subsistence nature, except for flowers and fruits (principally mangoes and apples) which are of estate commercial farmer domain given the high skill and technology required, though good agronomic conditions hold the potential for more intensive production to generate significant income streams for smallholder farmers. Horticulture farming has the potential to contribute as much as 25% to total household incomes of farmers in East Africa. Therefore, endogenous or exogenous factors such as pandemics, which tend to disrupt production of horticulture products, would have a profound effect on the food security of farming households.

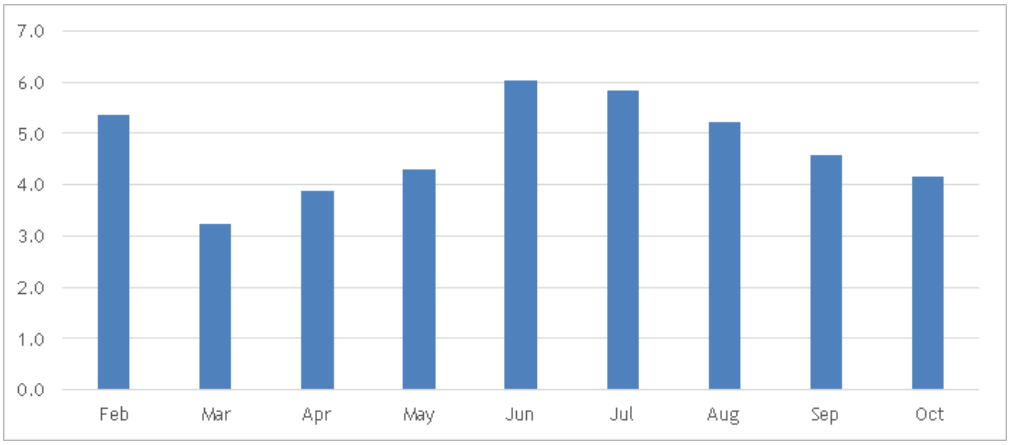
The products of horticulture are high value crops. Those of notable commercial value include flowers, fruits, and vegetables. Most fruits and vegetables marketed in the EAC region are simply moved from farm to market since they are highly perishable. Plans to build standard storage infrastructure facilities with cold rooms to curb value leakage in major local and regional production areas in the different partner States have been discussed for decades, but not implemented. In the absence of cold rooms, the advent of COVID-19 pandemic that halted farming and economic activities caused significant losses to the sector.

Figure 8: Rwanda horticulture exports (US$ million) in 2020



Source: National Institute of Statistics of Rwanda (2021)

Figure 9: Uganda horticulture exports (US$ million) in 2020

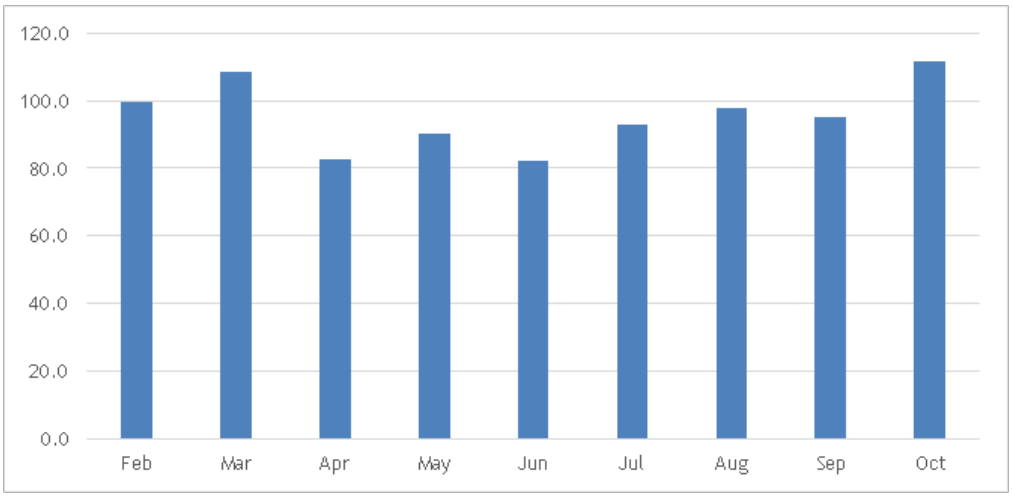


Source: Uganda Bureau of Statistics (2021)

Uganda and Rwanda's horticulture exports, in the first nine months of 2020, registered cyclic growth, with months of March, April and May most affected, with significantly low values of exports (Figure 8 and 9). The sector recovered in June but registered a decline in September and October 2020.

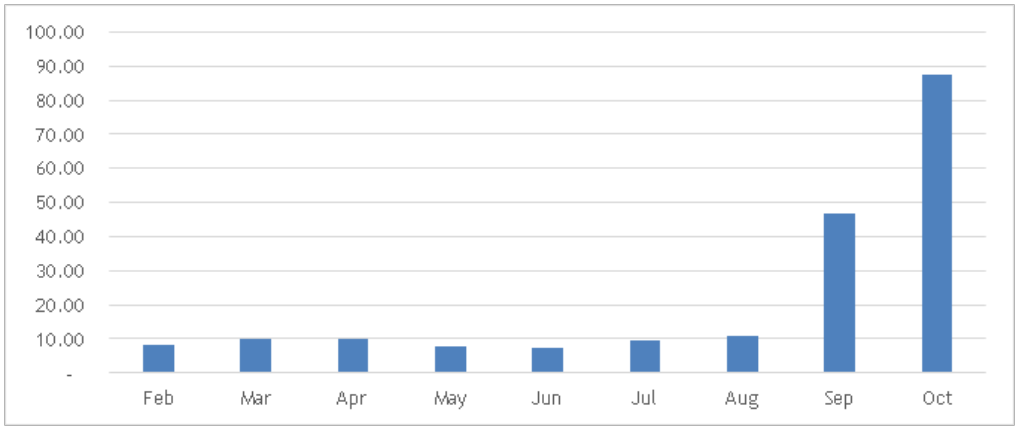
Uganda was a major net exporter of pineapples and tomatoes to Kenya and South Sudan; however, buyers from Kenya could not go to Uganda during the lockdown (March-April 2020). The entire first season harvests (March-May 2020) of pineapples and tomatoes scheduled for South Sudan and Kenya were channeled into the local market, overwhelming local markets and sending farm-gate and market prices plummeting and leading to staggering losses to farmers and traders. Traders of tomatoes lost significant revenue in that period.

Figure 10: Kenya horticulture exports (US$ million) in 2020



Source: Kenya National Bureau of Statistics (2021)

Figure 11: Tanzania horticulture exports (US$ million) in 2020



Source: Tanzania Bureau of Statistics (2021)

The performance of horticulture exports in Kenya was generally even throughout most of 2020 (Figure 10). Though the floriculture sub-sector was affected following the closure of the Dutch Auction where Kenya flowers are sold, the vegetables and fruits sub-sector was not affected and continued to export throughout the pandemic. This explains the minimal disruptions in performance of Kenya's horticulture exports throughout 2020. The high demand for Kenya's fruits and vegetables was borne from major disruptions in local harvests in major European, Middle Eastern and Asian countries following the devastating effects of COVID-19 in those countries. To cushion the horticulture sector from the impact of COVID-19, the Government allocated US$ 15 million to assist horticultural and flower producers to continue accessing international markets.

In Tanzania, however, the impact of the pandemic was evident on the performance of horticulture exports, dampening growth from February to August 2020. The sector recovered in September and October 2020 (Figure 11). On average, horticultural produce worth about US$ 64 million is exported per month from Tanzania to international markets. The pandemic affected the export business by more than 90%, costing the country much needed foreign currency to a tune of US$ 7-10 million per month during the peak of the pandemic (March to August 2020).

The horticulture sectors in Kenya and Tanzania are labor-intensive and employ a sizeable labour force. Kenya's industry employs 4.5 million people directly while Tanzania employs 2.5 million people directly. Because of the containment measures that were enforced, including social distancing at work, several workers were laid off. The most vulnerable were thousands of workers at the lower links of the supply chain, namely in production, preparation, and packaging. Most of these workers are often predominantly women who are plagued by dual roles - domestic and occupational roles - in which they double-up as the primary caregivers in their households and communities. This affected food security in their households, keeping costs at a minimum to have at least one meal a day.

Impact of COVID-19 on the maize sector of the EAC Region

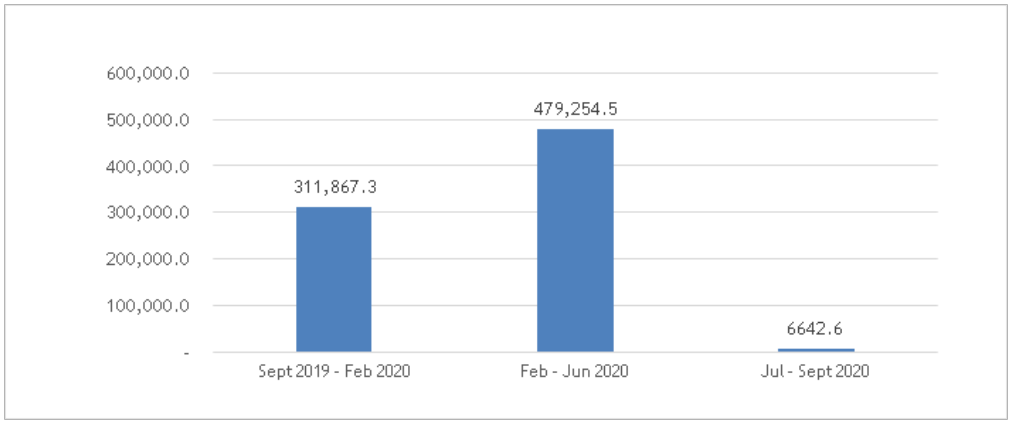
Maize is primarily a food security crop and indeed the most important cereal food crop in East Africa. The crop accounts for 30−50% of low-income household expenditures and is farmed by over 10 million households in the region. Food security is the main driver of maize production within the region. In Burundi, Rwanda, Kenya, Tanzania and Uganda, domestic maize production contributes over 50% of the national grain supply. Therefore, the performance of grain markets has a significant impact on people's welfare, particularly the poor and is critical to inducing pro-poor growth.

Data on the trade balance of maize grain in the EAC shows that the net exporters of maize grain are Uganda and Tanzania while Kenya, Rwanda, South Sudan and Burundi are net importers of maize grain. Kenya registered the largest average deficit, estimated at over US$ 100 million in the period 2016 to 2019. Therefore, the advent of COVID-19 in 2020 was expected to have a negative impact on this trade deficit as the restrictive measures implemented to contain the pandemic impaired domestic and cross-border trade of food commodities, resulting in reduced market availabilities and higher food prices.

In Rwanda and Burundi, maize production was clearly depressed by containment measures to curb the spread of the pandemic. In Burundi, production was not significantly affected at the onset of COVID-19, rising to its highest (479MT) in the period February to June when COVID-19 cases were few and manageable (Figure 12). However, production dipped to lower than 6MT in the period July to September 2020 when the country's capacity to manage COVID-19 was questioned, as cases rose exponentially. It is plausible to argue that the decline in production was caused by fewer farmers attending to their farms because of the pandemic (increasing number of COVID-19 cases and the containment measures). The prices of maize in Bujumbura (Burundi) increased by 20-30% between August and October 2020 following seasonal patterns.

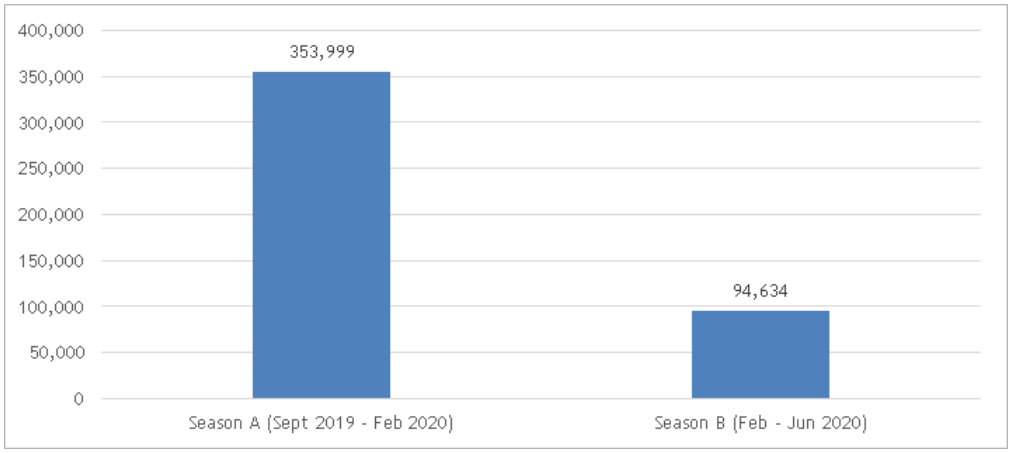
In Rwanda, the impact of containment measures was felt in season B of maize production (February to June), reducing production by more than 70% compared to season A volumes (Figure 13). Being a net importer of maize, this poor production was offset with a higher import bill (259 MT). However, Rwanda's main export partner, Tanzania, was struggling with low production because of the pandemic, as illustrated below.

Figure 12: Burundi maize production (tonnes), 2020



Source: Institut des Statistiques et Etudes Economiques du Burundi (2021)

Figure 13: Rwanda maize production (tonnes), 2020



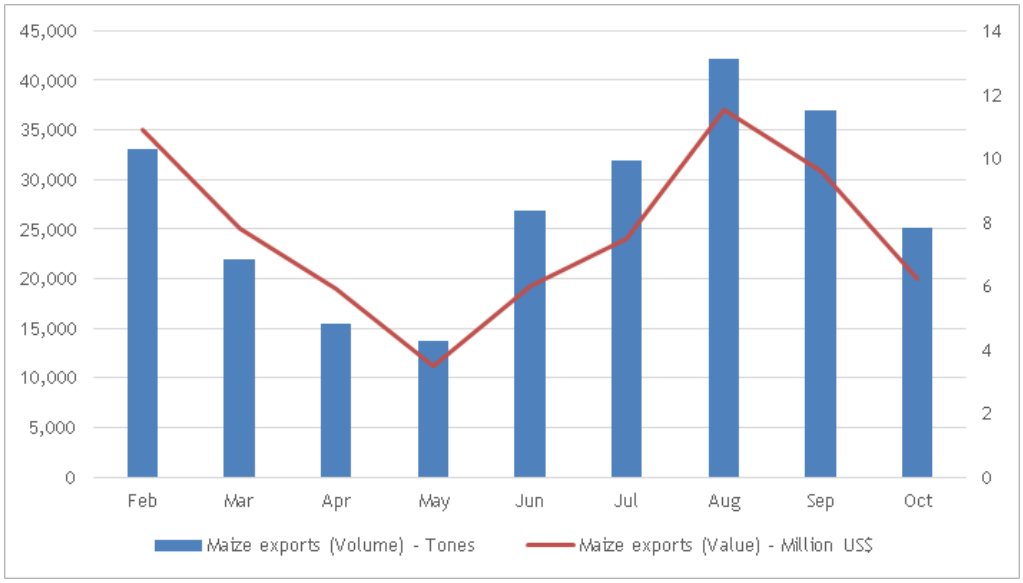
Source: National Institute of Statistics of Rwanda (2021)

In Tanzania, volumes of maize production remained progressively low for the period March-April 2020; in turn, exports declined in a similar manner as shown in Figure 14 below. The same was true for Uganda's maize exports over the period March to May 2020 (Figure 15).

Figure 14: Tanzania maize production and export (2020)

Source: Tanzania Bureau of Statistics (2021)

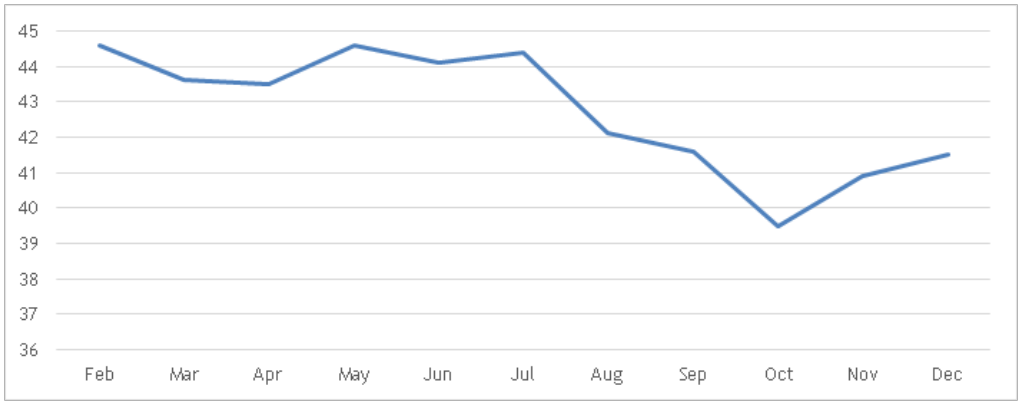
Figure 15: Uganda maize exports and value (2020)



Source: Uganda Bureau of Statistics (2021)

In Kenya, changes in prices of maize (per kg) remained fairly stable, with price hikes noted at the onset of COVID-19 (April and May 2020) and signs of increasing prices at the beginning of November as a result of the second COVID-19 wave.

Figure 16: Kenya maize price (Ksh per kg), 2020



Source: Kenya National Bureau of Statistics (2021)

In Uganda, the prices of maize in October 2020 were about 30-35% below the year-earlier levels mainly due to COVID-19-related restrictions, which depressed demand for maize from the hospitality sector, schools, and urban households. Prices of maize in November were almost 40% below the year earlier levels. The low prices of maize grain in Uganda were attributed to poor exports following the closure of main borders of Juba in Sudan, Katuna in Rwanda, and Busia in Kenya.

Overall, COVID 19 diminished labour opportunities in the maize sector and consequently reduced incomes, especially in urban areas, thus constraining households' purchasing power. A survey by Grain Global Alliance for Improved Nutrition, in May 2020, showed that in terms of production by volume, 8% of businesses stopped production entirely, 63% had considerably decreased production by volume, and 26% decreased production somewhat or slightly. A survey conducted by the Centre for Agriculture and Biosciences International (CABI) in September 2020 revealed that the proportion of people working in the maize sector who are food- and nutrition-insecure had increased by 38% in Kenya compared to the pre-COVID period.

Impact of COVID-19 on the tea sector of the EAC Region

Tea is among the top ten export earners of the region, and a priority crop for development and investment by individual partner States. Tea exports in 2020 were estimated at US$ 1.16 billion, contributing 0.6% to the regional GDP (US$ 193.7 billion). The crop provides direct employment and benefits to about 1 million farmers in East Africa. Tea is grown on well-established estates (local and foreign owned), some dating back to the 1950s. Close to 90% of the tea produced within the region is exported to Europe, Africa, and Asia through the Mombasa Auction.

The most delicate link in the tea value chain is that between picking and reaching the factory for curing. In practice, tea is meant to be picked every nine days before the shoots (terminal buds) over-grow. Tea estates endeavour to pick it in time before it

over-grows, using hired semi-skilled workers. Therefore, the advent of COVID-19 and its containment measures, particularly the lockdown, could have had a devastating effect on the sector as it halted all farming activities. However, due to its designation as an essential service, the tea industry was excluded from the nationwide lockdown and the dawn-to-dusk curfew and the ban on all movement. The tea estates continued working throughout the pandemic.

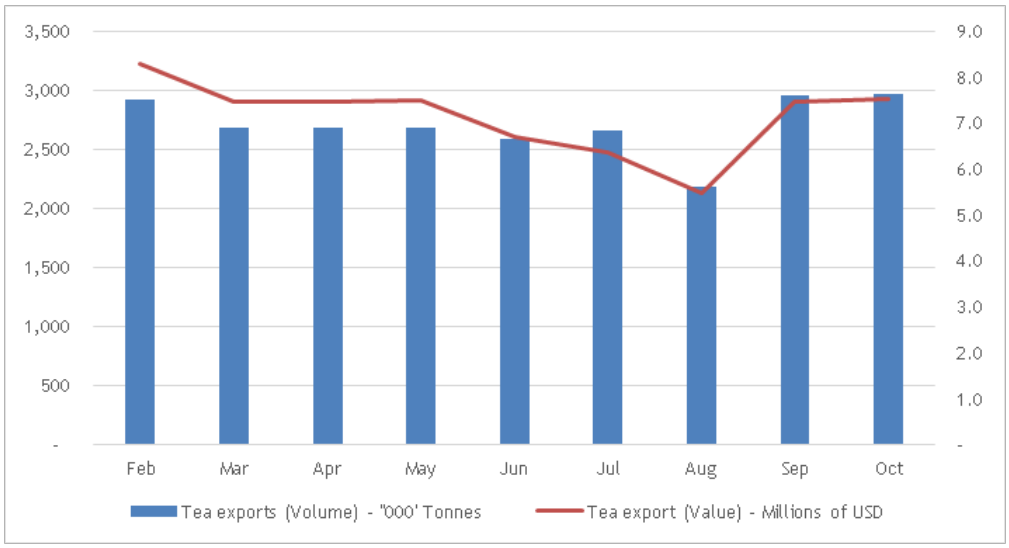
The above notwithstanding, the tea sector succumbed to the COVID-19 pandemic impact with uneven volumes and values of exports (Figures 17-20 below), borne from reduced orders and demand impacting negatively on prices.

Pakistan, Kenya's main market for tea, saw its import volumes decline to 42 million kilos (in the first quarter of 2020) from 49.3 million kilos in the previous quarter (2019). Egypt registered a decline of 2.8 million kilos with the UK shedding 1.3 million kilos.

The average auction price during the COVID-19 period was US$ 2.25 a kilo (in the first quarter of 2020) down from US$ 2.33 in the previous quarter (2019). Lower prices at the Mombasa Auction were attributed to increased supply coupled by depressed demand in the global tea markets occasioned by disruption and restrictions of movement due to the COVID-19 pandemic.

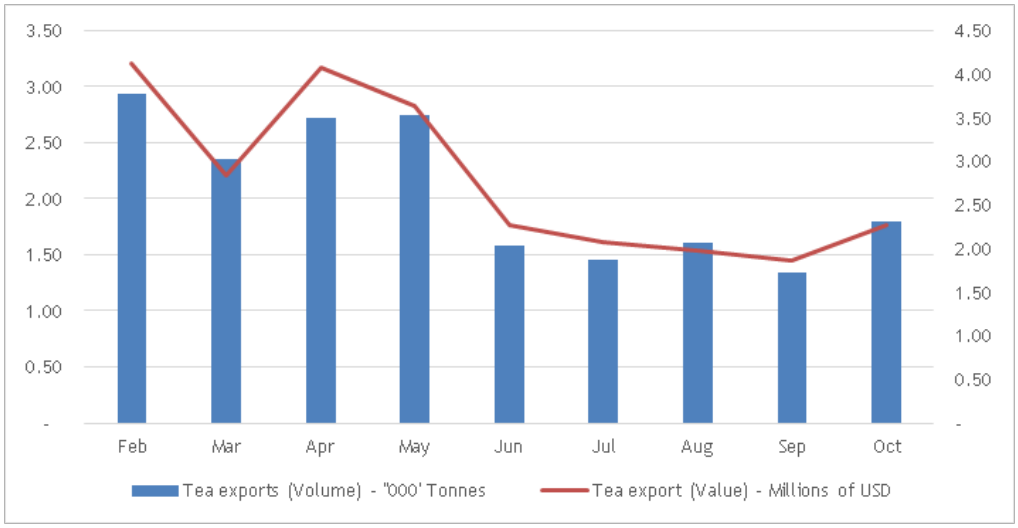
According to the East African Tea Traders Association (2020), at the onset of the COVID-19 pandemic, buyers stocked their warehouses for fear of a supply cut, a move that slowed buying of new stocks, hence the lower prices, from the months of August 2020. The average price per kilo of tea in quarter three of 2020 was US$ 1.79. The demand was modest from May 2020 after buyers had bulked up on their stock earlier in the year.

Figure 17: Rwanda tea exports (2020)



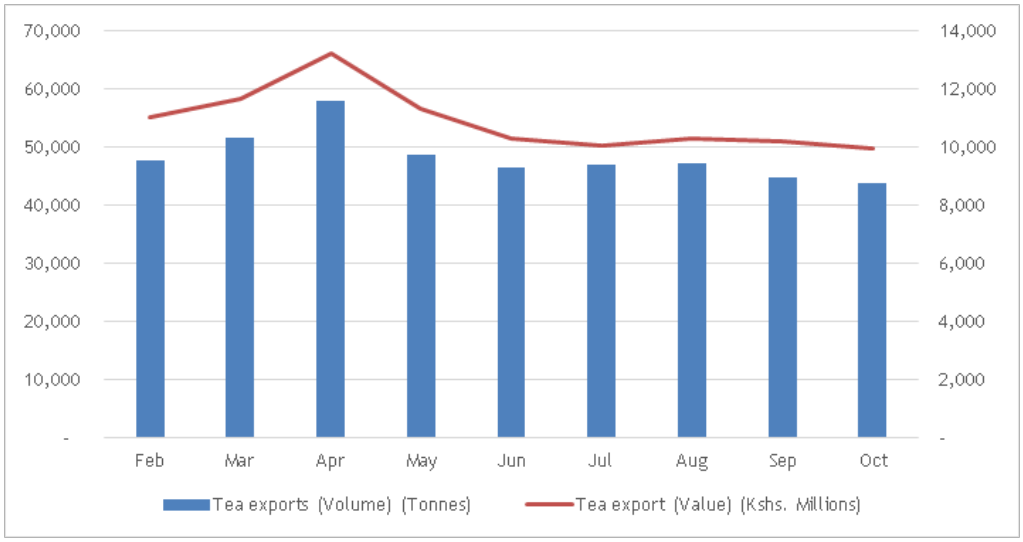
Source: National Institute of Statistics of Rwanda (2021)

Figure 18: Tanzania tea exports (2020)



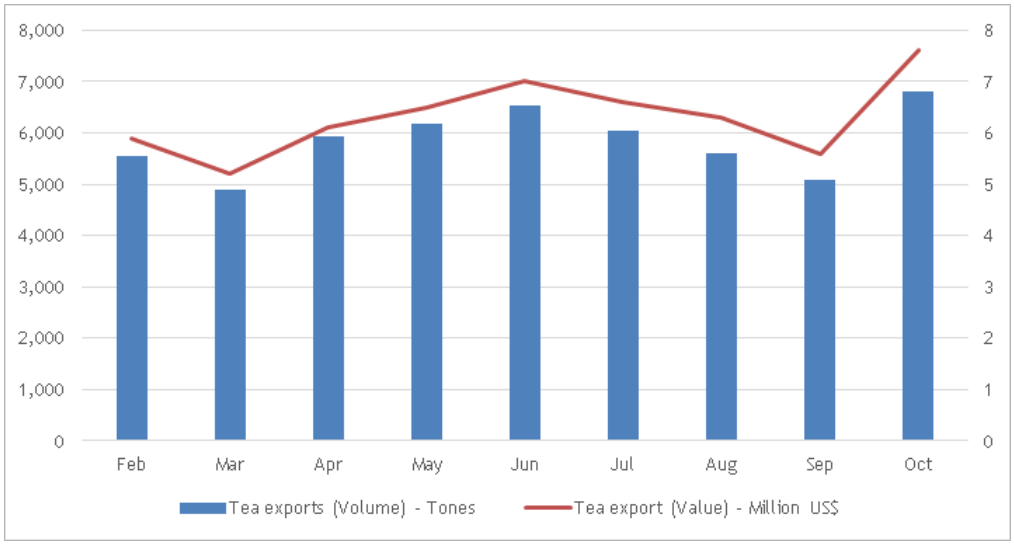
Source: Tanzania Bureau of Statistics (2021)

Figure 19: Kenya tea exports (2020)



Source: Kenya National Bureau of Statistics (2021)

Figure 20: Uganda tea exports (2020)



Source: Uganda Bureau of Statistics (2021)

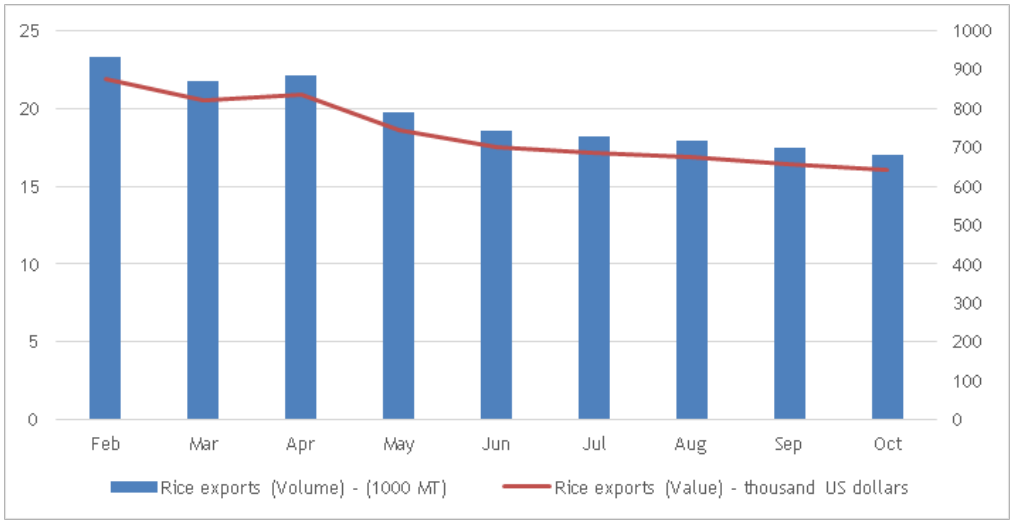
Impact of COVID-19 on the rice sector of the EAC Region

In East Africa, over 3 million farming households depend directly on rice for food and income security. On average, smallholder producers earn about US$ 800/household/year from rice production.

Rice is the second most important staple in the EAC after maize, with an estimated consumption of 3.3 million MT in 2019. Tanzania is the largest producer and consumer of rice in the EAC, with annual consumption standing at approximately 2.3 million MT (or 70% of EAC production). Kenya is the second largest net consumer at 730,000 MT annually, followed by Uganda at 230,000 MT per annum.

The advent of the COVID-19 pandemic and its containment measures found rice in many growing areas at an advanced stage that required limited external inputs (except locally sourced labour) for weeding, bird scaring, harvesting, threshing, and sorting. In areas where rice required external inputs, farmers were affected in two ways: (i) Rising input prices due to limited availability because some rural input dealers were hesitant to travel to urban areas to purchase inputs in fear of the pandemic; and (ii) Farm-gate prices declined in response to a lower retail rice price in urban areas and limited number of rice buyers travelling from urban to rural areas. Suppliers of seeds, fertilizer and pesticides were not affected because the pandemic was announced in mid-March 2020 when farmers had already planted rice and the rice was already at growing stage that required no or limited inputs.

Figure 21: Tanzania rice exports (2020)



Source: Tanzania Bureau of Statistics (2021)

From a trade perspective, the effects of the pandemic were evident in a cyclic performance of exports for Uganda (Figure 21) and a descending curve for Tanzania (Figure 22). Uganda's rice exports declined at the onset of the pandemic but recovered in August when restrictions were eased. They fell again in September and October 2020. In Tanzania, there was a gentle decline in the volume and value of exports from April when the pandemic was at its peak to October when restrictions were eased. Rice processors in Tanzania reported that they were operating below the capacity because of a decline in domestic and export trade of milled rice.

Figure 22: Uganda rice exports (2020)

Source: Uganda Bureau of Statistics (2021)

Effectiveness of interventions to address the impact of COVID on agriculture

By March 2020, all partner States had established COVID-19 Economic Response Units (or their equivalent) and/or COVID-19 focal offices and persons within the Ministries of Finance to carry out analysis on the impact of COVID-19 on their respective economies and to propose economic stimulus measures and options that would mitigate any negative impact on the economy.

Following comprehensive analysis on the impact of the pandemic, partner States proposed economic stimulus intervention options that would mitigate any negative impact on the economies; this resulted in the design of special programmes (for example, the Small and Medium Enterprises (SMEs) Recovery Fund), or the capitalization of Development Banks, to support sectors worst hit by COVID-19.

With financial assistance from the International Monetary Fund (IMF), some domestic borrowing and donations, partner States designed economic stimulus packages that would support the stability of the SMEs sector (since it accounts for most businesses and an important contributor to job creation and economic development) through a series of financial and non-financial interventions. Indeed, with the exception of Uganda and Kenya, the stimulus packages of all the other partner States did not specifically target the agricultural sector, with the financing needs of smallholder farmers being addressed within the framework and limits of the broader SMEs sector stimulus response.

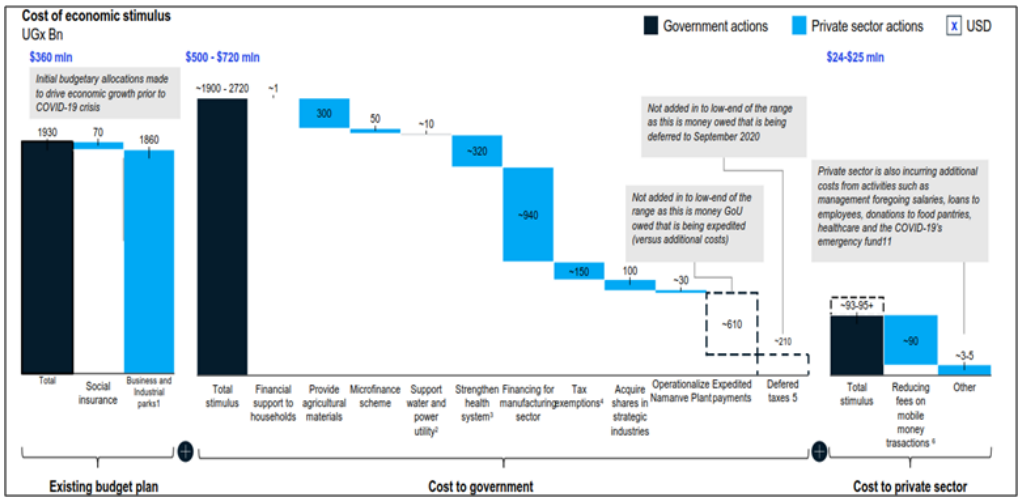
A review of the SMEs stimulus packages that would broadly cater for enterprises in the agriculture sector shows a mix of monetary, fiscal and regulatory measures. Across partner States, they included subsidies and credits to protect jobs for thousands of SMEs, and tax and regulatory incentives to provide employment for millions. Fiscal and financial incentives include interest rate reductions, tax holidays or deductions, deferred VAT payments, postponed payments or the possibility to renegotiate loans, inputs subsidies, temporary moratoria on bankruptcy applications, and temporary halting of credit reporting systems to safeguard credit history.

However, since the agriculture sector in all partner States is dominated by informal smallholder farmer businesses, it is unlikely that those farmers benefitted from the above stimulus packages/incentives, as they were designed for formal enterprises. Indeed, agricultural activity is dominated by millions of small-scale farmers, most of whom are subsistence farmers growing crops primarily for direct consumption by their families with relatively small and rather irregular cash sales

of surpluses. It is plausible to argue that less than 1% of the farmer households benefited from the above stimulus packages as their informal status made them high risk and ineligible.

In Kenya and Uganda where sector-specific fiscal/financial support was allocated to the agriculture sector, the packages were infinitesimal, estimated at less than 0.002% of the total stimulus package, and yet the sector contributes between 20% and 30% to GDP. In Uganda, the agriculture sector was allocated UGX 300 million (US$ 90,000) to provide agricultural materials, out of a stimulus package of UGX ~ 1.9 – 2.7 trillion (US$ 520-735 million), plus UGX 93-95 billion (US$ 25 million) from the private sector (Figure 23).

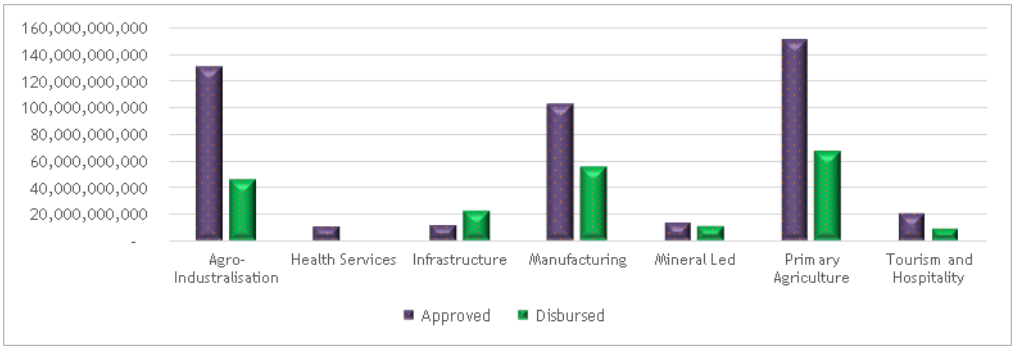
Figure 23: Allocation of Uganda's COVID stimulus package (2020)



Source: Uganda; Ministry of Finance Planning and Economic Development- MoFPED (2020)

Efforts to extend credit to medium and large agriculture enterprises from national development banks as part of partner State's COVID-19 stimulus package to avail affordable credit (10-12% interest rates) for investment in areas where the States have a comparative advantage such as manufacturing and commercial agriculture have started to bear fruit. However, only 50% of the funds that were approved for lending were disbursed (Figure 24). Funding to the agriculture sector (agro-industrialization and primary agriculture) accounted for 53% of the funds that were disbursed. The funds were disbursed to only 12 firms, three of which were financial institutions (banks), with strong capabilities in agricultural sector lending.

Figure 24: COVID-19 stimulus funds (UGX) disbursed through the Uganda Development Bank



Source: Uganda; Ministry of Finance Planning and Economic Development - MoFPED (2020)

From the above overview, all partner States instituted both direct and indirect measures to stimulate meaningful economic growth within the agriculture sector following the negative effects of the COVID-19 pandemic. However, the stimulus packages directed towards the sector were very small and indeed a pittance given the assumed level of demand, however ineffective.

Given the importance of the agriculture sector to food security in the EAC region, and the fact that the sector contributes to poverty alleviation by reducing food prices, creating employment, improving farm income, and increasing wages, making agriculture work should have been a central component of COVID-19 approaches to food insecurity reduction and increasing economic growth.

All partner States should have allocated a higher percentage from their total stimulus packages to the agriculture sector. Guided by the Comprehensive Africa Agriculture Development Programme (CAADP) guidelines that call for an allocation of 10% of national budgets to the agricultural sector, the allocation of the stimulus packages should have considered a similar structure.

As shown in Table 4, of the US$ 1.57 billion borrowed by the six partner States from the IMF, only US$ 3.14 million was likely allocated to the agriculture sector. If the CAADP allocation structure of 10% to the agriculture sector was adopted, the funds allocated to the sector would increase to US$ 157.2 million.

The US$ 157.2 million would go a long way in solving the food challenges within the region. However, it will still fall short of setting up a regional food reserve, as discussed below.

The EAC Food and Nutrition Security Action Plan (2011-2015) had envisaged creating a regional food reserve, including an early warning, and monitoring system. It included proposals to establish a regional mechanism for the management of strategic food reserves, notably for EAC partner States to maintain food reserves and contingency funds to cover at least six (6) months of needs, and to use regional instruments to plan and coordinate the use of reserves. However, a very small budget of US$ 1.5 million was attached to the proposal, compared to spending on national

food reserves of US$ 600 million in the case of Kenya and Tanzania. Such a facility was therefore not established at the regional level.

Table 4: Allocation of IMF loans to the agriculture sector vis-à-vis an acceptable allocation

Country	Approved IMF emergency financing (US$ millions)	Likely amount directly allocated to the agriculture sector	Revised allocation to agriculture sector (CAADP ratio)	Deficit (US millions)
Kenya	739	1.48	73.9	72.4
Rwanda	248.4	0.49	24.8	24.3
South Sudan	52.3	0.11	5.2	5.3
Uganda	491.5	0.983	49.2	48.7
Burundi	14.43	0.028	1.4	1.4
Tanzania	25.99	0.052	2.6	2.5
TOTAL	1,571.6	3.14	157.2	154.1

Source: Author's calculation using IMF loans and CAADP allocation structure

Assessment of non-tariff barriers arising from the COVID-19 Pandemic

A tariff is a charge, a cost, a rate, a bill, a duty, dues, or excise a toll. A tariff arises from a deliberate calculated charge for actual or assumed service or benefit due for a service or goods. While a tariff is a charge, a barrier is a denial or blockade that cuts off access to benefits, or rights to a service or commodity. The nearest example of a non-tariff barrier is inflation, which brings added costs everyone must compulsorily pay for goods or services.

Almost all the COVID-19 containment measures imposed by EAC partner States represent and define non-tariff barriers. Each containment measure bars all people irrespective of nationality, age, gender or class from access to a set of commodities or service of which the most pervasive barrier is the lockdown, which all EAC countries adopted with some exception for Tanzania. The package of COVID-19 pandemic policy actions adopted, which tantamount to non-tariff barriers, include lockdown, dusk to dawn curfew that restricted the movement of people and goods between farm and markets; indiscriminate closure of schools, the main buyers and consumers of maize and beans; and the eventual closure of public eating places, including hotels for lack of customers.

These policy measures limited market activity, which further limited supply of staple foods and basic goods. The challenges encountered in the implementation of the set health and transport protocols by the different partner States, especially at the borders, resulted in: (i) loss of quantities of products intended for export; and (ii) supplies disproportionate to demand causing prices in local markets to drop

causing untold losses to producers and suppliers. Further, they hindered economic migration, led to disruption of internal distribution channels and cross-border trade of agricultural produce (especially perishable commodities), and thus causing negative impacts on the livelihoods and food security of the most vulnerable rural households.

Since borders were closed, there has been reported delays in procurement combined with increasing prices of goods and services. This has seriously affected timeliness of humanitarian assistance, with dire consequences for food security, especially in refugee camps scattered all over East Africa. It is important to assess the extent to which the COVID-19 pandemic policy actions (call them non-tariff barriers) have disrupted food systems, and formal and informal employment. Markets have closed and remittances have dried up and the most vulnerable have found themselves struggling to access even the least quantities of food.

Massive job losses have been experienced, some temporarily and many others permanently and irreversibly. This points to a receding economy and presents serious ramifications for the country's peace and stability, with economic contractions affecting the government's ability to deliver services.

The closing of borders over the last COVID-19 year has led to reduced agricultural imports and delays in international food assistance. The supply of food has shrunk, and prices have reportedly spiked for which Fewsnet estimates a 30% decrease in maize imports from Uganda to South Sudan and Kenya over the COVID-19 pandemic, which has exacerbated food insecurity issues, including serious disruption of food systems and stopping informal employment for millions, and closure of markets, and secession and drying up of remittances leaving the most vulnerable struggling to access food.

5. Policy recommendations

The following policy options are recommended:

- Increase the COVID-19 stimulus package to the agriculture sector from a paltry US$ 3.14 million (0.002% of the total stimulus) to US$ 157.2 million (at least 10% of total stimulus). An increase in funding to the agriculture sector will help promote a deliberate shift from rain-fed agriculture and from low energy to high energy technology-based agriculture to improve agricultural productivity and household income and ensure food security.
- Establish an EAC food reserve. Such a reserve could help ensure a coordinated regional response in times of crisis and get food where it is needed more quickly, across borders. The funding requirement for setting up the regional food reserve is estimated at US$ 1 billion.
- There is need for stronger linkages between farmers and sources of finance to enhance food security in the maize, coffee, horticulture, tea and rice value chains. The use of public-private partnerships (PPPs) as an avenue for achieving major industrialization in those sectors, particularly for financing increased production and productivity at farm level, and research and development (R&D) in the sectors, should be promoted.
- Strengthen farmers organizations, especially production and marketing cooperatives currently referred to as savings and credit cooperative societies (SACCOs), which are poorly and technically supported to double productivity and significantly increase incomes and improve livelihoods from more productive, resilient, and sustainable farming systems.
- Design a regional ICT-enabled raw material information tracking system for major staple foods (maize, rice, etc) to determine stocks at local level to enable relevant Ministries, Departments and Agencies (MDAs) to know the quality and quantity of stocks available, their location, and price.
- There is need for a COVID-19 regional response plan that aims at, inter alia, ensuring a joint and well-coordinated mechanism to fight and keep COVID-19 at bay, and ensuring that the region has adequate capacity for well-funded and coordinated food security surveillance and mitigation arrangements. There is

an urgent need for partner States to adopt and consistently maintain a common strategy to combat the threat to food security caused by the pandemic; that is, there is a certain need to remove existing cracks in the EAC integration process to promote political goodwill and solidarity within the EAC in terms of implementing agreed policy decisions. It is important to institutionalize a culture that regards the interests of the Community as preeminent.

- At individual State level, there is need to budget and commit funds to support EAC activities to be implemented as planned. For varied reasons, almost each EAC State is in arrears on its membership obligations. Lack of needed funds undermines budgeting and oversight roles of the EAC Secretariat.
- There is an urgent need to banish corruption at State and individual Ministry, Department and Agency (MDA) level, which seriously eats into and diverts budgeted resources intended to implement common good activities.

Notes

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2. Economic growth was cut to as low as 1%-2% from 5%-6% following the enforcement of containment measures to curb the spread of the pandemic.

3. Italy is the biggest importer of Uganda's coffee, accounting for 24.7% of coffee exports, followed by Germany (15.2%) and Sudan (10.9%).

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Annex

Table A1: List of organizations that participated in this study

SNo.	Source/Centre		Information /Data Expected
1	Public/ Government institutions	Ministries of Finance and Planning	• Country COVID-19 related fiscal and monetary policy • Revenue collection trends over the COVID-19 period • Agriculture ratio to GDP (trend 2020 – 2021) • Domestic revenue mobilization over the COVID-19 period • COVID-19 budget allocation per sector • Policy measure to address the effects of COVID-19
		Agriculture	• Sector growth or decline • Explanatory factors
		Industry	• Raw material supply trends • Commodity prices
		Trade	• Trends in Agricultural commodity exports, prices and production • Movement of labor
		Education	Impact of closure of schools on food/ commodity prices
		Agricultural Research	• Trends in crop productivity levels
		Central Banks	• Export trends
		Customs and Cross-border Agencies	• Cross border activities and trends
		Export Promotion Boards	• Export trends for key agricultural value chains
		National Bureau of Statistics	• Economy and sector-specific status and trends
2	Private Sector Organizations	Manufacturers/Farmers	• Survey on the impact of COVID-19 on businesses • Impact of government measures to fight COVID-19 on businesses
		Chambers of Commerce	
3	Development Partners	USAID	• Loan restructuring programme • Support in terms of credit • COVID-19 stimulus packages
		IMF	
		DFID	
		SIDA	
		EU	

Mission

To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

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